

Prospectus

\$944,500,000 (Approximate)
(subject to a permitted variance of plus or minus 5%)



Guaranteed Grantor Trust Pass-Through Certificates **Fannie Mae Grantor Trust 2017-T1**

Consider carefully the risk factors starting on page 8 of this prospectus and on page 33 of the attached Information Circular. Unless you understand and are able to tolerate these risks, you should not invest in the Offered Certificates.

The Offered Certificates, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.

The Offered Certificates are exempt from registration under the Securities Act of 1933 and are "exempted securities" under the Securities Exchange Act of 1934.

The Offered Certificates

We, Fannie Mae, will issue Class A Certificates having the characteristics set forth in the chart below. The Class A Certificates will represent ownership interests in the trust assets and are referred to in this prospectus as the "Offered Certificates."

Payments to Certificateholders

You, the investor, will receive payments on your certificates, including

- interest in an amount equal to the interest required to be paid in that month on the Underlying Class A REMIC Securities described below, and
- principal in an amount equal to the principal, if any, required to be paid in that month on the Underlying Class A REMIC Securities.

The principal payment amounts may vary from time to time.

The Fannie Mae Guaranty

We will guarantee that required payments of interest and principal are paid to investors on time as provided herein.

The Trust and its Assets

The trust will own the "Class A Certificates" issued by the Invitation Homes 2017-SFR1 Trust (the "Underlying Class A REMIC Securities"). The Underlying Class A REMIC Securities will represent regular interests in a REMIC and will be backed by a 121-month loan with two fixed rate components, evidenced by one componentized promissory note and secured by a portfolio of single-family residential properties. The Underlying Class A REMIC Securities are further described in the attached Information Circular.

<i>Class</i>	<i>Original Certificate Balance⁽¹⁾</i>	<i>Certificate Interest Rate</i>	<i>CUSIP Number</i>	<i>Final Distribution Date</i>
A	\$944,500,000	2.898%	3136AV6R5	June 2027

⁽¹⁾ Approximate. Subject to a permitted variance of plus or minus 5%.

The Offered Certificates are expected to be made eligible for trading in book-entry form through the Same-Day Funds Settlement System of The Depository Trust Company ("DTC"), which may include delivery through Clearstream Banking, société anonyme and the Euroclear System, against payment therefor in immediately available funds.

The Offered Certificates initially will be acquired by Invitation Homes Asset Receiving Limited Partnership, which will offer the Offered Certificates through Wells Fargo Securities, LLC, as lead placement agent, and Siebert Cisneros Shank & Co., L.L.C., as co-placement agent, to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The placement agents may effect such transactions to or through other dealers. We expect the settlement date to occur on or about April 28, 2017. See "Plan of Distribution" in this prospectus.

Wells Fargo Securities

Lead Placement Agent

Siebert Cisneros Shank & Co., L.L.C.

Co-Placement Agent

April 19, 2017

FANNIE MAE IS IN CONSERVATORSHIP; POTENTIAL RECEIVERSHIP

WE CONTINUE TO OPERATE UNDER THE CONSERVATORSHIP THAT COMMENCED ON SEPTEMBER 6, 2008, CONDUCTING OUR BUSINESS UNDER THE DIRECTION OF THE FEDERAL HOUSING FINANCE AGENCY ("**FHFA**") AS OUR CONSERVATOR (THE "**CONSERVATOR**"). UPON ITS APPOINTMENT, FHFA, AS CONSERVATOR, IMMEDIATELY SUCCEEDED TO ALL RIGHTS, TITLES, POWERS AND PRIVILEGES OF FANNIE MAE AND OF ANY STOCKHOLDER, OFFICER OR DIRECTOR OF FANNIE MAE WITH RESPECT TO OUR BUSINESS AND OUR ASSETS. THE CONSERVATOR HAS DIRECTED AND WILL CONTINUE TO DIRECT CERTAIN OF OUR BUSINESS ACTIVITIES AND STRATEGIES. UNDER THE FEDERAL HOUSING FINANCE REGULATORY REFORM ACT OF 2008 (THE "**REFORM ACT**"), FHFA MUST PLACE FANNIE MAE INTO RECEIVERSHIP IF THE DIRECTOR OF FHFA MAKES A DETERMINATION IN WRITING THAT OUR ASSETS ARE, AND FOR A PERIOD OF 60 DAYS HAVE BEEN, LESS THAN OUR OBLIGATIONS. FHFA HAS NOTIFIED FANNIE MAE THAT THE MEASUREMENT PERIOD FOR ANY MANDATORY RECEIVERSHIP DETERMINATION WITH RESPECT TO OUR ASSETS AND OBLIGATIONS WOULD COMMENCE NO EARLIER THAN THE SEC PUBLIC FILING DEADLINE FOR OUR QUARTERLY OR ANNUAL FINANCIAL STATEMENTS AND WOULD CONTINUE FOR 60 CALENDAR DAYS AFTER THAT DATE. FHFA HAS ALSO ADVISED FANNIE MAE THAT, IF, DURING THAT 60-DAY PERIOD, FANNIE MAE RECEIVES FUNDS FROM TREASURY IN AN AMOUNT AT LEAST EQUAL TO THE DEFICIENCY AMOUNT UNDER THE PURCHASE AGREEMENT, THE DIRECTOR OF FHFA WILL NOT MAKE A MANDATORY RECEIVERSHIP DETERMINATION.

IN ADDITION, FANNIE MAE COULD BE PUT INTO RECEIVERSHIP AT THE DISCRETION OF THE DIRECTOR OF FHFA AT ANY TIME FOR OTHER REASONS, INCLUDING CONDITIONS THAT FHFA HAS ALREADY ASSERTED EXISTED AT THE TIME THE THEN DIRECTOR OF FHFA PLACED FANNIE MAE INTO CONSERVATORSHIP. THESE INCLUDE: A SUBSTANTIAL DISSIPATION OF ASSETS OR EARNINGS DUE TO UNSAFE OR UNSOUND PRACTICES; THE EXISTENCE OF AN UNSAFE OR UNSOUND CONDITION TO TRANSACT BUSINESS; AN INABILITY TO MEET OUR OBLIGATIONS IN THE ORDINARY COURSE OF BUSINESS; A WEAKENING OF OUR CONDITION DUE TO UNSAFE OR UNSOUND PRACTICES OR CONDITIONS; CRITICAL UNDERCAPITALIZATION; THE LIKELIHOOD OF LOSSES THAT WILL DEplete SUBSTANTIALLY ALL OF OUR CAPITAL; OR BY CONSENT. A RECEIVERSHIP WOULD TERMINATE THE CURRENT CONSERVATORSHIP.

IF FHFA WERE TO BECOME FANNIE MAE'S RECEIVER, IT COULD EXERCISE CERTAIN POWERS THAT COULD ADVERSELY AFFECT THE OFFERED CERTIFICATES.

IN ITS CAPACITY AS RECEIVER, FHFA WOULD HAVE THE RIGHT TO TRANSFER OR SELL ANY ASSET OR LIABILITY OF FANNIE MAE, INCLUDING OUR OBLIGATION TO MAKE PAYMENTS ON THE OFFERED CERTIFICATES, WITHOUT ANY APPROVAL, ASSIGNMENT OR CONSENT OF ANY PARTY. IF FHFA, AS RECEIVER, WERE TO TRANSFER SUCH OBLIGATION TO ANOTHER PARTY, HOLDERS OF THE OFFERED CERTIFICATES WOULD HAVE TO RELY ON THAT PARTY FOR SATISFACTION OF THE OBLIGATION AND WOULD BE EXPOSED TO THE CREDIT RISK OF THAT PARTY.

DURING A RECEIVERSHIP, CERTAIN RIGHTS OF HOLDERS OF THE OFFERED CERTIFICATES 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 FANNIE MAE IS A PARTY, OR OBTAIN POSSESSION OF OR EXERCISE CONTROL OVER ANY PROPERTY OF FANNIE MAE, OR AFFECT ANY CONTRACTUAL RIGHTS OF FANNIE MAE, WITHOUT THE APPROVAL OF FHFA AS RECEIVER, FOR A PERIOD OF 90 DAYS FOLLOWING THE APPOINTMENT OF FHFA AS RECEIVER.

TABLE OF CONTENTS

<u>Page</u>	<u>Page</u>
ADDITIONAL INFORMATION.....	4
INCORPORATION BY REFERENCE.....	5
SUMMARY	6
RISK FACTORS.....	8
DESCRIPTION OF THE OFFERED	
CERTIFICATES	37
GENERAL	37
<i>Structure</i>	37
<i>Fannie Mae Guaranty</i>	37
<i>Optional Repurchase by Guarantor</i>	37
<i>Characteristics of Certificates</i>	38
<i>Authorized Denominations</i>	38
<i>Distribution Date</i>	38
<i>Record Date</i>	38
<i>Class Factor</i>	38
<i>Voting the Underlying Class A</i>	
<i>REMIC Securities</i>	38
THE UNDERLYING CLASS A REMIC	
SECURITIES	38
BOOK-ENTRY PROCEDURES	39
<i>General</i>	39
<i>Method of Distribution</i>	39
PAYMENTS OF INTEREST	39
PAYMENTS OF PRINCIPAL	39
YIELD, MODELING ASSUMPTIONS,	
DECREMENT TABLE, WEIGHTED	
AVERAGE LIFE	39
THE TRUST AGREEMENT.....	41
REPORTS TO CERTIFICATEHOLDERS	41
	CERTAIN MATTERS REGARDING
	FANNIE MAE..... 41
	CERTIFICATE ACCOUNT 41
	CERTAIN MATTERS REGARDING OUR
	DUTIES AS TRUSTEE 42
	GUARANTOR EVENTS OF DEFAULT 43
	CERTIFICATEHOLDERS RIGHTS UPON
	GUARANTOR EVENT OF DEFAULT 43
	AMENDMENT 43
	TERMINATION..... 44
	MERGER..... 44
	NOTICES TO CERTIFICATEHOLDERS 44
	CERTAIN FEDERAL INCOME TAX
	CONSEQUENCES..... 44
	TAXATION OF BENEFICIAL OWNERS
	OF CERTIFICATES 45
	TAXATION OF THE UNDERLYING
	CLASS A REMIC SECURITIES 45
	INFORMATION REPORTING AND
	BACKUP WITHHOLDING 46
	FOREIGN INVESTORS 46
	LEGAL INVESTMENT
	CONSIDERATIONS..... 47
	LEGAL OPINION..... 48
	ERISA CONSIDERATIONS..... 48
	PLAN OF DISTRIBUTION 49
	CREDIT RISK RETENTION..... 49
	LEGAL MATTERS 49
	INDEX OF DEFINED TERMS..... 50
	INFORMATION CIRCULAR

ADDITIONAL INFORMATION

You should purchase the Offered Certificates only if you have read this prospectus and the following documents (the "Disclosure Documents"):

- the Information Circular dated April 19, 2017 relating to the Underlying Class A REMIC Securities (the "Information Circular"), which is attached to, and forms a part of, this prospectus; and
- any information incorporated by reference in this prospectus as discussed below under the heading "Incorporation by Reference."

You can obtain copies of all of the Disclosure Documents by writing or calling us at:

Fannie Mae
3900 Wisconsin Avenue, N.W.
Area 2H-3S
Washington, D.C. 20016
(telephone 800-2FANNIE).

In addition, the Disclosure Documents for the Offered Certificates are available on our corporate Web site at www.fanniemae.com.

You also can obtain copies of this prospectus, including the Information Circular, by writing or calling:

IH Asset Receiving Limited Partnership
c/o Invitation Homes L.P.
1717 Main Street, Suite 2000
Dallas, TX 75201
Attention: General Counsel
Facsimile No.: (972) 892-0382

Wells Fargo Securities, LLC
Customer Service
MAC N9303-054
608 2nd Avenue South, Suite 500
Minneapolis, Minnesota 55479
US and International Callers: (800) 645-3751, option 5
WFSCustomerService@wellsfargo.com.

Siebert Cisneros Shank & Co., L.L.C.
100 Wall Street, 18th Floor
New York, NY 10005

INCORPORATION BY REFERENCE

We are incorporating by reference in this prospectus the documents listed below. This means that we are disclosing information to you by referring you to these documents. These documents are considered part of this prospectus, so you should read this prospectus, and any applicable supplements or amendments, together with these documents.

You should rely only on the information provided or incorporated by reference in this prospectus, and any applicable supplements or amendments, together with the other Disclosure Documents.

We incorporate by reference the following documents we have filed, or may file, with the Securities and Exchange Commission ("SEC"):

- our annual report on Form 10-K for the fiscal year ended December 31, 2016 ("Form 10-K");
- all other reports we have filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, since the end of the fiscal year covered by the Form 10-K until the date of this prospectus, excluding any information "furnished" to the SEC on Form 8-K; and
- all proxy statements that we file with the SEC and all documents that we file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date of this prospectus and prior to the completion of the offering of the Offered Certificates, excluding any information we "furnish" to the SEC on Form 8-K.

We make available free of charge through our Web site our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and all other SEC reports and amendments to those reports as soon as reasonably practicable after we electronically file the material with, or furnish it to, the SEC. Our Web site address is www.fanniemae.com. Materials that we file with the SEC are also available from the SEC's Web site, www.sec.gov. In addition, these materials may be inspected, without charge, and copies may be obtained at prescribed rates, at the SEC's Public Reference Room at 100 F Street NE, Room 1580, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

You may also request copies of any filing from us, at no cost, by calling the Fannie Mae Helpline at 800-2FANNIE or by mail at 3900 Wisconsin Avenue NW, Area 2H-3S, Washington, DC 20016.

SUMMARY

This summary contains only limited information about the Offered Certificates. As a summary, it speaks in general terms without giving details or discussing any exceptions. You should purchase the Offered Certificates only after reading this prospectus and each of the other disclosure documents listed on page 4 of this prospectus.

General

- The Offered Certificates will represent ownership interests in the trust assets.
- The trust assets will consist of the Underlying Class A REMIC Securities, which will represent regular interests in a REMIC and will be backed by a 121-month loan with two fixed rate components, evidenced by one componentized promissory note and secured by a portfolio of single-family residential properties (the "Underlying Mortgage Loan"). The Underlying Class A REMIC Securities will represent ownership interests in the Invitation Homes 2017-SFR1 Trust (the "Underlying REMIC Trust"). Detailed information regarding the Underlying Class A REMIC Securities and the Underlying REMIC Trust is provided in the attached Information Circular.
- All amounts payable on the Underlying Class A REMIC Securities will be passed through to holders of the Offered Certificates. For a description of Fannie Mae's guaranty of payments on the Offered Certificates, see "*Description of the Offered Certificates—General—Fannie Mae Guaranty*" in this prospectus.

Characteristics of the Underlying Mortgage Loan

For additional information about the Underlying Mortgage Loan, including the residential properties collateralizing the Underlying Mortgage Loan, see the section of the Information Circular entitled "*Description of the Loan*."

Class Factor

We will publish the class factor for the Offered Certificates on or before each monthly distribution date.

Settlement Date

We expect to issue the Offered Certificates on or about April 28, 2017.

Distribution Dates

Beginning in May 2017, we will make payments, to the extent described herein, on the Offered Certificates on the 25th day of each calendar month, or on the next business day if the 25th is not a business day.

Book-Entry

We will issue the Offered Certificates in book-entry form through The Depository Trust Company, which will track ownership of the Offered Certificates and payments on the Offered Certificates electronically.

Payments of Interest

We will pay interest on the Offered Certificates in an amount equal to the interest required to be paid in that month on the Underlying Class A REMIC Securities.

Payments of Principal

We will pay principal on the Offered Certificates in an amount equal to the principal required to be paid in that month, if any, on the Underlying Class A REMIC Securities.

Guaranty Payments

We guarantee that all payments of interest and principal required to be paid in respect of the Underlying Class A REMIC Securities will be distributed to holders of the Offered Certificates on each distribution date. Our guaranty does not cover any yield maintenance premium related to the Underlying Mortgage Loan. If we were unable to pay under the guaranty, the Offered Certificates could be subject to losses and additional shortfalls. For a description of the amounts required to be paid on the Underlying Class A REMIC Securities, including any amounts covered by Fannie Mae's guaranty of the Underlying Class A REMIC Securities, see "*Description of the Certificates—Payment on the Certificates*" and "*Fannie Mae Guaranty and Rights of the Guarantor*" in the Information Circular.

RISK FACTORS

General

We have listed below some of the principal risk factors associated with an investment in the Offered Certificates.

In addition to the risks discussed below, you should read the section entitled "*Risk Factors*" beginning on page 33 of the Information Circular. In addition, our annual report on Form 10-K and our quarterly reports on Form 10-Q, which we incorporate by reference in this prospectus, discuss certain risks, including risks relating to Fannie Mae, that may affect your investment in the Offered Certificates and the value of the Offered Certificates.

The risk factors relating to us include risks that may affect an investment in and the value of the Offered Certificates. You should review all of these risk factors before investing in the Offered Certificates. Because each investor has different investment needs and a different risk tolerance, each investor should consult its own financial or legal advisor to determine whether the Offered Certificates are a suitable investment. In particular, prospective investors in the Offered Certificates should be aware that:

- The risks and uncertainties described below are not the only risks relating to the Offered Certificates. Additional risks and uncertainties not presently known to us or that we currently deem to be immaterial may also impair an investment in the Offered Certificates. If any of the following risks actually occur, an investment in the Offered Certificates could be materially and adversely affected.
- This prospectus contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this prospectus.
- Prospective investors should investigate any legal investment restrictions that may apply to them.
- Prospective investors should not purchase any Offered Certificates unless they understand, and are able to bear, the prepayment, credit, liquidity, market and other risks associated with the Offered Certificates.
- Prospective investors should not construe the issuance of the Offered Certificates as an endorsement by us of the performance of the Underlying Class A REMIC Securities or the residential properties collateralizing the Underlying Mortgage Loan (the "Residential Properties").

Investors should exercise particular caution if their circumstances do not permit them to hold the Offered Certificates until maturity.

Suitability

The Offered Certificates may not be suitable investments. The Offered Certificates are complex financial instruments. They are not a suitable investment for every investor. Before investing, you should carefully consider the following.

- You should have sufficient knowledge and experience to evaluate (either alone or with the help of a financial or legal advisor) the merits and risks of the Offered Certificates and the information contained in this prospectus, the Information Circular and the documents incorporated by reference herein and thereto.
- You should thoroughly understand the terms of the Offered Certificates.
- You should thoroughly understand the terms of the Underlying Class A REMIC Securities and the Underlying Mortgage Loan.
- You should be able to evaluate (either alone or with the help of a financial or legal advisor) the interest rate and economic and other factors that may affect your investment.
- You should have sufficient financial resources and liquidity to bear all risks associated with the Offered Certificates.
- You should exercise particular caution if your circumstances do not permit you to hold the Offered Certificates until maturity.

Some investors may be unable to buy the Offered Certificates. Investors whose investment activities are subject to legal investment laws and regulations, or to review by regulatory authorities, may be unable to buy the Offered Certificates. You should get legal advice in determining whether your purchase of the Offered Certificates is a legal investment for you or is subject to any investment restrictions.

Yield Considerations

A variety of factors can affect your yield. Your effective yield on the Offered Certificates will depend upon:

- the price you paid for the Offered Certificates;
- if and when Fannie Mae makes payments under its guaranty of the Offered Certificates;
- any exercise by the guarantor of its right to repurchase the Offered Certificates following a specified period of delinquency on the Underlying Mortgage Loan, as further described in "*Description of the Offered Certificates—Optional Repurchase by Guarantor*" in this prospectus;
- any prepayment of the Offered Certificates that may arise following any release (other than a special release described in "*Description of the Loan—Special Releases*" in the Information Circular), casualty or condemnation of Residential Properties;
- if and when the Underlying Mortgage Loan is modified or repurchased in the future; and
- the actual characteristics of the Underlying Mortgage Loan and the Residential Properties.

If any prepayment or repurchase occurs with respect to the Offered Certificates, then, depending on then-prevailing economic conditions and interest rates, an investor may be unable to reinvest those funds at a yield that is equal to or greater than the yield on the Offered Certificates.

Market and Liquidity Considerations

It may be difficult to resell your Offered Certificates and any resale may occur on adverse terms. We cannot be sure that a market for resale of the Offered Certificates will develop. Further, if a market

develops, it may not continue or be sufficiently liquid to allow you to sell your Offered Certificates. Even if you are able to sell your Offered Certificates, the sale price may not be comparable to similar investments that have a developed market. Moreover, you may not be able to sell small or large amounts of your Offered Certificates at prices comparable to those available to other investors.

A number of factors may affect the resale of your Offered Certificates, including:

- the payment to Certificateholders of interest and/or principal in amounts based on the interest and/or principal paid on the Underlying Class A REMIC Securities;
- the method, frequency and complexity of calculating principal or interest on the Offered Certificates;
- the characteristics of the Underlying Mortgage Loan and the Residential Properties;
- the availability of current information about the Residential Properties;
- the outstanding principal amount of the Offered Certificates;
- the amount of Offered Certificates offered for resale from time to time;
- any legal restrictions or tax treatment limiting demand for the Offered Certificates;
- the availability of comparable securities;
- the level, direction and volatility of interest rates generally;
- general economic conditions;
- market uncertainty;
- the level of interest rates generally, the volatility with which prevailing interest rates are changing, and the direction in which interest rates are, or appear to be, trending;
- our financial condition and rating;
- our future structure, organization, and the level of government support for our company;
- whether we are in conservatorship or receivership;
- the financial condition and rating of the servicer of the Underlying Mortgage Loan; and
- any increase or decrease in the level of governmental commitments to engage in market purchases of the Offered Certificates.

The occurrence of a major natural or other disaster in the United States could negatively affect our credit losses and credit-related expenses or disrupt our business operations in the affected geographic area.

We conduct our business in the residential mortgage market and own or guarantee the performance of mortgage loans throughout the United States. The occurrence of a major natural or environmental disaster, terrorist attack, pandemic or similar event (a "major disruptive event") in a geographic region of the United States could negatively affect our credit losses and credit-related expenses in the affected area.

The occurrence of a major disruptive event could negatively affect a geographic region in a number of different ways, depending on the nature of the event. A major disruptive event that either damaged or destroyed residential real estate securing mortgage loans that we own or that back certificates

that we guarantee (including the Offered Certificates) or that negatively affected the ability of homeowners (including the owner of the Residential Properties) to continue to make principal and interest payment on such mortgage loans could increase the delinquency rates, default rates and average loan loss severity of our mortgage loans in the affected region or regions, which could have a material adverse effect on our business, results of operations, financial condition, liquidity and net worth. While we attempt to acquire geographically diverse mortgage loans, there can be no assurance that a major disruptive event, depending on its magnitude, scope, and nature, will not generate significant credit losses and credit-related expenses.

In addition, if a major disruptive event occurs, the contingency plans and facilities that we have in place may be insufficient to prevent an adverse effect on our ability to conduct business, which could lead to financial losses. Substantially all of our senior management and investment personnel work out of our offices in the Washington, DC metropolitan area. If a disruption occurs and our senior management or other employees are unable to occupy our offices, communicate with other personnel or travel to other locations, our ability to interact with each other and with our customers may suffer, and we may not be successful in implementing contingency plans that depend on communication or travel.

Fannie Mae Guaranty Considerations

Any failure of Fannie Mae to perform its guaranty obligations will adversely affect investors. If we were unable to perform our guaranty obligations, Certificateholders would receive only amounts actually paid and other recoveries on the Underlying Class A REMIC Securities (without taking into account our guaranty on such Underlying Class A REMIC Securities). In such event, defaults or other shortfalls on the Underlying Mortgage Loan could directly affect the amounts that the Certificateholders would receive each month.

If our credit becomes impaired, a buyer may be willing to pay only a reduced price for your Offered Certificates. There could be an adverse change in our liquidity position or financial condition that impairs our credit rating and the perception of our credit. Even if we were to make all payments required under our guaranty, reduced market liquidity may make it more difficult for Certificateholders to sell their Offered Certificates, and potential buyers may offer less for Offered Certificates than they would have offered if our liquidity position or financial condition had remained unchanged.

Ratings Matters

In response to economic circumstances affecting the United States, on August 5, 2011, Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") lowered the long-term sovereign credit rating of U.S. Government debt obligations from AAA to AA+ and on August 8, 2011, S&P also downgraded the long-term credit ratings of U.S. government-sponsored enterprises, including Fannie Mae.

In response to the economic situation facing the European Economic and Monetary Union, Eurozone, based on factors including tightening credit conditions, higher risk premiums on Eurozone sovereigns and disagreement among European policy makers as to how best to address the declining market confidence with respect to the Eurozone, on January 13, 2012, S&P downgraded the long-term credit ratings on nine members of the Eurozone, including Austria, Cyprus, France, Italy, Malta, Portugal, Slovakia, Slovenia and Spain. On April 18, 2013, Fitch Ratings, Inc. ("Fitch") downgraded the long-term credit ratings on the United Kingdom. On October 10, 2014, S&P downgraded Finland's sovereign debt rating to AA+ from AAA and the outlook on that rating was changed to negative; on January 26, 2015, S&P downgraded Russia's sovereign debt rating to BB+ from BBB-, citing the Russian Federation's

weakened monetary policy flexibility and economic growth prospects; and on January 15, 2016, S&P downgraded Poland's sovereign debt rating from A- to BBB+ with a negative outlook.

In addition, on June 23, 2016 the United Kingdom held a referendum regarding its continued membership in the European Union. The majority voted in favor of leaving the European Union. Numerous uncertainties exist with regard to the future of the United Kingdom and its relationship with the European Union, including the terms of any agreement governing its future withdrawal from the European Union. The negotiation of any such withdrawal is likely to take a number of years and we are unable to predict the impact that the referendum, the United Kingdom's departure from the European Union and any related considerations may have on the Offered Certificates, including the market value or the liquidity thereof in the secondary market, or the other parties to the transaction documents. Shortly following the United Kingdom referendum, the International Monetary Fund cut its growth forecast for the Eurozone for the remainder of 2016 as well as for 2017.

These actions initially had an adverse effect on financial markets and although we are unable to predict the longer-term impact on such markets and the participants therein, it might be materially adverse to the value of the Offered Certificates.

Risks Relating to Our Structure and Business

The future of our company is uncertain.

There continues to be significant uncertainty regarding the future of our company, including how long the company will continue to exist in its current form, the extent of our role in the market, how long we will be in conservatorship, what form we will have and what ownership interest, if any, our current common and preferred stockholders will hold in us after the conservatorship is terminated, and whether we will continue to exist following conservatorship. The conservatorship is indefinite in duration and the timing, conditions and likelihood of our emerging from conservatorship are uncertain. Our conservatorship could terminate through a receivership. Termination of the conservatorship, other than in connection with a receivership, requires the U.S. Treasury's ("Treasury") consent under the senior preferred stock purchase agreement.

The previous presidential administration endorsed the wind down of Fannie Mae and Freddie Mac through a responsible transition and the enactment of comprehensive housing finance reform legislation. The current presidential administration (the "Administration") has not articulated a formal position on housing finance reform or the future of the government-sponsored enterprises (each, a "GSE"); however, the Treasury Secretary indicated in his confirmation hearing that he is focused on housing finance reform and a solution to the current status of Fannie Mae and Freddie Mac.

Last year, the U.S. Congress ("Congress") continued to consider legislation that could materially affect our business if enacted. We expect that Congress will continue to consider legislation that could result in significant changes in our structure and role in the future, including proposals that would result in Fannie Mae's liquidation or dissolution. Congress or FHFA may also consider legislation or regulation aimed at increasing the competition we face, reducing our market share, expanding our obligations to provide funds to Treasury or constraining our business operations. We cannot predict the prospects for the enactment, timing or final content of housing finance reform legislation or other legislation related to our activities.

We may not have sufficient capital reserves to avoid a net worth deficit if we experience a comprehensive loss in a future quarter. If we have a net worth deficit in a future quarter, we will be required to draw funds from Treasury in order to avoid being placed into receivership.

As a result of the dividend provisions of the senior preferred stock and quarterly directives from our conservator, we are obligated to pay Treasury each quarter any dividends declared consisting of the amount, if any, by which our net worth as of the end of the immediately preceding fiscal quarter exceeds an applicable capital reserve amount, which is \$600 million for each quarter of 2017 and decreases to zero in 2018. Because we are permitted to retain only \$600 million in capital reserves through 2017, we may not have sufficient reserves to avoid a net worth deficit if we experience a comprehensive loss in a future quarter. In addition, beginning in 2018, we are not permitted to retain any capital reserves against losses in subsequent quarters; therefore, if we have a comprehensive loss for a quarter we will also have a net worth deficit for that quarter.

We have experienced and expect to continue to experience volatility in our financial results from period to period due to a number of factors, particularly changes in market conditions that result in fluctuations in the estimated fair value of the financial instruments, such as derivatives and certain securities, that we mark to market through our earnings. Our credit-related income or expense also can vary substantially from period to period based on a number of factors such as changes in actual and expected home prices, fluctuations in interest rates, borrower payment behavior, the types and volume of our loss mitigation activities, the volume of foreclosures completed, and redesignations of loans from held for investment to held for sale. Accordingly, although we expect to remain profitable on an annual basis for the foreseeable future, the potential volatility in our financial results, which may be significant from quarter to quarter, could result in a net worth deficit in a future quarter.

In addition, other factors such as legislative actions or changes in accounting standards could result in a net worth deficit in a future quarter. For example:

- The Administration proposes reducing the U.S. corporate income tax rate. Under applicable accounting standards, a significant reduction in the U.S. corporate income tax rate would require that we record a substantial reduction in the value of our deferred tax assets in the quarter in which the legislation is enacted. Thus, if legislation significantly lowering the U.S. corporate income tax rate is enacted, we expect to incur a significant net loss and net worth deficit for the quarter in which the legislation is enacted and we could potentially incur a net loss for that year.
- In June 2016, the Financial Accounting Standards Board ("FASB") issued guidance that changes the impairment model for most financial assets and certain other instruments, which will become effective January 1, 2020 with early adoption permitted on January 1, 2019. We are continuing to evaluate the impact of this guidance on our consolidated financial statements, including the timing of adoption. The adoption of this guidance will decrease, perhaps substantially, our retained earnings and increase our allowance for loan losses, which could result in a net worth deficit for the quarter in which we adopt the guidance.

For any quarter for which we have a net worth deficit, we will be required to draw funds from Treasury under the senior preferred stock purchase agreement in order to avoid being placed into receivership. As of the date of this prospectus, the maximum amount of remaining funding under the agreement is \$117.6 billion. If we were to draw additional funds from Treasury under the agreement in a future period, the amount of remaining funding under the agreement would be reduced by the amount of our draw. Dividend payments we make to Treasury do not restore or increase the amount of funding available to us under the agreement. Accordingly, if we experience multiple quarters of net worth deficits, the amount of remaining funding available under the senior preferred stock purchase agreement could be significantly reduced from its current level.

Our regulator is authorized or required to place us into receivership under specified conditions, which would result in the liquidation of our assets. Amounts recovered from the liquidation may not be sufficient to repay the liquidation preference of any series of our preferred stock or to provide any proceeds to common shareholders.

FHFA is required to place us into receivership if the Director of FHFA makes a written determination that our assets are less than our obligations for a period of 60 days after the filing deadline for our Form 10-K or Form 10-Q with the SEC. Although Treasury committed to providing us funds in accordance with the terms of the senior preferred stock purchase agreement, if we need funding from Treasury to avoid triggering FHFA's obligation, Treasury may not be able to provide sufficient funds to us within the required 60 days if it has exhausted its borrowing authority, if there is a government shutdown, or if the funding we need exceeds the amount available to us under the agreement. In addition, we could be put into receivership at the discretion of the Director of FHFA at any time for other reasons set forth in the GSE Act, including if we are critically undercapitalized or if we are undercapitalized and have no reasonable prospect of becoming adequately capitalized.

A receivership would terminate the conservatorship. In addition to the powers FHFA has as our conservator, the appointment of FHFA as our receiver would terminate all rights and claims that our shareholders and creditors may have against our assets or under our charter arising from their status as shareholders or creditors, except for their right to payment, resolution or other satisfaction of their claims as permitted under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, including by the Federal Housing Finance Regulatory Reform Act of 2008 (together, the "GSE Act"). If we are placed into receivership and do not or cannot fulfill our guaranty to the Certificateholders, there may be significant delays of any payments to Certificateholders.

In the event of a liquidation of our assets, only after payment of the administrative expenses of the receiver and the immediately preceding conservator, the secured and unsecured claims against the company (including repaying all outstanding debt obligations), and the liquidation preference of the senior preferred stock, would any liquidation proceeds be available to repay the liquidation preference on any other series of preferred stock. Finally, only after the liquidation preference on all series of preferred stock is repaid would any liquidation proceeds be available for distribution to the holders of our common stock.

Rights of Certificateholders. During a receivership, certain rights of Certificateholders under the trust documents may not be enforceable against FHFA, or enforcement of such rights may be delayed. The trust documents provide that upon the occurrence of a guarantor event of default, which includes the appointment of a receiver, Certificateholders have the right to replace Fannie Mae as trustee if the requisite percentage of Certificateholders consents. The 2008 Reform Act may prevent Certificateholders from enforcing their rights to replace Fannie Mae as trustee if the event of default arises solely because a receiver has been appointed.

The 2008 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 Fannie Mae is a party, or obtain possession of or exercise control over any property of Fannie Mae, or affect any contractual rights of Fannie Mae, without the approval of FHFA as receiver, for a statutorily specified period following the appointment of FHFA as receiver.

If we are placed into receivership and do not or cannot fulfill our guaranty obligations, Certificateholders could become unsecured creditors of Fannie Mae with respect to claims made under our guaranty. Certificateholders have certain limited rights to proceed against Treasury if we fail to pay

under our guaranty. The total amount that may be recovered from Treasury is subject to limits imposed in the senior preferred stock purchase agreement.

If we emerge from conservatorship and at a later date FHFA again were to put us into conservatorship, FHFA as conservator would have the authority of a new conservator, which could adversely affect our contracts, including our guaranty, and restrict or eliminate certain rights of Certificateholders.

For so long as we remain in the current conservatorship and are not placed into receivership, (i) FHFA has no authority to repudiate any contracts entered into after we were placed into conservatorship, including our guaranty related to certificates we issued during our conservatorship, and (ii) the rights of holders of certificates issued during our conservatorship are not restricted by the 2008 Reform Act.

If we emerge from conservatorship and at a later date FHFA again were to put us into conservatorship, (x) FHFA would have all of the authority of a new conservator (which is similar to the authority of a receiver described above), including the authority to repudiate the guaranty associated with certificates we issued during the initial conservatorship, and (y) certain rights of holders of certificates issued before and during the initial conservatorship would again be restricted or eliminated.

Our business and results of operations may be materially adversely affected if we are unable to retain and recruit well-qualified senior executives and other employees. The conservatorship, the uncertainty of our future, limitations on our executive and employee compensation, and negative publicity concerning the GSEs put us at a disadvantage compared to many other companies in attracting and retaining these employees.

Our business processes are highly dependent on the talents and efforts of our senior executives and other employees. The conservatorship, the uncertainty of our future, limitations on executive and employee compensation, and negative publicity concerning the GSEs have had and are likely to continue to have an adverse effect on our ability to retain and recruit well-qualified executives and other employees. Our business is highly complex and we are currently undertaking critical work to help build a sustainable housing finance system; therefore, continuity of our current management team under the leadership of our Chief Executive Officer is important. Turnover in key management positions and challenges in integrating new management could harm our ability to manage our business effectively and successfully finalize the implementation of our and FHFA's current strategic initiatives, and ultimately could adversely affect our financial performance.

Actions taken by Congress, FHFA and Treasury to date, or that may be taken by them or other government agencies in the future, have had, and may continue to have, an adverse effect on the retention and recruitment of senior executives and other employees. We are subject to significant restrictions on the amount and type of compensation we may pay our executives and other employees under conservatorship. In November 2015, the Equity in Government Compensation Act of 2015 was enacted. This law sets the annual direct compensation of our Chief Executive Officer at \$600,000 while we are in conservatorship or receivership. We are also subject to the STOCK Act, which was enacted in April 2012 and includes a provision that prohibits our senior executives from receiving bonuses during any period of conservatorship on or after the date of enactment of the law. In addition, we are unable to offer equity-based compensation. As a result of these restrictions, we have not been able to incent and reward excellent performance with compensation structures that provide upside potential to our executives, which places us at a disadvantage compared to many other companies in attracting and retaining executives. In addition, the uncertainty of potential congressional action with respect to housing finance reform, which may result in the wind-down of the company, also negatively affects our ability to retain and recruit executives and other employees.

In many cases, the amount of compensation we pay our senior executives is significantly less than the compensation of executives in similar roles at many companies in our comparator group. Limitations on our ability to increase executive compensation to market levels for the foreseeable future puts us at greater risk of attrition, and also hampers our ability to recruit new executives. Moreover, limitations on our ability to offer market-based compensation make succession planning difficult. In particular, the limit on the annual direct compensation of our Chief Executive Officer to \$600,000 significantly elevates our risk that we will not be able to retain our Chief Executive Officer and negatively affects our succession planning and our ability to attract qualified candidates for this critical role.

We face competition from within the financial services industry and from businesses outside of the financial services industry for qualified executives and other employees. Additionally, with an improving economy, attractive opportunities have become available to our executives and other employees. Our competitors for talent are generally not subject to the same limitations on executive compensation. The constraints on our executive compensation could adversely affect our ability to attract and retain qualified candidates.

If we are unable to retain, promote and attract executives and other employees with the necessary skills and talent, we would face increased risks for operational failures. If there were several high-level departures at approximately the same time, our ability to conduct our business would likely be materially adversely affected, which could have a material adverse effect on our results of operations and financial condition.

Our business activities are significantly affected by the conservatorship and the senior preferred stock purchase agreement.

We are currently under the control of our conservator, FHFA, and we do not know when or how the conservatorship will terminate. As conservator, FHFA can direct us to enter into contracts or enter into contracts on our behalf, and generally has the power to transfer or sell any of our assets or liabilities. In addition, our directors do not have fiduciary duties to any person or entity except to the conservator. Accordingly, our directors are not obligated to consider the interests of the company, the holders of our equity or debt securities, or the holders of Fannie Mae mortgage-backed securities ("MBS") in making or approving a decision unless specifically directed to do so by the conservator.

We are subject to significant restrictions on our business activities during conservatorship. We may be prevented by our conservator from engaging in business activities or transactions that we believe would benefit our business and financial results. For example, because FHFA must approve changes to the national loan level price adjustments we charge and can direct us to make other changes to our guaranty fee pricing, our ability to address changing market conditions, pursue certain strategic objectives, or manage the mix of loans lenders choose to deliver to us is constrained. We publish national risk-based loan level price adjustment grids that specify the additional cash fees we charge at the time we acquire a loan based on the credit characteristics of the loan. These fees allow us to price appropriately for the credit risk we assume in providing our guaranty on the loans. We do not have the ability to implement changes to these pricing grids without the approval of FHFA. If the mix of our single-family loan acquisitions changes, and FHFA does not approve requested changes to our pricing grids in response to these changes, it could adversely affect our financial results and condition. In addition, if FHFA directs us to change our pricing in any manner—including increases or decreases in our base guaranty fees or our loan-level price adjustments—it could result in a decrease in our guaranty fee revenues in future periods, a decrease in our single-family business volume or a negative impact on the credit risk profile of our new single-family acquisitions, any of which could adversely affect our financial results and condition.

Because we are under the control of our conservator, our business objectives may not be consistent with the investment objectives of our investors. We may be required by our conservator to engage in activities that are operationally difficult, costly to implement or unprofitable, or that may adversely affect our financial results or the credit risk profile of our book of business. FHFA has changed our business objectives significantly since we entered conservatorship, and could make additional changes at any time. Actions we take to meet FHFA's strategic goals and objectives for our conservatorship could adversely affect our financial results. For example, FHFA's conservatorship scorecards in recent years have included objectives relating to the development of a single security for Fannie Mae and Freddie Mac. As the implementation date of the single security approaches, some Fannie Mae MBS and comparable Freddie Mac Participation Certificates have traded closer to or at parity. If our market share declines in the future due to this trend or other factors, it could adversely affect our financial results. In addition, FHFA's conservatorship scorecards have included objectives relating to the sale of nonperforming loans in our book of business. These transactions could result in the sale of mortgage loans we hold at prices below the levels recorded in our financial statements or the sale of loans that may be more financially advantageous for us to hold. Moreover, we are devoting significant resources to meeting FHFA's goals for our conservatorship and expect to continue to do so.

The senior preferred stock purchase agreement with Treasury includes a number of covenants that significantly restrict our business activities. We cannot, without the prior written consent of Treasury: pay dividends (except on the senior preferred stock); sell, issue, purchase or redeem Fannie Mae equity securities; sell, transfer, lease or otherwise dispose of assets in specified situations; engage in transactions with affiliates other than on arm's-length terms or in the ordinary course of business; issue subordinated debt; or incur indebtedness that would result in our aggregate indebtedness exceeding 120% of the amount of mortgage assets we are allowed to own under the agreement. In deciding whether to consent to any request for approval it receives from us under the agreement, Treasury has the right to withhold its consent for any reason and is not required by the agreement to consider any particular factors, including whether or not management believes that the transaction would benefit the company. Pursuant to the senior preferred stock purchase agreement, the maximum allowable amount of mortgage assets we were permitted to own as of December 31, 2016 was \$339.3 billion, and on each December 31 thereafter, our mortgage assets may not exceed 85% of the maximum allowable amount that we were permitted to own as of December 31 of the immediately preceding calendar year until the amount of our mortgage assets reaches \$250 billion. In addition, FHFA has requested that we further cap our mortgage assets each year at 90% of the annual limit under our senior preferred stock purchase agreement with Treasury.

Actions taken by the conservator and the restrictions set forth in the senior preferred stock purchase agreement could adversely affect our business, results of operations, financial condition, liquidity and net worth.

A number of lawsuits have been filed against the U.S. government relating to the senior preferred stock purchase agreement and the conservatorship. We cannot predict the course or the outcome of these lawsuits, or the actions the U.S. government (including Treasury or FHFA) may take in response to any ruling or finding in any of these lawsuits. Accordingly, we cannot predict what impact, if any, these lawsuits will have on our business.

The conservatorship and agreements with Treasury have had, and will continue to have, a material adverse effect on our common and preferred shareholders.

We do not know when or how the conservatorship will terminate. Moreover, even if we are released from conservatorship, we remain subject to the terms of the senior preferred stock purchase agreement, senior preferred stock and warrant, which can only be canceled or modified with the consent

of Treasury. The conservatorship and agreements with Treasury have had, and will continue to have, material adverse effects on our common and preferred shareholders, including the following:

No voting rights during conservatorship. The rights and powers of our shareholders are suspended during conservatorship. During conservatorship, our common shareholders do not have the ability to elect directors or to vote on other matters unless the conservator delegates this authority to them.

No dividends to common or preferred shareholders, other than to Treasury. Our conservator announced in September 2008 that we would not pay any dividends on the common stock or on any series of preferred stock, other than the senior preferred stock, while we are in conservatorship. In addition, under the terms of the senior preferred stock purchase agreement, dividends may not be paid to common or preferred shareholders (other than on the senior preferred stock) without the prior written consent of Treasury, regardless of whether we are in conservatorship.

Our profits are distributed to Treasury. As described in a risk factor above, pursuant to the dividend provisions of the senior preferred stock and quarterly directives from our conservator, we are obligated to pay Treasury each quarter any dividends declared consisting of the amount, if any, by which our net worth as of the end of the immediately preceding fiscal quarter exceeds an applicable capital reserve amount, which will decrease to zero in 2018. As a result, our net income is not available to common shareholders or preferred shareholders other than Treasury as holder of the senior preferred stock.

Liquidation preference of senior preferred stock is high and could increase. The senior preferred stock ranks prior to our common stock and all other series of our preferred stock, as well as any capital stock we issue in the future, as to both dividends and distributions upon liquidation. Accordingly, if we are liquidated, the senior preferred stock is entitled to its then-current liquidation preference, plus any accrued but unpaid dividends, before any distribution is made to the holders of our common stock or other preferred stock. The liquidation preference on the senior preferred stock is currently \$117.1 billion and would increase if we draw on Treasury's funding commitment in any future quarters or if we do not pay dividends owed on the senior preferred stock. If we are liquidated, we believe it is unlikely that there would be sufficient funds remaining after payment of amounts to our creditors and to Treasury as holder of the senior preferred stock to make any distribution to holders of our common stock and other preferred stock.

Exercise of the Treasury warrant would substantially dilute investment of current shareholders. If Treasury exercises its warrant to purchase shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis, the ownership interest in the company of our then-existing common shareholders will be substantially diluted, and we would thereafter have a controlling shareholder.

We may incur significant credit losses and credit-related expenses on the loans in our mortgage credit book of business, which could materially adversely affect our earnings, financial condition and net worth.

We are exposed to a significant amount of mortgage credit risk on our \$3.1 trillion mortgage credit book of business, which includes mortgage assets that back our guaranteed Fannie Mae MBS, mortgage assets in our retained mortgage portfolio and credit enhancements we provide. Borrowers of mortgage loans that we own or guaranty may fail to make required payments of principal and interest on their mortgage loans, exposing us to the risk of credit losses and credit-related expenses.

Although we strengthened our underwriting and eligibility standards in late 2008 and 2009, we continue to have loans in our book of business that were originated under our prior standards. As of December 31, 2016, 12% of our single-family conventional guaranty book of business consisted of loans acquired prior to 2009 and another 16% consisted of Refi Plus loans, which represent refinancings of loans that were originated prior to June 2009. Moreover, some of the loans we acquired prior to 2009 that remain in our single-family book of business as of December 31, 2016 have certain characteristics that expose us to greater credit risk than other types of mortgage loans, such as Alt-A loans (3% of our single-family conventional guaranty book), interest-only loans (2% of our single-family conventional guaranty book) and loans with FICO credit scores at origination of less than 620 (2% of our single-family conventional guaranty book). In addition, 16% of our single-family conventional guaranty book of business as of December 31, 2016 consisted of loans with original loan-to-value ("LTV") ratios greater than 90%, which may pose a higher credit risk than loans with lower LTV ratios. The credit performance of loans in our book of business could deteriorate in the future, particularly if we experience national or regional declines in home prices, weakening economic conditions or high unemployment, resulting in higher credit losses and credit-related expenses. Increases in our credit-related expenses would reduce our earnings and adversely affect our financial condition and net worth.

While we use certain credit enhancements to mitigate some of our potential future credit losses, these credit enhancements may provide less protection than we expect for a number of reasons. Some of the credit enhancements we use, such as mortgage insurance and credit insurance risk transfer transactions, are subject to the risk that the counterparties may not meet their obligations to us. Our credit risk transfer transactions have limited terms (typically 10 or 12.5 years), after which they provide limited or no further credit protection on the covered loans. Due to differences in accounting, there also could be a significant lag between the time when we recognize a provision for credit losses and when we recognize the related recovery from our Connecticut Avenue Securities transactions. While a credit expense on a loan in a reference pool for a Connecticut Avenue Securities transaction is recorded when it is probable that we have incurred a loss, for our Connecticut Avenue Securities issued beginning in 2016, a recovery is recorded when an actual loss event occurs. In addition, it is uncertain if there will be adequate demand for our credit risk transfer transactions over the long term to meet our goals for these transactions. Moreover, our credit risk transfer transactions are not designed to shield us from all losses because we retain a portion of the risk of future losses on loans covered by these transactions, including all or a portion of the first loss risk in most transactions.

The processing of foreclosures of single-family loans continues to be slow in some states, which has negatively affected our foreclosure timelines and our single-family serious delinquency rate. We also believe the slow pace of foreclosures in certain states is contributing to a slower recovery of those housing markets.

A failure in our operational systems or infrastructure, or those of third parties, could materially adversely affect our business, impair our liquidity, cause financial losses and harm our reputation.

Shortcomings or failures in our internal processes, people, data management or systems could disrupt our business or have a material adverse effect on our risk management, liquidity, financial statement reliability, financial condition and results of operations. Such a failure could result in legislative or regulatory intervention or sanctions, liability to customers, financial losses, business disruptions and damage to our reputation. For example, our business is highly dependent on our ability to manage and process, on a daily basis, an extremely large number of transactions, many of which are highly complex, across numerous and diverse markets and in an environment in which we must adapt to changing external conditions. These transactions are subject to various legal, accounting and regulatory standards. Our financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors, including events that

are wholly or partially beyond our control, adversely affecting our ability to process these transactions or manage associated data with reliability and integrity. In addition, we rely on information provided by third parties in processing many of our transactions; that information may be incorrect or we may fail to properly manage or analyze it or properly monitor its data quality.

We rely upon business processes that are highly dependent on people, technology and equipment, data and the use of numerous complex systems and models to manage our business and produce books and records upon which our financial statements and risk reporting are prepared. This reliance increases the risk that we may be exposed to financial, reputational or other losses as a result of inadequately designed internal processes or data management architecture, inflexible technology or the failure of our systems. While we continue to enhance our technology, infrastructure, operational controls and organizational structure in order to reduce our operational risk, these actions may not be effective to manage these risks and may create additional operational risk as we execute these enhancements. In addition, our use of third-party service providers for some of our business functions increases the risk that an operational failure by a third party will adversely affect us.

Our ability to manage and aggregate data may be limited by the effectiveness of our policies, programs, processes, systems and practices that govern how data is acquired, validated, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit our ability to manage current and emerging risks, as well as to manage changing business needs.

We also face the risk of operational failure, termination or capacity constraints of any of the clearing agents, exchanges, clearinghouses or other financial intermediaries we use to facilitate our securities and derivatives transactions. In recent years, there has been significant consolidation among clearing agents, exchanges and clearing houses. This consolidation and interconnectivity increases the risk of operational failure, on both an individual basis and an industry-wide basis, as disparate complex systems need to be integrated, often on an accelerated basis. Any such failure, termination or constraint could adversely affect our ability to effect transactions or manage our exposure to risk, and could have a significant adverse impact on our business, liquidity, financial condition, net worth and results of operations.

Substantially all of our employees and business operations functions are consolidated in two metropolitan areas: Washington, DC and Dallas, Texas. As a result of this concentration of our employees and facilities, a catastrophic event at either location, such as a terrorist attack, natural disaster, extreme weather event or disease pandemic could impact our ability to operate notwithstanding the business continuity plans and facilities that we have in place. Although we have an out-of-region data center for disaster recovery, this data center will take several days to become operational in the event it becomes necessary as a result of the catastrophic loss of our in-region data center. Moreover, because of the concentration of our employees in the Washington, DC and Dallas metropolitan areas, if a regional disruption occurs in one of these areas, our employees may not be able to occupy our facilities, work remotely, or communicate with or travel to other locations. Accordingly, we may not be able to successfully implement our contingency plans if a catastrophic event occurs, which could materially adversely affect our ability to conduct our business and lead to financial losses.

A breach of the security of our systems or facilities, or those of third parties with which we do business, including as a result of cyber attacks, could damage or disrupt our business or result in the disclosure or misuse of confidential information, which could damage our reputation, increase our costs and cause losses.

Our operations rely on the secure receipt, processing, storage and transmission of confidential and other information in our computer systems and networks and with our business partners, including proprietary, confidential or personal information that is subject to privacy laws, regulations or contractual obligations. Information security risks for large institutions like us have significantly increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct or automate financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign state-sponsored actors. These actors may fraudulently entice users to provide unauthorized access to our systems, network and data. From time to time we have been, and likely will continue to be, the target of attempted cyber attacks, computer viruses, malicious code, phishing attacks, denial of service attacks and other information security threats. To date, we have not experienced any material losses relating to cyber attacks; however, we could suffer such losses in the future and we are not able to predict the severity of these attacks. Our risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, the current global economic and political environment, our prominent size and scale and our role in the financial services industry, the outsourcing of some of our business operations, and the interconnectivity and interdependence of third parties to our systems.

Although we take measures to protect the security of our software and network-enabled computers and systems, our software, computers and systems may be vulnerable to cyber attacks, breaches, unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact. The occurrence of such an event could jeopardize or result in the unauthorized disclosure, gathering, monitoring, misuse, corruption, loss or destruction of confidential and other information that belongs to us, our customers, our counterparties, third-party service providers or borrowers that is processed and stored in, and transmitted through, our computer systems and networks. The occurrence of such an event could also result in damage to our software, computers or systems, or otherwise cause interruptions or malfunctions in our, our customers', our counterparties' or third parties' operations. This could result in significant losses, loss of customers and business opportunities, reputational damage, litigation, regulatory fines, penalties or intervention, reimbursement or other compensatory costs, or otherwise adversely affect our business, financial condition or results of operations. In addition, we may be required to expend significant additional resources to modify our protective measures and to investigate and remediate vulnerabilities or other exposures arising from operational and security risks. Although we maintain insurance coverage relating to cybersecurity risks, our insurance may not be sufficient to provide adequate loss coverage in all circumstances.

Third parties with which we do business may also be sources of cybersecurity or other technological risks. We outsource certain functions and these relationships allow for the external storage and processing of our information, as well as customer, counterparty and borrower information, including on cloud-based systems. While we engage in actions to mitigate our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss or destruction of data or other cybersecurity incidents with increased costs and consequences to us such as those described above.

Our concurrent implementation of multiple new initiatives may increase our operational risk and result in one or more significant deficiencies or material weaknesses in our internal control over financial reporting.

We are currently implementing a number of initiatives in furtherance of our goals to better serve our customers' needs, improve our business efficiency and help to build a sustainable housing finance system, including initiatives implementing FHFA's conservatorship scorecard objectives. The magnitude of the many new initiatives we are undertaking may increase our operational risk. Many of these initiatives involve significant changes to our business processes, systems and infrastructure, and present

significant operational challenges for us. For example, we are working with FHFA and Freddie Mac on a multi-year effort to build a common securitization platform to eventually replace some of our current securitization infrastructure and to issue a single security on this platform. This initiative, in coordination with related internal infrastructure upgrades, is expected to result in significant changes to our current systems and operations, and involves a high degree of complexity. While implementation of each individual initiative creates operational challenges, implementing multiple initiatives during the same time period significantly increases these challenges. Due to the operational complexity associated with these changes and the limited time periods for implementing them, we believe there is a risk that implementing these changes could result in one or more significant deficiencies or material weaknesses in our internal control over financial reporting in a future period. If this were to occur, we could experience material errors in our reported financial results. In addition, FHFA, Treasury, other agencies of the U.S. government or Congress may require us to take actions in the future that could further increase our operational risk.

We may undertake efforts that adversely affect our business, results of operations, financial condition, liquidity and net worth.

In conservatorship our business is no longer managed with a strategy to maximize shareholder returns while fulfilling our mission. In pursuit of the goals prescribed by our conservator, we are taking a variety of actions that could adversely affect our economic returns, possibly significantly, such as modifying loans to help struggling borrowers; expanding our underwriting and eligibility requirements to increase access to mortgage credit; increasing our use of credit risk transfer transactions, which effectively reduces the guaranty fee income we retain on the covered loans; and preparing to issue a single security. We may also be asked to take additional efforts in support of our conservator's goals in the future that could adversely affect our economic returns. These activities may have short- and long-term adverse effects on our business, results of operations, financial condition, liquidity and net worth.

Other agencies of the U.S. government or Congress also may ask us to undertake significant efforts to support the housing and mortgage markets, as well as struggling homeowners. They may also ask us to take actions in support of other goals. These actions may adversely affect our financial results and condition. For example, in December 2011 Congress enacted the Temporary Payroll Tax Cut Continuation Act of 2011, under which, at the direction of FHFA, we increased the guaranty fee on all single-family residential mortgages delivered to us by 10 basis points effective April 1, 2012. The revenue generated by this fee increase is paid to Treasury and helps offset the cost of a two-month extension of the payroll tax cut in 2012.

We are also required by the GSE Act to undertake efforts in support of the housing market that could adversely affect our financial results and condition. For example, we are subject to housing goals under the GSE Act that require that a portion of the mortgage loans we acquire must be for low- and very-low income families, families in low-income census tracts and moderate-income families in minority census tracts or designated disaster areas. FHFA's 2015 to 2017 housing goals include higher benchmarks for most of the goals than those that were applicable in prior years. In addition, in December 2016, FHFA issued a final rule to implement our new duty to serve very low-, low- and moderate-income families in three underserved markets: manufactured housing, affordable housing preservation and rural areas. We will be required to make changes to our business and our acquisitions in the future to comply with our new duty to serve obligations. We may take actions to meet our housing goals and duty to serve obligations that could adversely affect our profitability. For example, we may acquire loans that offer lower expected returns on our investment than our other loan acquisitions and that may potentially increase our credit losses and credit-related expenses. If we do not meet our housing goals or duty to serve requirements, and FHFA finds that the goals or requirements were feasible, we may become subject to a housing plan that could require us to take additional steps that could have an adverse effect on our

results of operations and financial condition. The potential penalties for failure to comply with housing plan requirements include a cease-and-desist order and civil money penalties.

Limitations on our ability to access the debt capital markets could have a material adverse effect on our ability to fund our operations.

Our ability to fund our business depends primarily on our ongoing access to the debt capital markets. Market concerns about matters such as the extent of government support for our business, the future of our business (including future profitability, future structure, regulatory actions and GSE status) and the creditworthiness of the U.S. government could cause a severe negative effect on our access to the unsecured debt markets, particularly for long-term debt. We believe that our ability in recent years to issue debt of varying maturities at attractive pricing resulted from federal government support of our business. As a result, we believe that our status as a GSE and continued federal government support is essential to maintaining our access to debt funding. Changes or perceived changes in federal government support of our business or our status as a GSE could materially and adversely affect our liquidity, financial condition and results of operations. There can be no assurance that the government will continue to support us, or that our current level of access to debt funding will continue. In addition, due to our reliance on the U.S. government's support, our access to debt funding also could be materially adversely affected by a change or perceived change in the creditworthiness of the U.S. government.

Future changes or disruptions in the financial markets could significantly change the amount, mix and cost of funds we obtain, as well as our liquidity position. If we are unable to issue both short- and long-term debt securities at attractive rates and in amounts sufficient to operate our business and meet our obligations, it likely would interfere with the operation of our business and have a material adverse effect on our liquidity, results of operations, financial condition and net worth.

Our liquidity contingency plans may be difficult or impossible to execute during a liquidity crisis.

We believe that our liquidity contingency plans may be difficult or impossible to execute during a liquidity crisis. If we cannot access the unsecured debt markets, our ability to repay maturing indebtedness and fund our operations could be eliminated or significantly impaired. In this event, our alternative sources of liquidity—consisting of our cash and other investments portfolio and the unencumbered mortgage assets in our retained mortgage portfolio—may not be sufficient to meet our liquidity needs.

We believe that the amount of mortgage-related assets that we could successfully sell or borrow against in the event of a liquidity crisis or significant market disruption is substantially lower than the amount of mortgage-related assets we hold. Due to the current composition of our retained mortgage portfolio, including the significant amount of distressed assets in our portfolio, there would likely be insufficient market demand for large amounts of the mortgage-related assets in our portfolio over a prolonged period of time, which would limit our ability to borrow against or sell these assets. To the extent that we are able to obtain funding by pledging or selling mortgage-related securities as collateral, we anticipate that a discount would be applied that would reduce the value assigned to those securities. Depending on market conditions at the time, this discount could result in proceeds significantly lower than the current market value of these securities and could thereby reduce the amount of financing we obtain.

A decrease in the credit ratings on our senior unsecured debt could have an adverse effect on our ability to issue debt on reasonable terms, particularly if such a decrease were not based on a similar action on the credit ratings of the U.S. government. A decrease in our credit ratings also could trigger additional collateral requirements under our derivatives contracts.

A reduction in our credit ratings could materially adversely affect our liquidity, our ability to conduct our normal business operations, our financial condition and our results of operations. Credit ratings on our senior unsecured debt, as well as the credit ratings of the U.S. government, are primary factors that could affect our borrowing costs and our access to the debt capital markets. Credit ratings on our debt are subject to revision or withdrawal at any time by the rating agencies. Actions by governmental entities impacting the support we receive from Treasury could adversely affect the credit ratings on our senior unsecured debt. As of December 31, 2016, our long-term debt was rated "AA+" by S&P, "Aaa" by Moody's Investors Services ("Moody's") and "AAA" by Fitch.

Because we rely on the U.S. government for capital support, in recent years, when a rating agency has taken an action relating to the U.S. government's credit rating, they have taken a similar action relating to our ratings at approximately the same time. S&P, Moody's and Fitch have all indicated that they would likely lower their ratings on the debt of Fannie Mae and certain other government-related entities if they were to lower their ratings on the U.S. government. We currently cannot predict whether one or more of these rating agencies will downgrade our debt ratings in the future, nor can we predict the potential impact.

A reduction in our credit ratings may also trigger additional collateral requirements under our derivative contracts because a majority of our over-the-counter ("OTC") derivative contracts contain provisions that require our senior unsecured debt to maintain a minimum credit rating from S&P and Moody's. If our senior unsecured debt credit ratings were downgraded to established thresholds in our OTC derivative contracts, which range from A+ to BBB+, we could be required to provide additional collateral to or terminate transactions with certain counterparties. The aggregate fair value of all OTC derivatives with credit-risk-related contingent features that were in a net liability position as of December 31, 2016 was \$1.6 billion, for which we posted collateral of \$1.4 billion in the normal course of business. If our senior unsecured debt had been downgraded to AA or Aa1, or even to AA- or Aa2, we would not have been required to post any additional collateral under these agreements as of December 31, 2016. If all of the credit-risk-related contingency features underlying these agreements had been triggered, an additional \$258 million would have been required either to be posted as collateral or to immediately settle our positions based on the individual agreements and our fair value position as of December 31, 2016. A reduction in our credit ratings also could cause derivatives clearing organizations or their members to demand that we post additional collateral for our cleared derivative contracts.

One or more of our institutional counterparties may fail to fulfill their contractual obligations to us, resulting in financial losses, business disruption and decreased ability to manage risk.

We routinely enter into a high volume of transactions with counterparties in the financial services industry. Our primary exposures to institutional counterparty risk are with mortgage servicers that service the loans we hold in our retained mortgage portfolio or that back our Fannie Mae MBS; mortgage sellers and servicers that are obligated to repurchase loans from us or reimburse us for losses in certain circumstances; credit guarantors that provide credit enhancements on the mortgage assets that we hold in our retained mortgage portfolio or that back our Fannie Mae MBS, including mortgage insurers, credit insurance risk transfer counterparties, financial guarantors and multifamily lenders with risk sharing arrangements; custodial depository institutions that hold principal and interest payments for loans in our retained mortgage portfolio and for MBS certificateholders, as well as collateral posted by derivatives counterparties, mortgage sellers and mortgage servicers; the financial institutions that issue the investments held in our cash and other investments portfolio; and derivatives counterparties.

We may have multiple exposures to one counterparty as many of our counterparties provide several types of services to us. For example, our lender customers or their affiliates may also act as derivatives counterparties, mortgage servicers, custodial depository institutions or document custodians.

Accordingly, if one of these counterparties were to become insolvent or otherwise default on its obligations to us, it could harm our business and financial results in a variety of ways.

An institutional counterparty may default in its obligations to us for a number of reasons, such as changes in financial condition that affect its credit rating, changes in its servicer rating, a reduction in liquidity, operational failures or insolvency. Counterparty defaults or limitations on their ability to do business with us could result in significant financial losses or hamper our ability to do business or manage the risks to our business, which could materially adversely affect our business, results of operations, financial condition, liquidity and net worth.

We depend on our ability to enter into derivatives transactions in order to manage the duration and prepayment risk of our retained mortgage portfolio. If we lose access to our derivatives counterparties, it could adversely affect our ability to manage these risks, which could have a material adverse effect on our business, results of operations, financial condition and liquidity.

Our financial condition or results of operations may be adversely affected if mortgage servicers fail to perform their obligations to us.

We delegate the servicing of the mortgage loans in our guaranty book of business to mortgage servicers; we do not have our own servicing function. Functions performed by mortgage servicers on our behalf include collecting and delivering principal and interest payments, administering escrow accounts, monitoring and reporting delinquencies, performing default prevention activities and other functions. The inability of a mortgage servicer to perform these functions due to financial, operational, regulatory or other issues could negatively affect our ability to manage our book of business, delay or prevent our collection of amounts due to us or otherwise result in the failure to perform other servicing duties, resulting in financial losses.

Our servicers also have an active role in our loss mitigation efforts. Our ability to actively manage the troubled loans that we own or guarantee, and to implement our homeownership assistance and foreclosure prevention efforts quickly and effectively, is limited by our reliance on our mortgage servicers. A decline in servicer performance on loss mitigation could adversely affect our credit performance, which could have a material adverse effect on our business, results of operations and financial condition.

A large portion of our single-family guaranty book is serviced by non-depository servicers. The potentially lower financial strength, liquidity and operational capacity of non-depository mortgage sellers and servicers compared with depository mortgage sellers and servicers may negatively affect their ability to satisfy their repurchase or compensatory fee obligations or to service the loans on our behalf. In addition, regulatory bodies have been reviewing the activities of some of our largest non-depository servicers.

If we replace a mortgage servicer, we likely would incur costs and potential increases in servicing fees and could also face operational risks. If a mortgage servicer counterparty fails, it could result in a temporary disruption in servicing and loss mitigation activities relating to the loans serviced by that mortgage servicer, particularly if there is a loss of experienced servicing personnel. We may also face challenges in transferring a large servicing portfolio.

Multifamily mortgage servicing is typically performed by the lenders who sell the mortgages to us. We are exposed to the risk that multifamily servicers could come under financial pressure, which could potentially result in a decline in the quality of the servicing they provide us.

The servicing of the Underlying Mortgage Loan differs in certain respects from the servicing performed on mortgage loans in transactions in which we typically take part. See "*Description of the Trust and Servicing Agreement*" in the Information Circular.

We may incur losses as a result of claims under our mortgage insurance policies not being paid in full or at all.

We rely heavily on mortgage insurers to provide insurance against borrower defaults on single-family conventional mortgage loans with LTV ratios over 80% at the time of acquisition. Although the financial condition of our primary mortgage insurer counterparties currently approved to write new business has improved in recent years, there is still a risk that these counterparties may fail to fulfill their obligations to pay our claims under insurance policies.

In addition, three of our mortgage insurer counterparties who are currently not approved to write new business—PMI Mortgage Insurance Co. ("PMI"), Triad Guaranty Insurance Corporation ("Triad") and Republic Mortgage Insurance Company ("RMIC")—are currently under various forms of supervised control by their state regulators and are in run-off. A mortgage insurer that is in run-off continues to collect renewal premiums and process claims on its existing insurance business, but no longer writes new insurance, which increases the risk that the mortgage insurer will pay claims only in part or fail to pay claims at all under existing insurance policies. Entering run-off may close off a source of profits and liquidity that may have otherwise assisted a mortgage insurer in paying claims under insurance policies, and could also cause the quality and speed of its claims processing to deteriorate. PMI and Triad have been paying only a portion of policyholder claims and deferring the remaining portion. PMI is currently paying 71.5% of claims under its mortgage insurance policies in cash and is deferring the remaining 28.5%, and Triad is currently paying 75% of claims in cash and deferring the remaining 25%. It is uncertain whether PMI or Triad will be permitted in the future to pay their deferred policyholder claims and/or increase or decrease the amount of cash they pay on claims. RMIC is no longer deferring payments on policyholder claims and has paid us its previously outstanding deferred payment obligations; however, RMIC has not paid us interest on its deferred payment obligations and remains in run-off and under the supervisory control of its state regulator. PMI, Triad and RMIC provided a combined \$8.0 billion, or 6%, of our risk in force mortgage insurance coverage of our single-family guaranty book of business as of December 31, 2016.

On at least a quarterly basis, we assess our mortgage insurer counterparties' respective abilities to fulfill their obligations to us, and our loss reserves take into account this assessment. If our assessment indicates their ability to pay claims has deteriorated significantly or if our projected claim amounts have increased, it could result in an increase in our loss reserves and our credit losses.

Challenges to the MERS[®] company, system and processes could pose operational, reputational and legal risks for us.

MERSCORP Holdings, Inc. ("MERSCORP") is a privately held company that maintains an electronic registry (the "MERS System") that tracks servicing rights and ownership of loans in the United States. Mortgage Electronic Registration Systems, Inc. ("MERS"), a wholly owned subsidiary of MERSCORP, can serve as a nominee for the owner of a mortgage loan and, in that role, become the mortgagee of record for the loan in local land records. Fannie Mae sellers and servicers may choose to use MERS as a nominee; however, we have prohibited servicers from initiating foreclosures on Fannie Mae loans in MERS's name. A large portion of the loans we own or guarantee are registered in MERS's name and the related servicing rights are tracked in the MERS System. The MERS System is widely used by participants in the mortgage finance industry. Along with a number of other organizations in the

mortgage finance industry, we are a shareholder of MERSCORP. In 2016, Intercontinental Exchange, Inc. acquired a majority equity position in MERSCORP.

Numerous legal challenges have been made disputing MERS's ability to initiate foreclosures, act as nominee in local land records, and/or assign mortgages or take other action on behalf of the loan owner. These challenges seek judicial relief ranging from money damages, fines and penalties to injunctive/declaratory relief seeking the prevention of mortgage assignments by MERS and/or the voiding of completed foreclosures in which MERS appeared in the chain of title. These challenges have focused public attention on MERS and on how loans are recorded in local land records. As a result, these challenges could negatively affect MERS's ability to serve as the mortgagee of record in some jurisdictions, which could cause additional costs and time in the recordation process and could negatively impact our interest in the loans. These challenges also could result in court decisions that substantially delay new or pending foreclosures, or void completed foreclosures in certain jurisdictions, which would require that we re-foreclose on the affected properties, thereby increasing our costs and lengthening the time it takes for us to foreclose on and dispose of the properties.

In addition, where MERS is the mortgagee of record, it must execute assignments of mortgages, affidavits and other legal documents in connection with foreclosure proceedings. In April 2011, federal banking regulators and FHFA announced a consent order with MERS and MERSCORP to address significant weaknesses in, among other things, oversight, management supervision and corporate governance at MERS and MERSCORP that were uncovered as part of the regulators' review of mortgage servicers' foreclosure processing. Failures by MERS or MERSCORP to apply prudent and effective process controls and to comply with legal and other requirements could pose counterparty, operational, reputational and legal risks for us. If investigations or new regulation or legislation restricts servicers' use of MERS, our counterparties may be required to record all mortgage transfers in land records, incurring additional costs and time in the recordation process. The legal challenges against MERS and MERSCORP remain ongoing. The outcome of these legal challenges could adversely affect our business, results of operations or financial condition.

Changes in accounting standards and policies can be difficult to predict and can materially impact how we record and report our financial results.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. From time to time, the FASB or the SEC changes the financial accounting and reporting standards or the policies that govern the preparation of our financial statements. In addition, FHFA provides guidance that affects our adoption or implementation of financial accounting or reporting standards. These changes can be difficult to predict and expensive to implement, and can materially impact how we record and report our financial condition and results of operations. We could be required to apply new or revised guidance retrospectively, which may result in the revision of prior period financial statements by material amounts. The implementation of new or revised accounting guidance, such as the new impairment guidance issued in June 2016 described above could have a material adverse effect on our financial results or net worth and result in or contribute to the need for additional draws from Treasury under the senior preferred stock purchase agreement.

Material weaknesses in our internal control over financial reporting could result in errors in our reported results or disclosures that are not complete or accurate.

Management has determined that, as of the date of this prospectus, we have ineffective disclosure controls and procedures that result in a material weakness in our internal control over financial reporting. In addition, our independent registered public accounting firm, Deloitte & Touche LLP, has expressed an adverse opinion on our internal control over financial reporting because of the material weakness. Our

ineffective disclosure controls and procedures and material weakness could result in errors in our reported results or disclosures that are not complete or accurate, which could have a material adverse effect on our business and operations.

Our material weakness relates specifically to the impact of the conservatorship on our disclosure controls and procedures. Because we are under the control of FHFA, some of the information that we may need to meet our disclosure obligations may be solely within the knowledge of FHFA. As our conservator, FHFA has the power to take actions without our knowledge that could be material to our shareholders and other stakeholders, and could significantly affect our financial performance or our continued existence as an ongoing business. Because FHFA currently functions as both our regulator and our conservator, there are inherent structural limitations on our ability to design, implement, test or operate effective disclosure controls and procedures relating to information known to FHFA. As a result, we have not been able to update our disclosure controls and procedures in a manner that adequately ensures the accumulation and communication to management of information known to FHFA that is needed to meet our disclosure obligations under the federal securities laws, including disclosures affecting our financial statements. Given the structural nature of this material weakness, we do not expect to remediate this weakness while we are under conservatorship.

In many cases, our accounting policies and methods, which are fundamental to how we report our financial condition and results of operations, require management to make judgments and estimates about matters that are inherently uncertain. Management also relies on models in making these estimates.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Our management must exercise judgment in applying many of these accounting policies and methods so that these policies and methods comply with GAAP and reflect management's judgment of the most appropriate manner to report our financial condition and results of operations. In some cases, management must select the appropriate accounting policy or method from two or more alternatives, any of which might be reasonable under the circumstances but might affect the amounts of assets, liabilities, revenues and expenses that we report.

We have identified two of our accounting policies as being critical to the presentation of our financial condition and results of operations. We believe these policies are critical because they require management to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts would be reported under different conditions or using different assumptions.

Because our financial statements involve estimates for amounts that are very large, even a small change in the estimate can have a significant impact for the reporting period. For example, because our total loss reserves are so large, even a change that has a small impact relative to the size of our loss reserves can have a meaningful impact on our results for the quarter in which we make the change.

Many of our accounting methods involve substantial use of models. Models are inherently imperfect predictors of actual results because they are based on assumptions, including assumptions about future events. Our actual results could differ significantly from those generated by our models. As a result, the estimates that we use to prepare our financial statements, as well as our estimates of our future results of operations, may be inaccurate, perhaps significantly.

Failure of our models to produce reliable results may adversely affect our ability to manage risk and make effective business decisions.

We make significant use of quantitative models to measure and monitor our risk exposures and to manage our business. For example, we use models to measure and monitor our exposures to interest rate, credit and market risks, and to forecast credit losses. The information provided by these models is used in making business decisions relating to strategies, initiatives, transactions, pricing and products.

Models are inherently imperfect predictors of actual results because they are based on historical data and assumptions regarding factors such as future loan demand, borrower behavior, creditworthiness and home price trends. Other potential sources of inaccurate or inappropriate model results include errors in computer code, bad data, misuse of data, or use of a model for a purpose outside the scope of the model's design. Modeling often assumes that historical data or experience can be relied upon as a basis for forecasting future events, an assumption that may be especially tenuous in the face of unprecedented events.

Given the challenges of predicting future behavior, management judgment is used at every stage of the modeling process, from model design decisions regarding core underlying assumptions, to interpreting and applying final model output. To control for these inherent imperfections, our models are validated by an independent model risk management team within our Enterprise Risk Division and are subject to control requirements set by our model risk policies.

When market conditions change quickly and in unforeseen ways, there is an increased risk that the model assumptions and data inputs for our models are not representative of the most recent market conditions. Under such circumstances, we must rely on management judgment to make adjustments or overrides to our models. A formal model update is typically an extensive process that involves basic research, testing, independent validation and production implementation. In a rapidly changing environment, it may not be possible to update existing models quickly enough to properly account for the most recently available data and events. Management adjustments to modeled results are applied within the confines of the governance structure provided by a combination of our model risk management team and our finance and risk committees.

If our models fail to produce reliable results on an ongoing basis, we may not make appropriate risk management decisions, including decisions affecting loan purchases, management of credit losses, guaranty fee pricing, and asset and liability management. Any of these decisions could adversely affect our business, results of operations, liquidity, net worth and financial condition. Furthermore, strategies we employ to manage and govern the risks associated with our use of models may not be effective or fully reliable.

Changes in interest rates or our loss of the ability to manage interest rate risk successfully could adversely affect our financial results and condition, and increase interest rate risk.

We fund our operations primarily through the issuance of debt and invest our funds primarily in mortgage-related assets that permit mortgage borrowers to prepay their mortgages at any time. These business activities expose us to market risk, which is the risk of loss resulting from adverse changes in the value of financial instruments caused by changes in market conditions. Market risk includes interest rate risk, which is the risk of loss from adverse changes in the value of our assets or liabilities or our future earnings due to changes in interest rates. Changes in interest rates affect both the value of our mortgage assets and prepayment rates on our mortgage loans.

Changes in interest rates could have a material adverse effect on our business, results of operations, financial condition, liquidity and net worth. Our ability to manage interest rate risk depends on our ability to issue debt instruments with a range of maturities and other features, including call provisions, at attractive rates and to engage in derivatives transactions. We must exercise judgment in

selecting the amount, type and mix of debt and derivative instruments that will most effectively manage our interest rate risk. The amount, type and mix of financial instruments that are available to us may not offset possible future changes in the spread between our borrowing costs and the interest we earn on our mortgage assets.

We mark to market changes in the estimated fair value of our derivatives through our earnings on a quarterly basis, but we do not similarly mark to market changes in some of the financial instruments that generate our interest rate risk exposures. As a result, changes in interest rates, particularly significant changes, can have a significant adverse effect on our earnings and net worth for the quarter in which the changes occur, depending on the nature of the changes and the derivatives we hold at that time. We have experienced significant fair value losses in some periods due to changes in interest rates, and we expect to continue to experience volatility from period to period in our financial results as a result of fair value losses or gains on our derivatives.

Changes in interest rates also can affect our credit losses. When interest rates increase, our credit losses from loans with adjustable payment terms may increase as borrower payments increase at their reset dates, which increases the borrower's risk of default, particularly for adjustable-rate loans with interest-only features. Rising interest rates may also reduce the opportunity for these borrowers to refinance into a fixed-rate loan. Similarly, many borrowers may have additional debt obligations, such as home equity lines of credit and second liens, that also have adjustable payment terms. If a borrower's payment on his or her other debt obligations increases due to rising interest rates or a change in amortization, it increases the risk that the borrower may default on a loan we own or guarantee. In addition to increasing the risk of future borrower defaults, rising interest rates reduce expected future loan prepayments, which lengthens the expected life of our individually impaired loans and therefore increases our impairment related to concessions we have provided on those loans.

While we have not experienced negative interest rates in the United States, some central banks in Europe and Asia have cut interest rates below zero. If U.S. interest rates were to fall below zero, it could negatively impact our financial results and increase our operational risk.

Changes in spreads could materially impact our results of operations, net worth and the fair value of our net assets.

Spread risk or basis risk is the resulting impact of changes in the spread between our mortgage assets and our debt and derivatives we use to hedge our position. Changes in market conditions, including changes in interest rates, liquidity, prepayment and default expectations, and the level of uncertainty in the market for a particular asset class may cause fluctuations in spreads. Changes in mortgage spreads have contributed to significant volatility in our financial results in certain periods, due to fluctuations in the estimated fair value of the financial instruments that we mark to market through our earnings, and this could occur again in a future period. A widening of mortgage spreads could cause significant fair value losses, and could adversely affect our near-term financial results and net worth. We do not actively manage or hedge our spread risk after we purchase mortgage assets, other than through asset monitoring and disposition.

Our business is subject to laws and regulations that restrict our activities and operations, which limit our ability to diversify our business and may prohibit us from undertaking activities that management believes would benefit our business.

As a federally chartered corporation, we are subject to the limitations imposed by the Charter Act, extensive regulation, supervision and examination by FHFA and regulation by other federal agencies, including Treasury, HUD and the SEC. As a company under conservatorship, our primary regulator has

management authority over us in its role as our conservator. We are also subject to other laws and regulations that affect our business, including those regarding taxation and privacy.

The Charter Act defines our permissible business activities. For example, we may not originate mortgage loans or purchase single-family loans in excess of the conforming loan limits, and our business is limited to the U.S. housing finance sector. In addition, as described in a previous risk factor, our business activities are subject to significant restrictions as a result of the conservatorship and the senior preferred stock purchase agreement. As a result of these limitations on our ability to diversify our operations, our financial condition and results of operations depend almost entirely on conditions in a single sector of the U.S. economy, specifically, the U.S. housing market. Weak or unstable conditions in the housing market can therefore have a significant adverse effect on our results of operations, financial condition and net worth.

Our business and financial results could be materially adversely affected by legal or regulatory proceedings.

We are a party to various claims and other legal proceedings. We also have been, and in the future may be, involved in government investigations. We may be required to establish accruals and to make substantial payments in the event of adverse judgments or settlements of any such claims, investigations or proceedings, which could have a material adverse effect on our business, results of operations, financial condition, liquidity and net worth. Any legal proceeding or governmental investigation, even if resolved in our favor, could result in negative publicity or cause us to incur significant legal and other expenses.

Developments in, outcomes of, impacts of, and costs, expenses, settlements and judgments related to these legal proceedings and governmental investigations may differ from our expectations and exceed any amounts for which we have accrued or require adjustments to such accruals. In addition, responding to these matters could divert significant internal resources away from managing our business.

An active trading market in our equity securities may cease to exist, which would adversely affect the market price and liquidity of our common and preferred stock.

Our common stock and preferred stock are now traded exclusively in the over-the-counter market. We cannot predict the actions of market makers, investors or other market participants, and can offer no assurances that the market for our securities will be stable. If there is no active trading market in our equity securities, the market price and liquidity of the securities will be adversely affected.

Mortgage fraud could result in significant financial losses and harm to our reputation.

We use a process of delegated underwriting in which lenders make specific representations and warranties about the characteristics of the mortgage loans we purchase and securitize. As a result, we do not independently verify most borrower information that is provided to us. This exposes us to the risk that one or more of the parties involved in a transaction (the borrower, seller, broker, appraiser, title agent, lender or servicer) will engage in fraud by misrepresenting facts about a mortgage loan. Similarly, we rely on delegated servicing of loans and use of a variety of external resources to manage our REO. We have experienced financial losses resulting from mortgage fraud, including institutional fraud perpetrated by counterparties. In the future, we may experience additional financial losses or reputational damage as a result of mortgage fraud.

The underwriting we delegated with respect to the Underlying Mortgage Loan differs in certain respects from the underwriting typically delegated by us. See "*Description of the Loan*" in the Information Circular.

Risks Relating to Our Industry

Turbulence in the financial markets and lack of liquidity for mortgage-related securities may adversely affect the performance and market value of the Offered Certificates

Market and economic conditions during the past several years have caused significant disruption in the credit markets. In addition, the impact of the recent U.S. presidential election on U.S. economic prospects generally and capital markets in the U.S. and abroad remains unclear, further underscoring the widespread uncertainty that has prevailed since the financial crisis of the past decade. The Treasury Secretary has expressed an intention to pursue significant reform of the current U.S. mortgage finance system which, if implemented, may significantly affect Fannie Mae and Freddie Mac. In addition to political events, continued concerns about the availability and cost of credit, the U.S. mortgage market, some real estate markets in the U.S., economic conditions in the U.S. and Europe and the systemic impact of inflation or deflation, energy costs and geopolitical issues have contributed to increased market volatility and diminished expectations for the U.S. economy. Increased market uncertainty and instability in both U.S. and international capital and credit markets, combined with declines in business and consumer confidence and increased unemployment, have contributed to volatility in domestic and international markets.

There is particular uncertainty about the prospects for growth in the U.S. economy. In addition to the uncertainty arising from the recent U.S. presidential election, a number of factors influence the potential uncertainty, including, but not limited to, weakness in the employment market, government debt levels, prospective Federal Reserve policy shifts, the withdrawal of government interventions into the financial markets, changing U.S. consumer spending patterns, and changing expectations for inflation and deflation. Income growth and unemployment levels affect borrowers' ability to repay mortgage loans, and there is risk that economic activity could be weaker than anticipated following the recent serious recession. Although the U.S. economy, by most measures, has emerged from the recent recession, the recovery could be fragile and unsustainable, in which circumstances another, possibly more severe, recession may ensue. Continued concerns about the economic conditions in the United States, China and Europe, including downgrades of the long-term debt ratings of Eurozone nations and the United States, generally have contributed to increased market volatility and diminished growth expectations for the U.S. economy. In addition, on June 23, 2016 the United Kingdom held a referendum regarding its continued membership in the European Union. The majority voted in favor of leaving the European Union. Numerous uncertainties exist with regard to the future of the United Kingdom and its relationship with the European Union, including the terms of any agreement governing its future withdrawal from the European Union. The negotiation of any such withdrawal is likely to take a number of years and we are unable to predict the impact that the referendum, the United Kingdom's departure from the European Union and any related considerations may have on the Offered Certificates, including the market value or the liquidity thereof in the secondary market, or the other parties to the transaction documents.

Subsequent to the financial crisis, the Federal Reserve adopted an easing stance in monetary policy referred to as "quantitative easing". For example, buying mortgage-backed securities and cutting interest rates, actions that are intended to lower the cost of borrowing, result in higher investment activity which, in turn, stimulates the economy. Based on the stabilization of unemployment, as well as the increase in home prices, the Federal Reserve announced the end of its quantitative easing program in October 2014 and proceeded to raise key short-term interest rates in December 2015 and again in December 2016. The economic conditions experienced from 2007 to the present have been unique and

unprecedented in terms of the level of home price declines, as well as the subsequent government intervention. There can be no assurance that the factors that caused such financial crisis (or any other factors) will not have similar effects on the mortgage market in the future.

As a result of market conditions and other factors, the cost and availability of credit has been and may in the future be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets and the creditworthiness of counterparties has led many lenders and institutional investors to reduce, and in some cases discontinue, lending to certain borrowers. Continued turbulence in the U.S. and international markets and economies may negatively affect the U.S. housing market and the credit performance and market value of residential mortgage loans.

Furthermore, the secondary market for mortgage-related securities is experiencing extremely limited liquidity. These conditions may continue or worsen in the future. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of mortgage-related securities, especially those that are more sensitive to prepayment or credit risk, and could adversely affect a Certificateholder's ability to sell the Offered Certificates or the price such Certificateholder receives for the Offered Certificates.

These factors and general market conditions, together with the limited amount of credit enhancement available to the Certificateholders (as further described in this prospectus), could adversely affect the performance and market value of the Offered Certificates and result in a full or partial loss of your initial principal investment. See "*Prepayment and Yield Considerations — Yield Considerations with Respect to the Offered Certificates*". There can be no assurance that governmental intervention or other actions or events will improve these conditions in the near future.

The policies of the Administration and related impacts on the U.S. economy and economic conditions abroad may affect the market value of the Offered Certificates

The Administration has articulated proposals that, if implemented, may result in modifications of existing U.S. trade agreements as well as cuts in U.S. tax rates for individuals and corporations. The Treasury Secretary has also expressed an intention to pursue widespread reform of the U.S. mortgage finance system, including the potential restructuring of Fannie Mae and Freddie Mac. These changes may have significant effects on real estate values and prevailing mortgage rates for residential properties. Such changes could lead to increases or decreases in housing inventories based on fluctuations in residential real estate values as well as fluctuations in residential mortgage rates, which could have a significant impact on affordability. There is considerable uncertainty as to which of these policies, if any, will ultimately be implemented. Finally, ongoing questions with regard to Administration policies could reduce future business investment and consumption patterns, which in turn could adversely affect the Residential Properties and, consequently, the Offered Certificates.

The Dodd-Frank Act and other regulatory changes in the financial services industry may negatively affect our business.

The Dodd-Frank Act is significantly changing the regulation of the financial services industry, resulting in new standards related to regulatory oversight of systemically important financial companies, derivatives transactions, asset-backed securitization, mortgage underwriting and consumer financial protection. This legislation is affecting and will, in the future, directly and indirectly affect many aspects of our business and could have a material adverse effect on the Residential Properties and on our business, results of operations, financial condition, liquidity and net worth. The Dodd-Frank Act and related regulatory changes could require us to change certain business practices, cause us to incur significant additional costs, limit the products we offer, require us to increase our regulatory capital or

otherwise adversely affect our business. Additionally, implementation of this legislation will result in increased supervision and more comprehensive regulation of our customers and counterparties in the financial services industry, which may have a significant impact on the business practices of our customers and counterparties, as well as on our counterparty credit risk. It is possible that any such changes will adversely affect the servicing of the Residential Properties.

Examples of aspects of the Dodd-Frank Act and related regulatory changes that may affect us include minimum standards for residential mortgage loans, which could subject us to increased legal risk for some loans we acquire; and the development of credit risk retention regulations applicable to residential mortgage loan securitizations, which could impact the types and volume of loans sold to us. Under the final version of the "ability to repay" rule of the Consumer Financial Protection Bureau, which became effective on January 10, 2014 and was revised in August 2016, there is uncertainty as to whether the rule may increase our legal risk for loans we acquire. We could also be designated as a systemically important nonbank financial company subject to supervision and regulation by the Federal Reserve. If this were to occur, the Federal Reserve would have the authority to examine us and could impose stricter prudential standards on us, including risk-based capital requirements, leverage limits, liquidity requirements, credit concentration limits, resolution plan and credit exposure reporting requirements, overall risk management requirements, contingent capital requirements, enhanced public disclosures and short-term debt limits.

Because federal agencies have not completed all of the extensive rule-making processes needed to implement and clarify many of the provisions of the Dodd-Frank Act, it is difficult to assess fully the impact of this legislation on our business and industry at this time, and we cannot predict what similar changes to statutes or regulations will occur in the future. In addition, for many of the provisions of the Dodd-Frank Act, uncertainty regarding how they will ultimately be implemented is affecting and may in the future affect our actions and those of our customers and counterparties, which may negatively impact our business, results of operation, financial condition or liquidity.

Examples of aspects of the Dodd-Frank Act and related future regulatory changes that, if applicable, may significantly affect us include mandatory clearing of certain derivatives transactions, which could impose significant additional costs on us; minimum standards for residential mortgage loans, which could subject us to increased legal risk for loans we purchase or guarantee; and the development of credit risk retention regulations applicable to residential mortgage loan securitizations, which could affect the types and volume of loans sold to us. We could also be designated as a "systemically important" nonbank financial company subject to supervision and regulation by the Federal Reserve. If this were to occur, the Federal Reserve would have the authority to examine us and could impose stricter prudential standards on us, including risk-based capital requirements, leverage limits, liquidity requirements, credit concentration limits, resolution plan and credit exposure reporting requirements, overall risk management requirements, contingent capital requirements, enhanced public disclosures, and short-term debt limits. Regulators have been seeking public comment regarding the criteria for designating nonbank financial companies for heightened supervision.

Because federal agencies have not completed the extensive rulemaking processes needed to implement and clarify many of the provisions of the Dodd-Frank Act, it is difficult to assess fully the impact of this legislation on our business and industry at this time, and we cannot predict what similar changes to statutes or regulations will occur in the future.

Furthermore, the actions of Treasury, the Commodity Futures Trading Commission, the SEC, the Federal Deposit Insurance Corporation ("FDIC"), the Federal Reserve and international central banking authorities directly or indirectly impact financial institutions' cost of funds for lending, capital-raising and

investment activities, which could increase our borrowing costs or make borrowing more difficult for us. Changes in monetary policy are beyond our control and difficult to anticipate.

Moreover, Basel III's revisions to international capital requirements also may have a significant impact on us. Depending on how they are implemented by regulators, the Basel III rules could be the basis for a revised framework for GSE capital standards that could increase our capital requirements.

Overall, these legislative and regulatory changes could affect us in substantial and unforeseeable ways and could have a material adverse effect on our business, results of operations, financial condition, liquidity and net worth. Finally, we note that the recent U.S. presidential election has prompted widespread uncertainty with respect to potential future developments affecting these matters and we are unable to predict whether the above-described legislative and regulatory changes will remain in effect or, alternatively, the manner and extent to which they may be modified or eliminated.

Risks Relating to the Offered Certificates

Rights of Offered Certificate owners may be limited by book-entry system

The Offered Certificates will be issued as book-entry certificates (the "Book-Entry Certificates") and will be held through the book-entry system of the DTC, and, as applicable, Euroclear and Clearstream. Transactions in the Book-Entry Certificates generally can be effected only through DTC and DTC participants (including Euroclear and Clearstream or their respective nominees or depositaries). As a result:

- investors' ability to pledge the Offered Certificates to entities that do not participate in the DTC, Euroclear or Clearstream system, or to otherwise act with respect to the Offered Certificates, may be limited due to the lack of a physical certificate for such Offered Certificates;
- under a book-entry format, an investor may experience delays in the receipt of payments, because payments will be made by the Trustee to DTC, Euroclear or Clearstream and not directly to an investor;
- investors' access to information regarding the Offered Certificates may be limited because transmittal of notices and other communications by DTC to its participating organizations and directly or indirectly through those participating organizations to investors will be governed by arrangements among them, subject to applicable law; and
- you may experience delays in your receipt of payments on Book-Entry Certificates in the event of misapplication of payments by DTC, DTC participants or indirect DTC participants or bankruptcy or insolvency of those entities, and your recourse will be limited to your remedies against those entities.

For further discussion of the Book-Entry Certificates, see "*Description of The Offered Certificates — Book-Entry Procedures*" in this prospectus.

The Offered Certificates issuance is a novel transaction that may result in limited liquidity of the Offered Certificates, which may limit investors' ability to sell the Offered Certificates.

The Offered Certificates, which are being issued in a novel transaction, will constitute new securities with no established trading market. The Offered Certificates will not be listed on any national securities exchange or traded on any automated quotation systems of any registered securities association.

Wells Fargo Securities, LLC and Siebert Cisneros Shank & Co., L.L.C., in their capacities as placement agents, will have no obligation to make a market in the Offered Certificates. As a result, there can be no assurance as to the liquidity of the market that may develop for the Offered Certificates, or if it does develop, that it will continue. It is possible that investors who desire to sell their Offered Certificates in the secondary market may find no or few potential purchasers and experience lower resale prices than expected. Investors who desire to obtain financing for their Offered Certificates similarly may have difficulty obtaining any credit or credit with satisfactory interest rates which may result in lower leveraged yields and lower secondary market prices upon the sale of the Offered Certificates.

We make no representation as to the proper characterization of the Offered Certificates for legal investment, regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the Offered Certificates under applicable legal investment or other restrictions or as to the consequences of an investment in the Offered Certificates for such purposes or under such restrictions. The liquidity of trading markets for the Offered Certificates may also be adversely affected by general declines or disruptions in the credit markets. Such market declines or disruptions could adversely affect the liquidity of and market for the Offered Certificates independent of the credit performance of the Underlying Mortgage Loan or its prospects. We have no obligation to continue to issue securities similar to the Offered Certificates.

Combination or "layering" of multiple risk factors may significantly increase the risk of loss on your Offered Certificates

Although the various risks discussed in this prospectus are generally described separately, prospective investors in the Offered Certificates should consider the potential effects on the Offered Certificates of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss on your Offered Certificates may be significantly increased. In considering the potential effects of layered risks, you should carefully review the descriptions of the Offered Certificates as well as the section entitled "*Risk Factors*" beginning on page 33 of the Information Circular.

DESCRIPTION OF THE OFFERED CERTIFICATES

The material under this heading summarizes certain features of the Offered Certificates and is not complete. You will find additional information about the Offered Certificates in the other sections of this prospectus and the Trust Agreement (defined below). If we use a capitalized term in this prospectus without defining it, you will find the definition of that term in the applicable Disclosure Document or in the Trust Agreement.

General

Structure. We will establish Fannie Mae Grantor Trust 2017-T1 (the "Trust") and issue the Offered Certificates pursuant to a trust agreement (the "Trust Agreement") dated as of April 28, 2017. We will execute the Trust Agreement in our corporate capacity and in our capacity as trustee (the "Trustee").

The assets of the Trust will consist of the Underlying Class A REMIC Securities. As further described in the Information Circular, the Underlying Class A REMIC Securities will be backed by the Underlying Mortgage Loan. The Underlying Mortgage Loan is the sole asset of the Underlying REMIC Trust and is more fully described in the Information Circular under the heading "*Description of the Loan.*"

Fannie Mae Guaranty. We guarantee that on each Distribution Date we will pay to Holders of Offered Certificates:

- interest in the amount required to be paid on the Underlying Class A REMIC Securities on that date; and
- principal in the amount, if any, required to be paid on the Underlying Class A REMIC Securities on that date.

Fannie Mae's guaranty does not cover any yield maintenance premium related to the Underlying Mortgage Loan. For a description of the amounts required to be paid on the Underlying Class A REMIC Securities, including any amounts covered by Fannie Mae's guaranty of the Underlying Class A REMIC Securities, see "*Description of the Certificates—Payment on the Certificates*" and "*Fannie Mae Guaranty and Rights of the Guarantor*" in the Information Circular.

If we were unable to perform our guaranty obligations, Certificateholders would receive only the amounts actually paid and other recoveries on the Underlying Class A REMIC Securities without taking into account our guaranty. In such event, delinquencies, defaults and other shortfalls on the Underlying Mortgage Loan could directly affect the amounts that Certificateholders would receive each month. **Our guaranty is not backed by the full faith and credit of the United States.**

Optional Repurchase by Guarantor. At any time after the Underlying Mortgage Loan has been in a state of continuous delinquency, without having been fully cured with respect to payments required by the Loan Agreement (as defined in the Information Circular), during the period from the first missed payment date through the fourth consecutive payment date, without regard to (i) whether any particular payment was made in whole or in part during the period extending from the earliest through the latest payment date or (ii) any grace or cure period (with respect to the latest such payment date) under the Loan Agreement, the guarantor may repurchase the Offered Certificates for amount equal to the sum of (x) the then-current principal balance of the Offered Certificates (determined as of the immediately preceding

Distribution Date) plus (y) the interest payable on the Offered Certificates for such Distribution Date. Following the event of any such repurchase, the Trust shall terminate.

Characteristics of Certificates. The Offered Certificates will be represented by one or more certificates which will be registered in the name of the nominee of The Depository Trust Company ("DTC"). DTC will maintain the Offered Certificates through its book-entry facilities. The Holder or Certificateholder of an Offered Certificate is the nominee of DTC (each such nominee, a "Holder" or "Certificateholder"). A Holder is not necessarily the beneficial owner of an Offered Certificate. Beneficial owners ordinarily will "hold" Offered Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations.

Authorized Denominations. We will issue the Offered Certificates in minimum denominations of \$100,000 and in increments of \$1 in excess thereof.

Distribution Date. Beginning in May 2017, we will make payments on the Offered Certificates in respect of principal and interest, to the extent described herein, on the 25th day of each month or, if the 25th is not a Business Day (as defined in the Information Circular), on the first Business Day after the 25th. We refer to each such date as a "Distribution Date."

Record Date. On each Distribution Date, we will make each monthly payment to Certificateholders who were Holders of record on the last day of the month preceding the month in which that Distribution Date occurs.

Class Factor. On or before each Distribution Date, we will publish a class factor (carried to eight decimal places) for the Offered Certificates. When the class factor is multiplied by the original principal balance of an Offered Certificate, the product will equal the current principal balance of that Offered Certificate after taking into account payments on that Distribution Date.

Voting the Underlying Class A REMIC Securities. Holders of the Underlying Class A REMIC Securities may have to vote on issues arising under the documents governing the Underlying REMIC Trust. The Trustee will not vote the Underlying Class A REMIC Securities except upon direction to do so from Holders of at least 51% of the Offered Certificates by principal balance.

The Underlying Class A REMIC Securities

The Underlying Class A REMIC Securities represent beneficial interests in the Underlying REMIC Trust and generally represent an entitlement to the applicable portion of the interest and principal due on the Underlying Mortgage Loan, subject to the payment priorities specified in the Information Circular. The Underlying Mortgage Loan provides for scheduled payments of interest only until the stated maturity date. Prepayments are permitted on the Underlying Mortgage Loan subject to the payment of yield maintenance premiums prior to the Underlying Mortgage Loan monthly payment date in December 2026. Interest and/or principal payable on the Underlying Class A REMIC Securities will be passed through to Holders of the Offered Certificates. Interest at the applicable pass-through rate will accrue on the outstanding principal balance of the Underlying Class A REMIC Securities as described in the Information Circular.

See the Information Circular for a detailed discussion of the Underlying Class A REMIC Securities and the Underlying Mortgage Loan.

Book-Entry Procedures

General. The Offered Certificates will be registered in the name of the nominee of DTC, a New York chartered limited purpose trust company, or any successor depository that we select or approve (the "Depository"). In accordance with its normal procedures, the Depository will record the positions held by each Depository participating firm (each, a "Depository Participant") in the Offered Certificates, whether held for its own account or as a nominee for another person. Initially, we will act as Paying Agent for the Offered Certificates. In addition, U.S. Bank National Association will perform certain administrative functions with respect to the Offered Certificates.

A "beneficial owner" or an "investor" is anyone who acquires a beneficial ownership interest in the Offered Certificates. As an investor, you will not receive a physical certificate. Instead, your interest will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (a "financial intermediary") that maintains the account for you. In turn, the record ownership of the intermediary will be recorded on the records of the Depository. If the intermediary is not a Depository Participant, the intermediary's record ownership will be recorded on the records of a Depository Participant acting as an agent for the financial intermediary. Neither the Trustee nor the Depository will recognize an investor as a Certificateholder. Therefore, you must rely on these various arrangements to transfer your beneficial interest in the Offered Certificates and comply with the procedures of your financial intermediary and of Depository Participants. In general, ownership of Offered Certificates will be subject to the prevailing rules, regulations and procedures governing the Depository and Depository Participants.

Method of Distribution. We will direct payments on the Offered Certificates to the Depository in immediately available funds. The Depository will credit the payments to the accounts of the Depository Participants entitled to them, in accordance with the Depository's normal procedures. These procedures currently provide for payments made in same-day funds to be settled through the New York clearing house. Each Depository Participant and each financial intermediary will direct the payments to the investors in the Offered Certificates that it represents. Accordingly, investors may experience a delay in receiving payments.

Payments of Interest

On each Distribution Date, we will pay to the Holders of Offered Certificates an amount of interest equal to the interest amount required to be paid on the Underlying Class A REMIC Securities on that Distribution Date.

Payments of Principal

On each Distribution Date, we will pay to the Holders of Offered Certificates an amount of principal equal to the amount, if any, required to be paid on the Underlying Class A REMIC Securities on that Distribution Date.

Yield, Modeling Assumptions, Decrement Table, Weighted Average Life

See the section of the Information Circular entitled "*Yield, Prepayment and Maturity Considerations*" with respect to the Underlying Class A REMIC Securities. Subject to the discussion and Modeling Assumptions described therein, the following table indicates the weighted average lives of the Offered Certificates and sets forth the percentages of the initial principal balance of the Offered Certificates that would be outstanding after each of the Distribution Dates shown at various percentages of CPR (as defined in the Information Circular).

The weighted average life of the Offered Certificates is determined by (i) multiplying the assumed net reduction, if any, in the principal balance on each Distribution Date of the Offered Certificates by the number of years from the date of issuance of the Offered Certificates to the related Distribution Date, (ii) summing the results and (iii) dividing the sum by the original certificate balance of the Offered Certificates.

**Percentage of the Original Certificate Balance for Offered Certificates at the Specified CPR
(0% Prior to the Yield Maintenance End Date* – Otherwise at Indicated CPR)**

Distribution Date	Offered Certificates				
	0%	10%	20%	30%	40%
Initial Percentage.....	100%	100%	100%	100%	100%
April 25, 2018.....	100%	100%	100%	100%	100%
April 25, 2019.....	100%	100%	100%	100%	100%
April 25, 2020.....	100%	100%	100%	100%	100%
April 25, 2021.....	100%	100%	100%	100%	100%
April 25, 2022.....	100%	100%	100%	100%	100%
April 25, 2023.....	100%	100%	100%	100%	100%
April 25, 2024.....	100%	100%	100%	100%	100%
April 25, 2025.....	100%	100%	100%	100%	100%
April 25, 2026.....	100%	100%	100%	100%	100%
April 25, 2027.....	100%	95%	91%	85%	80%
April 25, 2028.....	0%	0%	0%	0%	0%
Weighted Average Life (years) to Maturity.....	10.16	10.14	10.13	10.11	10.09
First Principal Distribution Date.....	June 2027	December 2026	December 2026	December 2026	December 2026
Last Principal Distribution Date	June 2027	June 2027	June 2027	June 2027	June 2027

* The Distribution Date in December 2026. See "Description of the Loan—Prepayment—Prepayment/Repayment Conditions" in the Information Circular.

THE TRUST AGREEMENT

In the sections below, we summarize certain provisions of the Trust Agreement that are not discussed elsewhere in this prospectus. Certain capitalized terms that we use in these summaries are defined in the Trust Agreement. These summaries are, by definition, not complete. If there is ever a conflict between what we have summarized in this prospectus and the actual terms of the Trust Agreement, the terms of the Trust Agreement will prevail.

Reports to Certificateholders

As soon as practicable on or shortly before each Distribution Date, we will publish (in print or otherwise) the class factor for the Offered Certificates. The "class factor" is a number (carried to eight decimal places) which, when multiplied by the original principal balance of an Offered Certificate, will equal the principal balance of that Offered Certificate that will still be outstanding after taking into account current month principal payments.

We will post on our Web site, or otherwise make available, any information required by the federal income tax laws.

Additionally, as described in the Information Circular under "*Description of the Trust and Servicing Agreement—Information Available Electronically*," periodic reports relating to the Underlying Mortgage Loan and the Underlying Class A REMIC Securities will be available on the website of the certificate administrator of the Underlying Class A REMIC Securities, initially located at www.ctslink.com.

Certain Matters Regarding Fannie Mae

The Trust Agreement provides that we may resign from our obligations and duties as Trustee at any time, effective only after a successor has assumed our obligations and duties.

The Trust Agreement also provides that neither we nor any of our directors, officers, employees or agents will be under any liability to the Trust or to the Certificateholders for errors in judgment or for any action we take, or refrain from taking, in good faith pursuant to the Trust Agreement. However, neither we nor any such person will be protected against any liability due to willful misfeasance, bad faith, gross negligence or willful disregard of obligations and duties.

In addition, the Trust Agreement also provides that we are not under any obligation to appear in, prosecute or defend any legal action that is not incidental to our responsibilities under the Trust Agreement and that in our opinion may involve us in any expense or liability. However, in our discretion, we may undertake any legal action that we deem necessary or desirable in the interests of the Certificateholders. In that event, we will pay the legal expenses and costs of the action, which generally will not be reimbursable out of the trust fund.

Any corporation into which we are merged or consolidated, any corporation that results from a merger, conversion or consolidation to which we are a party or any corporation that succeeds to our business will be our successor under the Trust Agreement.

Certificate Account

We, as Trustee, will deposit all payments on the Underlying Class A REMIC Securities received by us into a certificate account at an eligible depository, and all such payments and all investments made

with such funds, excluding interest earnings and other investment earnings, will be held in trust in the certificate account for the benefit of the Holders of the Offered Certificates. Funds held in the certificate account are held by us as Trustee in trust for the benefit of Certificateholders pending distribution to Certificateholders. Amounts in the certificate account are held separately from our general corporate funds but are commingled with funds for other Fannie Mae trusts and are not separated on a trust-by-trust basis. We may invest funds in any certificate account in specified eligible investments, including our own debt instruments. We currently invest substantially all funds in certificate accounts in our own debt instruments. If we were unable or unwilling to continue to do so, the timing of incremental intra-day distributions made on each Distribution Date could be affected. We are entitled to retain all earnings on funds on deposit in each certificate account as a trust administration fee. See "*Certain Matters Regarding Our Duties as Trustee*" below for a description of the trust administration fee.

Certain Matters Regarding Our Duties as Trustee

We serve as trustee under the Trust Agreement and receive a fee for our services to the Trust, which is payable from the interest and other earnings on the certificate account. Under the Trust Agreement, the Trustee may consult with and rely on the advice of counsel, accountants and other advisors. The Trustee will not be responsible for errors in judgment or for anything it does or does not do in good faith if it so relies. This standard of care also applies to our directors, officers, employees and agents. We are not required, in our capacity as Trustee, to risk our funds or incur any liability if we do not believe those funds are recoverable or if we do not believe adequate indemnity exists against a particular risk. This does not affect our guaranty obligations.

The Trustee is not personally liable with respect to any action taken, permitted or omitted to be taken by it in good faith with respect to the Trust in accordance with the direction of the Certificateholders representing at least 5% of the voting rights of the Offered Certificates as to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Trust Agreement.

We are indemnified by the Trust for actions we take in our capacity as Trustee in connection with the administration of the Trust. Officers, directors, employees and agents of the Trustee are also indemnified by the Trust with respect to that Trust. Nevertheless, neither we nor they will be protected against any liability if it results from willful misfeasance, bad faith, gross negligence or willful disregard of our duties.

So long as no Guarantor Event of Default (as defined below) has occurred and is continuing, the Trustee is not required to investigate the facts or matters found in any document presented to it unless (i) either the guarantor or the Holders of Offered Certificates representing at least 25% of the voting rights of the Offered Certificates request it to do so, and (ii) if the Trustee is not reasonably assured by the security afforded to it under the Trust Agreement, the guarantor or such Holders, as applicable, within a reasonable time have provided the Trustee with reasonable indemnification for costs, expenses, or liabilities likely to be incurred by it in its investigation. In addition, the Trust Agreement provides that the Trustee may, but is not obligated to, undertake any legal action that it deems necessary or desirable in the interests of Certificateholders. We may be reimbursed for the legal expenses and costs of the action from the assets of Trust.

We may resign from our duties as Trustee under the Trust Agreement upon providing 90 days' advance notice to the guarantor. Our resignation will not become effective until a successor has assumed our duties. We may be removed as Trustee only if a Guarantor Event of Default has occurred and is continuing. In that case, at the direction of the Holders of Offered Certificates representing at least 51% of the voting rights of the Offered Certificates, we will resign or may be removed as the Trustee, and, to

the extent permitted by law, all of our rights and obligations as Trustee will be terminated when we are notified in writing of such termination. Moreover, the Holders of Offered Certificates representing at least 51% of the voting rights of the Offered Certificates may appoint a successor trustee to assume all of our duties as Trustee. Even after our termination as Trustee, we will continue to be liable for our obligations as Trustee that arose before the termination and will continue to be obligated under our guaranty.

Guarantor Events of Default

Any of the following will be considered a "Guarantor Event of Default" under the Trust Agreement:

- if we fail to make a required payment to the Certificateholders and our failure continues uncorrected for 15 days after we receive written notice from Certificateholders who represent ownership interests totaling at least 5% of the Offered Certificates that it has not been paid and a demand that it be cured; or
- if we fail in a material way to fulfill any of our obligations under the Trust Agreement and our failure continues uncorrected for 60 days after we receive written notice of our failure and a demand that it be cured from Certificateholders who represent ownership interests totaling at least 25% of the Offered Certificates; or
- if we become insolvent or unable to pay our debts or if other events of insolvency occur.

Certificateholders Rights upon Guarantor Event of Default

If one of the Guarantor Events of Default listed above has occurred and continues uncorrected while Fannie Mae is the Trustee, at the direction of Certificateholders representing at least 51% of the Voting Rights of the Offered Certificates, Fannie Mae will resign or be removed as the Trustee, and, to the extent permitted by law, all of the rights and obligations of the Trustee will be terminated by notifying the Trustee in writing. The Certificateholders providing the direction referenced above will then be authorized to name and appoint one or more successor Trustees.

Amendment

We may amend the Trust Agreement for any of the following purposes without notifying the Certificateholders:

- to correct an error;
- to correct, modify or supplement any provision in the Trust Agreement that is inconsistent with any other provision of this prospectus or the Information Circular;
- to cure an ambiguity or supplement a provision of the Trust Agreement, provided that such cure of an ambiguity or supplement of a provision is not otherwise inconsistent with the provisions of the Trust Agreement; and
- to make any other amendments with respect to matters or question arising under the Trust Agreement so long as such action will not (i) materially and adversely affect the interest of any Holder or (ii) have any material adverse tax consequences to Holders, as evidenced by an opinion of counsel to the Trust.

If the Certificateholders that represent ownership interests totaling at least 51% of the Offered Certificates consent, we may amend the Trust Agreement for any purpose or waive any provision of the Trust Agreement, except that without the consent of all Holders of the Offered Certificates, we may not enter into any amendment or otherwise engage in any activity that will (i) reduce in any manner the amount of, or delay the timing of, distributions which are required to be made on any Offered Certificate or (ii) reduce the percentage of voting rights required to consent to any waiver or any amendment.

Termination

The Trust Agreement will terminate on the earlier of (i) payment in full or liquidation of the Underlying Class A REMIC Securities and distribution of the proceeds thereof to the Holders of the Offered Certificates or (ii) repurchase of the Offered Certificates by Fannie Mae as described in "*Description of the Offered Certificates—Optional Repurchase by Guarantor*" in this prospectus. In no event, however, will the Trust continue beyond the Distribution Date in June 2067.

Merger

The Trust Agreement provides that if we merge or consolidate with another corporation, the successor corporation will be our successor under the Trust Agreement and will assume all of our duties under the Trust Agreement, including our guaranty.

Notices to Certificateholders

The Trust Agreement provides that we may communicate with Certificateholders in two ways. We may provide written notice (which includes e-mail) to Certificateholders or provide notice to Certificateholders in any other public manner we use to make our financial information available, including posting notices on our Web site at www.fanniemae.com. We are providing our internet address solely for your information. Unless otherwise stated, information appearing on our Web site is not incorporated into this prospectus.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The Offered Certificates and payments on the Offered Certificates generally are subject to taxation. Therefore, you should consider the tax consequences of holding an Offered Certificate before you acquire one. The following discussion describes certain U.S. federal income tax consequences to beneficial owners of Offered Certificates. The discussion is general and does not purport to deal with all aspects of federal taxation that may be relevant to particular investors. This discussion may not apply to your particular circumstances for various reasons, including the following:

- This discussion is based on federal tax laws in effect as of the date of this prospectus. Changes to any of these laws after the date of this prospectus may affect the tax consequences discussed below, and such changes may have retroactive effect.
- This discussion addresses only Offered Certificates acquired at original issuance and held as "capital assets" (generally, property held for investment).
- This discussion does not address tax consequences to beneficial owners subject to special rules, such as dealers in securities, certain traders in securities, banks, tax-exempt organizations, life insurance companies, persons that hold Offered Certificates as part of a hedging transaction or as a position in a straddle or conversion transaction, or persons whose functional currency is not the U.S. dollar.

- This discussion does not address taxes imposed by any state, local or foreign taxing jurisdiction.

For these reasons, you should consult your own tax advisors regarding the federal income tax consequences of holding and disposing of Offered Certificates as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Taxation of Beneficial Owners of Certificates

Our special tax counsel, Dechert LLP, will deliver its opinion that, assuming compliance with the Trust Agreement, the Trust will be classified as a grantor trust under subpart E of part I of subchapter J of the Internal Revenue Code of 1986, as amended (the "Code") and not as an association taxable as a corporation. The Underlying Class A REMIC Securities will be the assets of the Trust. Each beneficial owner of an Offered Certificate will be treated as the beneficial owner of an undivided interest in the Underlying Class A REMIC Securities held by the Trust. Consequently, each beneficial owner of an Offered Certificate will be required to report its pro rata share of the income with respect to the Underlying Class A REMIC Securities, and a sale or other disposition of an Offered Certificate will constitute a sale or other disposition of a pro rata portion of the Underlying Class A REMIC Securities. In addition, each beneficial owner of an Offered Certificate will be required to include in income its allocable share of the expenses paid by the Trust.

Each beneficial owner of an Offered Certificate can deduct its allocable share of the expenses paid by the Trust as provided in section 162 or section 212 of the Code, consistent with its method of accounting. A beneficial owner's ability to deduct its share of these expenses is limited under section 67 of the Code in the case of (i) estates and trusts, and (ii) individuals owning an interest in an Offered Certificate directly or through an investment in a "pass-through entity" (other than in connection with such individual's trade or business). Pass-through entities include partnerships, S corporations, grantor trusts, certain limited liability companies and non-publicly offered regulated investment companies, but do not include estates, non-grantor trusts, cooperatives, real estate investment trusts and publicly offered regulated investment companies. Subject to limitations, such a beneficial owner can deduct its share of these costs only to the extent that these costs, when aggregated with certain of the beneficial owner's other miscellaneous itemized deductions, exceed 2% of the beneficial owner's adjusted gross income. For this purpose, an estate or non-grantor trust computes adjusted gross income in the same manner as in the case of an individual, except that deductions for administrative expenses of the estate or non-grantor trust (not including expenses of the Trust) that would not have been incurred if the property were not held in such non-grantor trust or estate are allowable in arriving at adjusted gross income. In addition, section 68 of the Code may provide for certain limitations on itemized deductions otherwise allowable for a beneficial owner who is an individual. Further, a beneficial owner may not be able to deduct any portion of these costs in computing its alternative minimum tax liability.

Taxation of the Underlying Class A REMIC Securities

The Information Circular discusses tax consequences to holders of the Underlying Class A REMIC Securities. The Information Circular states that each holder of an Underlying Class A REMIC Security will be deemed to own an interest in a REMIC, with the Underlying Class A REMIC Securities representing "regular interests" in the REMIC elected by the Underlying REMIC Trust and treated as debt instruments of such REMIC and the underlying Class R certificates representing "residual interests" in the REMIC elected by the Underlying REMIC Trust. Because a beneficial owner of an Offered Certificate will be required to report its pro rata share of the income accruing with respect to the Underlying Class A REMIC Securities and will be required to treat the sale or other disposition of an Offered Certificate as the sale or other disposition of a pro rata portion of the Underlying Class A REMIC Securities, you

should review the discussion under "*Certain Federal Income Tax Considerations*" in the Information Circular.

The Information Circular states that, taking into account certain assumptions described therein, each Underlying Class A REMIC Security will qualify as a "regular interest" in a "real estate mortgage investment conduit" and each underlying Class R certificate will qualify as a "residual interest" in a "real estate mortgage investment conduit" within the meaning of the Code. Qualification as a REMIC requires initial and ongoing compliance with certain conditions. The remainder of this discussion assumes that all the requirements for qualification as a REMIC have been, and will continue to be, met with respect to the Underlying REMIC Trust. The Underlying Class A REMIC Securities generally will be treated as "regular or residual interests in a REMIC" for domestic building and loan associations, as "real estate assets" for real estate investment trusts, and as "qualified mortgages" for other REMICs.

Information Reporting and Backup Withholding

Within a reasonable time after the end of each calendar year, a statement will be made available to each Certificateholder that received a distribution during that year setting forth the portions of any distributions that constitute interest distributions, original issue discount ("OID") and any other information as is required by Treasury regulations.

Distributions of interest and principal, as well as distributions of the proceeds from the sale of Offered Certificates, may be subject to the "backup withholding tax" under section 3406 of the Code if recipients of the distributions fail to furnish to the payer certain information, including their taxpayer identification numbers, or otherwise fail to establish an exemption from this tax. Any amounts deducted and withheld from a distribution to a recipient would be allowed as a credit against the recipient's federal income tax. Certain penalties may be imposed by the IRS on a recipient of distributions required to supply information who does not do so in the proper manner.

Foreign Investors

Additional rules apply to a beneficial owner of an Offered Certificate that is not a U.S. Person (a "Non-U.S. Person"). The term "U.S. Person" means:

- a citizen or resident of the United States,
- a corporation, partnership or other entity created or organized in or under the laws of the United States or any state thereof or the District of Columbia,
- an estate the income of which is subject to U.S. federal income tax regardless of the source of its income, or
- a trust if a court within the United States can exercise primary supervision over its administration and at least one U.S. person has the authority to control all substantial decisions of the trust.

Payments on an Offered Certificate made to, or on behalf of, a beneficial owner that is a Non-U.S. Person generally will be exempt from U.S. federal income and withholding taxes, provided the following conditions are satisfied:

- the beneficial owner is not subject to U.S. federal income tax as a result of a connection to the United States other than ownership of such Offered Certificate;

- the beneficial owner signs a statement under penalties of perjury certifying that it is a Non-U.S. Person, and provides the name, address and taxpayer identification number, if any, of the beneficial owner; and
- the last U.S. Person in the chain of payment to the beneficial owner receives such statement from the beneficial owner or a financial institution holding on behalf of the beneficial owner and does not have actual knowledge that such statement is false.

These rules do not apply to exempt from taxation interest income allocable to a United States shareholder of a beneficial owner that is a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code. You also should be aware that the IRS might take the position that these rules do not apply to a beneficial owner that also owns 10% or more of the residual interest in the Underlying REMIC Trust or of the voting stock of Fannie Mae. If a beneficial owner does not qualify for exemption, distributions of interest, including distributions in respect of accrued OID, to such beneficial owner may be subject to U.S. withholding tax at a rate of 30%, subject to reduction under any applicable tax treaty.

Under the Foreign Account Tax Compliance Act ("FATCA") and Treasury Regulations, a 30% withholding tax ("FATCA withholding tax") generally applies to certain withholdable payments, and will apply to gross proceeds from the disposition or redemption of assets producing withholdable payments (which includes principal payments) after December 31, 2018, in each case for payments that are made to foreign financial institutions and certain other non-financial foreign entities. The FATCA withholding tax generally will not apply where such payments are made to (i) a foreign financial institution that enters into an agreement with the IRS to, among other requirements, undertake to identify accounts held by certain U.S. Persons or U.S.-owned foreign entities, report annually information about such accounts and withhold tax as may be required by such agreement; or (ii) a non-financial foreign entity that certifies it does not have any substantial direct or indirect U.S. owners or furnishes identifying information regarding each substantial direct or indirect U.S. owner.

In the event that the FATCA withholding tax is imposed on any payment of interest on, or gross proceeds from the disposition or redemption of, an Offered Certificate, Fannie Mae has no obligation to pay additional interest or other amounts as a consequence thereof or to redeem such Offered Certificate before its stated maturity.

LEGAL INVESTMENT CONSIDERATIONS

If you are an institution whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities, you may be subject to restrictions on investment in the Offered Certificates. If you are a financial institution that is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration or other federal or state agencies with similar authority, you should review any applicable rules, guidelines and regulations prior to purchasing the Offered Certificates. You should also review and consider the applicability of the Federal Financial Institutions Examination Council Supervisory Policy Statement on Securities Activities (to the extent adopted by their respective federal regulators), which, among other things, sets forth guidelines for financial institutions investing in certain types of mortgage-related securities, including securities such as the Offered Certificates. In addition, if you are a financial institution, you should consult your regulators concerning the risk-based capital treatment of any Offered Certificate.

Pursuant to the Secondary Mortgage Market Enhancement Act of 1984 ("SMMEA"), securities that we issue (such as the Offered Certificates) are legal investments for entities created under the laws of

the United States or any state whose authorized investments are subject to state regulation to the same extent as obligations issued or guaranteed by the United States or any of its agencies or instrumentalities. Under SMMEA, if a state enacted legislation prior to October 4, 1991 specifically limiting the legal investment authority of any such entities with respect to securities that we issue or guarantee, those securities will constitute legal investments for such entities only to the extent provided in the legislation. Certain states adopted such legislation prior to the October 4, 1991 deadline. **You should consult your own legal advisors in determining whether and to what extent the Offered Certificates constitute legal investments or are subject to restrictions on investment and whether and to what extent the Offered Certificates can be used as collateral for various types of borrowings.**

LEGAL OPINION

If you purchase Offered Certificates, we will send you, upon request, an opinion of our General Counsel (or one of our Deputy General Counsels) as to the validity of the Offered Certificates and the Trust Agreement.

ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with an investment in Offered Certificates on behalf of a plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (such as employer-sponsored pension and profit sharing plans) and other types of benefit plans and arrangements subject to Section 4975 of the Code (such as individual retirement accounts). ERISA and the Code also impose these requirements on some entities in which these benefit plans or arrangements invest. We refer to these plans, arrangements and entities, collectively, as "Plans."

A fiduciary considering investing assets of a plan in an Offered Certificate should consult its legal advisor about ERISA, fiduciary and other legal considerations before making such an investment. Specifically, before authorizing an investment in Offered Certificates, any such fiduciary should, after considering the plan's particular circumstances, determine whether the investment is appropriate under the plan's governing documents and whether the investment is appropriate under the fiduciary standards of ERISA or other applicable law, including standards with respect to prudence, diversification and delegation of control and the prohibited transaction provisions of ERISA and the Code.

Section 3(42) of ERISA and regulations promulgated under ERISA by the U.S. Department of Labor (the "Plan Asset Regulations") generally provide that when a plan acquires an interest in an entity that is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act of 1940, the plan's assets include both the security and an undivided interest in each of the underlying assets of the issuer unless it is established that an exception under the Plan Asset Regulations applies. The application of this general rule could cause the sponsor, trustee and other servicers of a mortgage pool to be subject to the fiduciary responsibility rules of ERISA or cause transactions involving the operation of the mortgage pool to be prohibited transactions under ERISA or the Code.

The Plan Asset Regulation provides that the general rule stated above does not apply to a plan's acquisition of a guaranteed governmental mortgage pool certificate. The definition of "guaranteed governmental mortgage pool certificate" includes certificates which are "backed by, or evidencing an interest in specified mortgages or participation interests therein" and are guaranteed by Fannie Mae as to the payment of interest and principal. Under the Plan Asset Regulations, investment by a Plan in a "guaranteed governmental mortgage pool certificate" does not cause the assets of the Plan to include an interest in the mortgages underlying the certificate or cause the sponsor, trustee and other servicers of the mortgage pool to be subject to the provisions of ERISA or section 4975 of the Code in providing services

with respect to the mortgages in the pool. Our counsel, Katten Muchin Rosenman LLP, has advised us that the Offered Certificates qualify under the definition of "guaranteed governmental mortgage pool certificates" and, as a result, the purchase and holding of Offered Certificates by Plans will not cause the Underlying Mortgage Loan, the Residential Properties or the assets of Fannie Mae to be subject to the fiduciary requirements of ERISA or to the prohibited transaction requirements of ERISA and the Code.

PLAN OF DISTRIBUTION

We will acquire the Underlying Class A REMIC Securities from Invitation Homes Asset Receiving Limited Partnership in exchange for the Offered Certificates. Invitation Homes Asset Receiving Limited Partnership will offer the Offered Certificates through Wells Fargo Securities, LLC, as lead placement agent, and Siebert Cisneros Shank & Co., L.L.C., as co-placement agent (together, the "Placement Agents"), to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale, under the terms and conditions set forth in the certificate placement agreement, dated as of April 19, 2017 (the "Placement Agreement"), among Invitation Homes Asset Receiving Limited Partnership, Wells Fargo Securities, LLC, as representative of the Placement Agents, and Invitation Homes Operating Partnership LP. The Placement Agents may effect such transactions to or through other dealers.

CREDIT RISK RETENTION

The Offered Certificates satisfy the requirements of the Credit Risk Retention Rule (12 C.F.R. Part 1234) jointly promulgated by FHFA, the SEC and several other federal agencies. In accordance with 12 C.F.R. 1234.8(a), (i) the Offered Certificates are fully guaranteed as to timely payment of principal and interest by Fannie Mae and (ii) Fannie Mae is operating under the conservatorship of FHFA with capital support from the United States.

LEGAL MATTERS

Katten Muchin Rosenman LLP and, with respect to certain tax matters, Dechert LLP, will provide legal representation for Fannie Mae. Sidley Austin LLP will provide legal representation for the Placement Agents.

INDEX OF DEFINED TERMS

Administration	12
Book-Entry Certificates	35
Certificateholder	38
Code	45
Congress.....	12
Conservator	2
Depository.....	39
Depository Participant	39
Disclosure Documents	4
Distribution Date.....	38
DTC	1, 38
ERISA	48
FASB	13
FATCA	47
FATCA withholding tax	47
FDIC	35
FHFA	2
financial intermediary	39
Fitch	11
Form 10-K.....	5
GSE.....	12
GSE Act	14
Guarantor Event of Default.....	43
Holder	38
Information Circular	4
LTV.....	19
MBS	16
MERS.....	27
MERS System.....	26
MERSCORP	26
Moody's.....	24
Non-U.S. Person	46
Offered Certificates.....	1
OID	46
OTC	24
Placement Agents.....	49
Placement Agreement	49
Plan Asset Regulations	48
Plans.....	48
PMI	26

REFORM ACT	2
Residential Properties	8
RMIC	26
S&P	11
SEC	5
SMMEA	48
Treasury	12
Triad	26
Trust	37
Trust Agreement	37
Trustee	37
U.S. Person	46
Underlying Class A REMIC Securities	1
Underlying Mortgage Loan	6
Underlying REMIC Trust	6

(THIS PAGE INTENTIONALLY LEFT BLANK)

INFORMATION CIRCULAR

\$944,500,000 (Approximate)

Invitation Homes 2017-SFR1 Single-Family Rental Pass-Through Certificates

**Invitation Homes Operating Partnership LP
Securitization Sponsor**

**IH Asset Receiving Limited Partnership
Depositor
Invitation Homes 2017-SFR1 Trust
Issuing Entity**

**Fannie Mae
Guarantor**

The Invitation Homes 2017-SFR1 Single-Family Rental Pass-Through Certificates (the "Certificates") will represent beneficial interests in a trust fund (the "Trust Fund") to be established by IH Asset Receiving Limited Partnership (the "Depositor") pursuant to the Trust and Servicing Agreement, dated as of the Cut-off Date (the "Trust and Servicing Agreement"), among the Depositor, Midland Loan Services, a division of PNC Bank, National Association, as servicer (in such capacity, the "Servicer"), and as special servicer (in such capacity, the "Special Servicer"), Wells Fargo Bank, National Association, as certificate administrator (in such capacity, the "Certificate Administrator"), Fannie Mae, as guarantor (in such capacity, the "Guarantor"), and Wilmington Trust National Association, as trustee (the "Trustee"). The assets of the Trust Fund will consist primarily of a single componentized promissory note (the "Note") issued by a special purpose entity (the "Borrower"), evidencing a 121-month loan with an initial principal balance of \$999,999,713, having two fixed rate components (the "Loan") and guaranteed by the Borrower's direct parent companies (collectively, the "Equity Owners").

The issuing entity will issue three classes of Certificates, the Class A, Class B and Class R Certificates. The Class A Certificates and Class B Certificates will accrue interest from and including April 1, 2017. The Class R Certificates will represent the REMIC residual interest. The Class A Certificates are being offered by this information circular. The Class A Certificates are referred to herein as the "Offered Certificates" or, so long as no Fannie Mae Guaranty Termination has occurred, the "Guaranteed Certificates". The Class B and Class R Certificates are collectively referred to herein as "Non-Offered Certificates". The Class A and Class B Certificates are collectively referred to herein as the "Principal Balance Certificates". The Class A Certificates will have the benefit of a guaranty from Fannie Mae, as described in this information circular under "Description of the Certificates—Payment on the Certificates." Each Class of Certificates will be entitled to receive monthly distributions of interest and/or principal on the 25th day of each month, or if such date is not a Business Day, the immediately succeeding Business Day, commencing in May 2017.

The Certificates will represent obligations of the issuing entity only (and, solely with respect to certain payments of interest and principal pursuant to a guaranty of the Class A Certificates described in this information circular, Fannie Mae), and do not represent obligations of or interests in the Depositor, the Accommodation Loan Seller, the Securitization Sponsor, Loan Sponsor, Document Defect Repurchase Guarantor and Environmental Indemnitor, the Manager or any of their affiliates, and neither the Certificates nor the underlying Properties are insured or guaranteed by any governmental agency (other than to the extent set forth herein with respect to the Class A Certificates, Fannie Mae). We do not intend to list the Class A 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 of the Class A Certificates to Fannie Mae.

Contingent on the issuance of the Certificates as described herein, the Loan will be entered into on the Closing Date between the Borrower and, as an accommodation to facilitate the transactions described in this information circular, Wells Fargo Bank, National Association (the "Accommodation Loan Seller"). The Equity Owner guaranty and the Loan will be secured by, among other things, a pledge by the Equity Owners of their equity in the Borrower and first priority mortgages on a pool of 7,204 single-family residential properties (collectively, the "Properties"), respectively, and, in each case, the pledge of personal property by each Equity Owner and the Borrower. The Properties are located in 29 metropolitan statistical areas in 10 states of the United States. Each of the Depositor, the Borrower and each Equity Owner is a special-purpose entity that is indirectly wholly-owned and controlled by Invitation Homes Operating Partnership LP ("IH OP" or the "Securitization Sponsor"), which is the operating partnership of the Invitation Homes platform. The Securitization Sponsor or a "majority-owned affiliate" of the sponsor intends to retain the Class B Certificates to the extent required by the Risk Retention Rules as described in this information circular under "Credit Risk Retention".

Investing in the Offered Certificates involves risks. See "Risk Factors" beginning on page 33 of this information circular.

Certain characteristics of the Offered Certificates include:

Class of Offered Certificates⁽¹⁾	Initial Certificate Balance⁽¹⁾	Pass-Through Rate Description⁽²⁾	Approximate Initial Pass-Through Rate	Assumed Final Distribution Date⁽³⁾	Guaranty Principal Final Distribution Date⁽⁴⁾
Class A.....	\$ 944,500,000	Fixed ⁽⁶⁾	2.898%	June 2027	June 2027

(Footnotes to table on page iv)

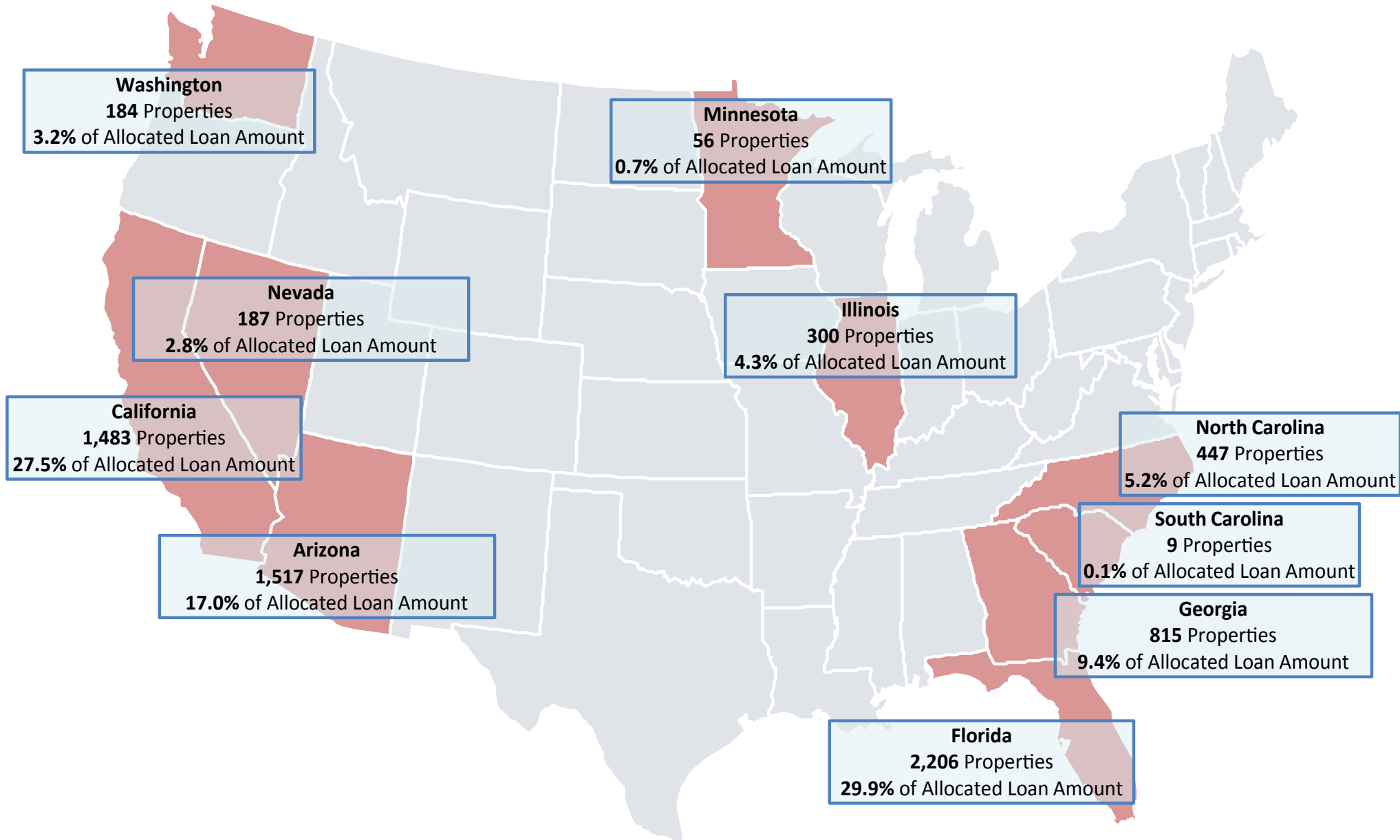
In addition, investors should note that the Trust Fund will not be required to register as an investment company, as defined in Section 3(a)(1) of the Investment Company Act of 1940, as amended, in reliance on the exception provided for pursuant to Section 3(c)(5)(C) thereof, although there may be additional exemptions or exclusions available to the Trust Fund. 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).

Delivery of the Class A Certificates will be made on or about or about April 28, 2017 (the "Closing Date"). Credit enhancement for the Class A Certificates will be provided by (i) the subordination of the Class B Certificates as described in this information circular under "Summary of Information Circular—Description of the Certificates—Subordination; Allocation of Losses and Certain Expenses" and "Description of the Certificates—Payment on the Certificates" and (ii) the guaranty of the Class A Certificates by Fannie Mae as described under "Description of the Certificates—Fannie Mae Guaranty and Rights of the Guarantor" and "Payment on the Certificates" in this information circular. It is a condition to the issuance of the Class A Certificates that they be purchased and guaranteed by Fannie Mae as described in this information circular. The obligations of Fannie Mae under its guaranty of the Class A Certificates are obligations of Fannie Mae only. Fannie Mae will not guaranty any Class of Certificates other than the Class A Certificates. The Class A 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 Fannie Mae. Income on the Class A Certificates has no exemption under federal law from federal, state or local taxation.

Information Circular dated April 19, 2017

Invitation Homes 2017-SFR1 Trust

Graphic Distribution of the Underlying Properties



EXECUTIVE SUMMARY

This Executive Summary does not include all of the information you need to consider in making your investment decision. You are advised to carefully read, and should rely solely on, the detailed information appearing elsewhere in this information circular relating to the Certificates and the underlying Loan.

OVERVIEW OF THE LOAN

Cut-off Date Loan Balance^{(1),(2)}	Stated Maturity Date	Cut-off Date Loan to BPO Value Ratio⁽³⁾	Loan U/W NCF DSCR⁽⁴⁾	Loan U/W NCF Debt Yield⁽⁵⁾
\$999,999,713	June 2027	60.0%	1.93x	8.16%

Component	Initial Principal Balance^{(1),(6)}	Regular Component Interest Rate⁽⁷⁾
A	\$944,500,000	4.2285%
B	\$55,499,713	4.2285%

(1) Approximate. Subject to variance of plus or minus 5%.

(2) The Loan will be evidenced by a single componentized promissory note. For the purpose of computations, the Loan will be divided into two separate fixed rate components with the designations and terms generally described in the table and these notes.

(3) "Cut-off Date Loan to BPO Value Ratio" is the ratio of the Cut-off Date Loan Balance divided by the aggregate BPO Value of all Properties based on the BPO Values obtained within three months of December 31, 2016 (the "Property Cut-off Date"), which is \$1,666,666,557 (the "Aggregate Cut-off Date BPO Value").

(4) "Loan U/W NCF DSCR" is the ratio of (a) the Underwritten Annual Net Cash Flow (as defined in "Description of the Properties—Additional Information Regarding the Loan and the Properties" in this information circular) to (b) the sum of the monthly debt service payments for the first 12 full Loan Interest Accrual Periods after the Closing Date plus the amount of the Certificate Administrator Fee and the Trustee Fee payable by the Borrower in each such Loan Interest Accrual Period as Borrower Reimbursable Trust Fund Expenses under the Loan, assuming the fixed rate of each Component is as set forth herein. The Loan U/W NCF DSCR is calculated using the interest-only monthly debt service payments that will be due under the Loan. The Loan Debt Service Coverage Ratio, by contrast, is calculated using the Loan Underwritten Debt Service Amount (Assumed Amortization), assuming a thirty-year level-pay amortization schedule (which may be reset under certain circumstances).

(5) "Loan U/W NCF Debt Yield" is the ratio of (a) the Underwritten Annual Net Cash Flow to (b) the Cut-off Date Loan Balance.

(6) Each Class of Principal Balance Certificates will have an initial Certificate Balance that is equal to the initial principal balance of the Component of the Note with the same alphabetical designation, which in the aggregate will be equal to the Cut-off Date Loan Balance.

(7) Component A and Component B (each, a "Component") of the Note will accrue interest at a fixed per annum rate equal to the rate set forth opposite such Component in the table (the "Component Rate").

OFFERED CERTIFICATES

Class ⁽¹⁾	Initial Certificate Balance ⁽¹⁾	Pass-Through Rate Description ⁽²⁾	Approximate Initial Pass-Through Rate	Maturity Date WAL (Yrs) ⁽³⁾	Principal Window ⁽³⁾	Assumed Final Distribution Date ⁽³⁾	Guaranty Principal Final Distribution Date ⁽⁴⁾	Approximate Initial Credit Support ⁽⁵⁾	U/W NCF Debt Yield ⁽⁶⁾	Approximate Certificate Balance to BPO Value Ratio ⁽⁷⁾
Class A	\$944,500,000	Fixed ⁽⁸⁾	2.898%	10.16	122 – 122	June 2027	June 2027	5.55%	8.64%	56.7%

NON-OFFERED CERTIFICATES

Class ⁽¹⁾	Initial Certificate Balance ⁽¹⁾	Pass-Through Rate Description	Approximate Initial Pass-Through Rates ⁽²⁾	Maturity Date WAL (Yrs) ⁽³⁾	Principal Window ⁽³⁾	Assumed Final Distribution Date ⁽³⁾	Guaranty Principal Final Distribution Date ⁽⁴⁾	Approximate Initial Credit Support ⁽⁵⁾	U/W NCF Debt Yield ⁽⁶⁾	Approximate Certificate Balance to BPO Value Ratio ⁽⁷⁾
Class B	\$55,499,713	Fixed ⁽⁹⁾	4.168%	10.16	122 – 122	June 2027	N/A	0.00%	8.16%	60.0%
Class R ⁽¹⁰⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Approximate, subject to a variance of plus or minus 5%. The Securitization Sponsor or a "majority-owned affiliate" of the Securitization Sponsor intends to retain the Class B Certificates in order to comply with the Risk Retention Rules, to the extent and for so long as required by such rules, as described in this information circular under "*Credit Risk Retention*". The aggregate initial Certificate Balance of the Class A Certificates and the Class B Certificates will be equal to the Cut-off Date Loan Balance, which is the original principal balance of the Loan.
- (2) Interest will be calculated on the basis of a 30-day Interest Accrual Period and a 360-day year. See "*Description of the Certificates—Payment on the Certificates*."
- (3) Assuming no prepayments, no defaults, no modifications and no acceleration of the maturity of the Loan and according to the modeling assumptions described under "*Yield, Prepayment and Maturity Considerations*" in this information circular.
- (4) With respect to the Class A Certificates, the Guaranty Principal Final Distribution Date is June 2027. Assuming no Fannie Mae Guaranty Termination has occurred, the Guarantor will pay the Certificate Balance of the Class A Certificates on the Guaranty Principal Final Distribution Date as described in "*Description of the Certificates—Payment on the Certificates*" and "*Fannie Mae Guaranty and Rights of the Guarantor*" in this information circular.
- (5) The approximate initial credit support for each Class of Principal Balance Certificates indicates the credit support provided by the Class or Classes of Certificates, if any, subordinate to the applicable Class and is expressed as a percentage of the aggregate initial Certificate Balance of all the Certificates.
- (6) "*U/W NCF Debt Yield*" for any Class with a Certificate Balance is calculated by dividing (a) the Underwritten Annual Net Cash Flow, by (b) the aggregate initial Certificate Balance of the related Class of Certificates and all other Classes, if any, that are senior to such Class.
- (7) "*Certificate Balance to BPO Value Ratio*" for any Class with a Certificate Balance is calculated as a percentage, the numerator of which is the total initial Certificate Balance of the related Class of Certificates and all other Classes, if any, that are senior to such Class and the denominator of which is the Aggregate Cut-off Date BPO Value.
- (8) The Pass-Through Rate for the Class A Certificates will be a fixed *per annum* rate equal to (x) 4.168% less (y) the Fannie Mae Guaranty Fee Rate equal to 1.27%.
- (9) The Pass-Through Rate for the Class B Certificates will be a fixed *per annum* rate equal to 4.168%.
- (10) The Class R Certificates will not have a Certificate Balance or Pass-Through Rate. The Class R Certificates represent the residual interests in the Trust REMIC, as further described in this information circular. The Class R Certificates will not be entitled to distributions of principal or interest.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	iii	The Manager Relies on Information	
SUMMARY OF INFORMATION CIRCULAR	2	Supplied by Prospective Residents in	
RISK FACTORS	33	Managing the Properties	49
The Certificates May Not Be a Suitable		Business is Highly Dependent on	
Investment for You	33	Information Systems	49
The Certificates Will Be a New Issue of		Security Breaches and Other Disruptions	
Securities Within an Emerging Class		could Compromise Information	
of Securitization	33	Systems	49
Limited Obligations	33	Vacancy and Turnover Rates Are Subject	
The Loan Will Be Made on the Closing		to a High Degree of Uncertainty	49
Date of the Securitization	34	Risks Relating to Underwritten Annual Net	
Neither the Accommodation Loan Seller		Cash Flow and Underwritten Annual	
Nor Any Other Person Will Make Any		Net Operating Income; Vacancy and	
Representation Regarding the Terms		Cash Flow Assumptions Are	
of the Loan in Favor of the Issuing		Hypothetical	50
Entity	34	Capital Expenditures and Operating	
The Loan May Not Be Made and the		Expenses Are Subject to a High	
Certificates Described in This		Degree of Uncertainty	51
Information Circular May Not Be		Short-Term Leases May Expose the	
Issued, Even After the Certificates		Borrower to Additional Risks	52
Have Priced	34	Related Party Concentration	52
Credit Support in the Form of		Sales of Properties May Change Portfolio	
Subordination Is Limited and May Not		Characteristics; Property Releases	
Be Sufficient To Prevent Loss on the		and Substitutions May Be Adverse for	
Certificates	34	Credit Characteristics, Yield and	
Single-Family Rental on an Institutional		Weighted Average Life of Your	
Scale is Relatively New and Unproven	35	Investment	52
Limited Operating History Employing a		Special Releases Will Result in Fewer	
Business Model with a Limited Track		Properties Securing the Loan Without	
Record	36	a Corresponding Prepayment on the	
Property Management Is Integral to the		Loan	54
Performance of the Loan	37	Limitations of Broker Price Opinions;	
Borrower May Be Adversely Affected by		Interior Condition Assumption; No	
Derogatory Publicity or by Losing the		Physical Inspections	54
Use of the "Invitation Homes" Name	38	Inadequacy of Title Insurers or Insured	
Dependence on Third Parties for Key		Amount May Adversely Affect	
Services May have Adverse Effect on		Payments on the Certificates	55
Performance of Properties if the Third		Litigation and Administrative Proceedings;	
Parties Fail to Perform	38	Federal, State and Local	
Operating Performance of the Properties		Requirements	56
Depends on a Variety of Factors	39	Failure to Make Certain Payments May	
The Certificates Should Be Evaluated		Result in Liens on the Properties	57
Differently Than CMBS Securities	39	Zoning and Building Code Compliance;	
The Certificates Should Be Evaluated		Other Legal Restrictions on Properties	57
Differently Than RMBS Securities	41	Certain of the Properties in Florida Will be	
Volatile Economy, Credit Crisis and		Subject to Liens as a Result of	
Downturn in the Real Estate Market		Violations with Respect to Other	
May Adversely Affect the Value and		Sponsor-Owned Properties	58
Liquidity of Your Investment	41	Certain Properties Have Unique	
Risks to the Financial Markets Relating to		Characteristics and Special Risks	59
Terrorist Attacks	45	Certain Environmental Matters	59
Performance of the Loan Is Dependent		Limitations on Property Accounts and the	
Upon Net Operating Income	45	Loan Collection Account	60
Net Operating Income is Dependent on		Reserves Established for the Loan May Be	
Successful Rental of Properties	47	Insufficient and This May Adversely	
Rental Revenues Depend Upon		Affect Payments on Your Certificates	61
Performance by Individual Tenants;		Geographic Concentration	61
Time and Costs Associated with			
Enforcing Rights	48		

Availability of Earthquake, Flood and Other Insurance and Insufficiency of Proceeds.....	63
Condemnations with Respect to the Properties Could Adversely Affect Payments on Your Certificates	64
Eminent Domain with Respect to the Properties Could Adversely Affect Payments on Your Certificates	64
The Collateral that is Security for the Loan will be Limited	64
Limitations on Real Estate Lenders Imposed by State Laws; Risks Associated with Foreclosure and Enforcement	64
Assignment of Leases.....	66
Interest-Only Loan; Balloon Payment	66
Assets May Experience Delays in Liquidation and Liquidation Proceeds May Be Less Than the Unpaid Principal Balance of the Loan	67
Market Values of the Properties May Be Significantly Less Than the Outstanding Principal Balance of the Loan; Market Values May Decline	67
The Borrower Can Substitute Properties in Certain Circumstances So the Properties Securing the Loan May Change	68
Some Provisions of the Loan May Be Challenged as Unenforceable.....	69
Limited Recourse	69
Rental Revenues and the Return on Your Certificates Could Be Reduced by Shortfalls Due to the Servicemembers Civil Relief Act.....	70
Special Purpose Entities	70
Bankruptcy Considerations	71
The Performance of the Loan and the Properties Depends in Part on Who Controls the Borrower and the Properties	72
Prospective Performance of the Loan Included in the Trust Should Be Evaluated Separately from the Performance of the Loans of Any of the Other Borrowers Owned by Invitation Homes, which may be included in other Single-Family Rental Trusts.....	72
Each of the Accommodation Loan Seller and the Depositor is Subject to Bankruptcy or Insolvency Laws That May Affect the Trust Fund's Ownership of the Loan.....	72
Reliance on the Manager; Potential Conflicts of Interest	73
Potential Conflicts of Interest Between Various Certificateholders.....	73
Reliance on the Loan Sponsor; Potential Conflicts of Interest	74

Potential Conflicts of Interest of the Servicer and the Special Servicer	75
Other Conflicts	75
Potential Conflicts of Interest of GRC	75
Potential Conflicts of Interest of the Placement Agents.....	75
Potential Conflicts of Interest of the Accommodation Loan Seller	77
Limitations with Respect to Representations and Warranties of the Accommodation Loan Seller and Delivery Obligations with Respect to the Depositor	77
Fannie Mae	78
Legal and Regulatory Provisions Affecting Investors Could Adversely Affect the Liquidity of the Certificates and/or Increased Regulatory Capital Requirements	79
Credit Support to the Class A Certificates is Limited.....	81
Your Lack of Control Over the Trust Can Adversely Impact Your Investment	81
Commencing Legal Proceedings Against Parties to the Trust and Servicing Agreement May Be Difficult	81
Effect of Borrower Defaults; Risks Relating to Interest on Advances and Special Servicing Compensation	82
Special Prepayment and Yield Considerations	82
Variability of Average Life May Affect the Yield on your Certificates	83
The Limited Nature of Ongoing Information May Make It Difficult for You To Resell Your Certificates.	85
Certificates Will Not Be Rated	85
Risks Relating to Book-Entry Registration	85
Accounting Standards or Changes Thereto Could Affect You	86
REMIC Status	86
Bipartisan Budget Act of 2015.....	86
Changes in Tax Law; No Gross Up in Respect of the Certificates.....	87
Certain Federal Tax Considerations Regarding Original Issue Discount	87
Tax Consequences Related to Foreclosure	87
Changes in REMIC Restrictions on Loan Modifications May Impact an Investment in the Certificates.....	87
State and Local Tax Considerations	88
Combination or "Layering" of Multiple Risks May Significantly Increase Risk of Loss	88
DESCRIPTION OF THE RELEVANT PARTIES	
AND THE MANAGER	89
General	89
Description of the Loan Sponsor.....	89
Description of the Environmental Indemnitor.....	90
Description of the Property Manager	90

Description of the Borrower and the Equity Owners	93	Description of the Securitization Sponsor and Document Defect Repurchase Guarantor.....	189
DESCRIPTION OF THE PROPERTIES	93	Description of the Accommodation Loan Seller.....	190
General	93	Description of the Issuing Entity.....	190
Broker Price Opinions; Sample Reconciliation	95	Description of the Servicer and Special Servicer.....	191
No Physical Inspections	96	Description of the Trustee	193
Loan Closing Process	96	Description of the Certificate Administrator and Custodian.....	194
Additional Information Regarding the Loan and the Properties	97	Description of the Guarantor	195
DESCRIPTION OF THE MANAGEMENT AGREEMENT AND THE ASSIGNMENT AND SUBORDINATION OF MANAGEMENT AGREEMENT.....	116	DESCRIPTION OF THE LOAN PURCHASE AGREEMENT	198
Management Agreement	116	DESCRIPTION OF THE TRUST AND SERVICING AGREEMENT.....	199
Assignment and Subordination of Management Agreements.....	122	Assignment of the Loan	199
Loan Agreement Covenants	124	Servicing of the Loan	202
DESCRIPTION OF THE LOAN.....	125	The Directing Certificateholder.....	210
General	125	Insurance	214
Principal and Interest	126	Fidelity Bonds and Errors and Omissions Insurance	215
Prepayment.....	127	Management of Foreclosed Collateral	215
Substitution of Properties	130	Modification of the Loan Documents	216
Transfer of Properties	134	Loan Reporting	217
Special Releases	136	Property Transfers and Substitutions.....	217
Expense Reimbursement.....	137	Transfers of Indirect or Direct Interests in the Borrower	218
Guaranties	137	Flow of Funds; Accounts.....	218
Environmental Indemnity.....	140	Realization Upon the Loan.....	219
Cash Management Arrangements; Funds; Reserves.....	143	DC Approval.....	223
Security for the Loan	149	Notice of Ratings Assignment	223
Representations and Warranties.....	150	No Downgrade Confirmation.....	224
Certain Special Purpose Bankruptcy Remote Entity Loan Covenants	151	Advances	225
Casualty and Condemnation.....	151	Servicer and Special Servicer Termination Events.....	228
Loan Events of Default; Remedies.....	155	Rights Upon Servicer and Special Servicer Termination Event.....	229
Reporting	157	Replacement of the Special Servicer Without Cause	230
Condition of Property; Legal Compliance; Renovation Standards; Physical Condition.....	161	Evidence as to Compliance.....	230
Additional Indebtedness; Liens	161	Certain Fees and Expenses.....	231
Transfer Restrictions	162	Certain Matters Regarding the Depositor, the Certificate Administrator, the Trustee, the Servicer, the Special Servicer and the Guarantor.....	233
Hazard, Liability and Other Insurance	165	Amendments.....	235
DESCRIPTION OF THE CERTIFICATES.....	169	Reports to Certificateholders.....	236
General	169	Information Available Electronically	239
Payment on the Certificates	169	Other Information	245
Allocation of Yield Maintenance Premiums	175	Duties of the Trustee and the Certificate Administrator.....	245
Distributions in Respect of the Loan after a Loan Event of Default and Foreclosed Collateral.....	175	Early Termination.....	247
Realized Losses.....	177	Governing Law	248
Calculated Portfolio Value Reductions	177	USE OF PROCEEDS.....	248
Fannie Mae Guaranty and Rights of the Guarantor.....	180	YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS.....	248
Voting Rights.....	181	General	248
CREFC® License Fee	182	Weighted Average Life.....	250
Delivery, Form, Transfer and Denomination.....	182	Pre-Tax Yield to Maturity Tables.....	251
TRANSACTION PARTIES	188	CERTAIN LEGAL ASPECTS OF THE LOAN	251
Description of the Depositor.....	188		

Mortgages, Deeds to Secure Debt and		Treatment of Losses	269
Deeds of Trust Generally	252	Sale or Other Disposition	269
State Law Limitations on Lenders	252	Non-U.S. Persons	269
Leases and Rents	253	Changes in Tax Law: No Gross-Up in	
Foreclosure	253	Respect of the Certificates	270
Security Interests in Pledged Equity		Special Tax Attributes	270
Securities Generally	255	Information Reporting	270
Bankruptcy Issues	258	Backup Withholding	271
Environmental Considerations	261	3.8% Medicare Tax on "Net Investment	
Certain Laws and Regulations	262	Income"	271
Statutory Liabilities	262	Taxes on a REMIC	271
Enforceability of Certain Provisions	262	Taxable Income or Net Loss of the REMIC	271
Impact of Protecting Tenants at		CERTAIN STATE AND LOCAL TAX	
Foreclosure Act	263	CONSIDERATIONS	271
Alternative Mortgage Instruments	263	LEGAL INVESTMENT	272
Default Interest and Limitations on		CREDIT RISK RETENTION	272
Prepayments	264	General	272
Applicability of Usury Laws	264	Sponsor to Hold the Risk Retained	
Secondary Financings	264	Certificates	272
Americans with Disabilities Act	264	Material Terms of the EHRI	273
Forfeitures in Drug, RICO and Money		Prohibition on Hedging, Transfer and	
Laundering Proceedings	265	Financing of Required Credit Risk	273
CERTAIN FEDERAL INCOME TAX		Fair Value of the ABS Interests	273
CONSIDERATIONS	265	Post-Closing Date Disclosure	275
Tax Treatment of the Trust	265	PLAN OF DISTRIBUTION	275
Tax Treatment of Offered Certificates	266	LEGAL MATTERS	275
Pass-Through of Certain Expenses	268	INDEX OF SIGNIFICANT TERMS	276

ANNEX A-1 – PROPERTY SCHEDULE	A-1-1
ANNEX B – PERCENTAGES OF THE INITIAL CERTIFICATE BALANCE OF THE CLASS A CERTIFICATES AT THE SPECIFIED CPR	B-1
ANNEX C – TABLES OF PRE-TAX YIELD TO MATURITY FOR THE CLASS A CERTIFICATES	C-1
ANNEX D – PROPERTY COVENANTS OF THE BORROWER	D-1
ANNEX E – REPRESENTATIONS AND WARRANTIES OF THE BORROWER	E-1
ANNEX F – DEFINITION OF SPECIAL PURPOSE BANKRUPTCY REMOTE ENTITY	F-1
ANNEX G – FORM OF DISTRIBUTION DATE STATEMENT	G-1
ANNEX H – FORM OF SUPPLEMENTAL REPORT	H-1

IMPORTANT NOTICE REGARDING THE CERTIFICATES

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

THE INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR SUPERSEDES ANY PREVIOUS INFORMATION DELIVERED TO ANY PROSPECTIVE INVESTOR AND WILL BE SUPERSEDED BY INFORMATION DELIVERED TO SUCH PROSPECTIVE INVESTOR.

WHEN DECIDING WHETHER TO INVEST IN ANY OF THE OFFERED CERTIFICATES, YOU SHOULD ONLY RELY ON THE INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR OR WITH RESPECT TO THE GUARANTOR, INFORMATION CONTAINED IN THE PROSPECTUS FOR THE FANNIE MAE GUARANTEED GRANTOR TRUST PASS-THROUGH CERTIFICATES, FANNIE MAE GRANTOR TRUST 2017-T1, CLASS A CERTIFICATES. 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.

THE OFFERED CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT").

THE CERTIFICATES REPRESENT OBLIGATIONS OF THE ISSUING ENTITY ONLY (AND, SOLELY WITH RESPECT TO CERTAIN PAYMENTS OF INTEREST AND PRINCIPAL PURSUANT TO A GUARANTY OF THE CLASS A CERTIFICATES DESCRIBED IN THIS INFORMATION CIRCULAR, FANNIE MAE), AND DO NOT REPRESENT OBLIGATIONS OF OR INTERESTS IN US OR ANY OF OUR AFFILIATES.

THE OBLIGATIONS OF FANNIE MAE UNDER ITS GUARANTY OF THE CLASS A CERTIFICATES ARE OBLIGATIONS OF FANNIE MAE ONLY. FANNIE MAE WILL NOT GUARANTY ANY CLASS OF CERTIFICATES OTHER THAN THE CLASS A CERTIFICATES. THE CLASS A 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 FANNIE MAE. INCOME ON THE CLASS A CERTIFICATES HAS NO EXEMPTION UNDER FEDERAL LAW FROM FEDERAL, STATE OR LOCAL TAXATION.

THE OBLIGATIONS OF THE PARTIES TO THE TRANSACTIONS REFERRED TO IN THIS INFORMATION CIRCULAR ARE SET FORTH IN AND WILL BE GOVERNED BY CERTAIN DOCUMENTS DESCRIBED IN THIS INFORMATION CIRCULAR. THE DESCRIPTIONS OF SUCH DOCUMENTS DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS. THIS INFORMATION CIRCULAR CONTAINS SUMMARIES OF CERTAIN OF THESE DOCUMENTS, BUT FOR A COMPLETE DESCRIPTION OF THE RIGHTS AND OBLIGATIONS SUMMARIZED IN THIS INFORMATION CIRCULAR, REFERENCE IS HEREBY MADE TO THE ACTUAL DOCUMENTS, COPIES OF WHICH ARE AVAILABLE FROM THE PLACEMENT AGENTS UPON REQUEST.

In this information circular:

- the terms "we," "us" and "our" refer to the Depositor; and
- references to "Lender" with respect to the Loan generally should be construed to mean the Trustee, as the holder of record to the Loan on behalf of the Trust, or the Servicer or Special Servicer, as applicable, with respect to the obligations and rights of the Lender under the Loan as described under "*Description of the Trust and Servicing Agreement*" in this information circular.

THE CONTENTS OF THIS INFORMATION CIRCULAR ARE NOT TO BE CONSTRUED AS INVESTMENT, LEGAL OR TAX ADVICE. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN BUSINESS, LEGAL

AND TAX ADVISORS AS TO INVESTMENT, LEGAL OR TAX ADVICE AND AS TO THE DESIRABILITY AND CONSEQUENCES OF AN INVESTMENT IN THE CLASS A CERTIFICATES.

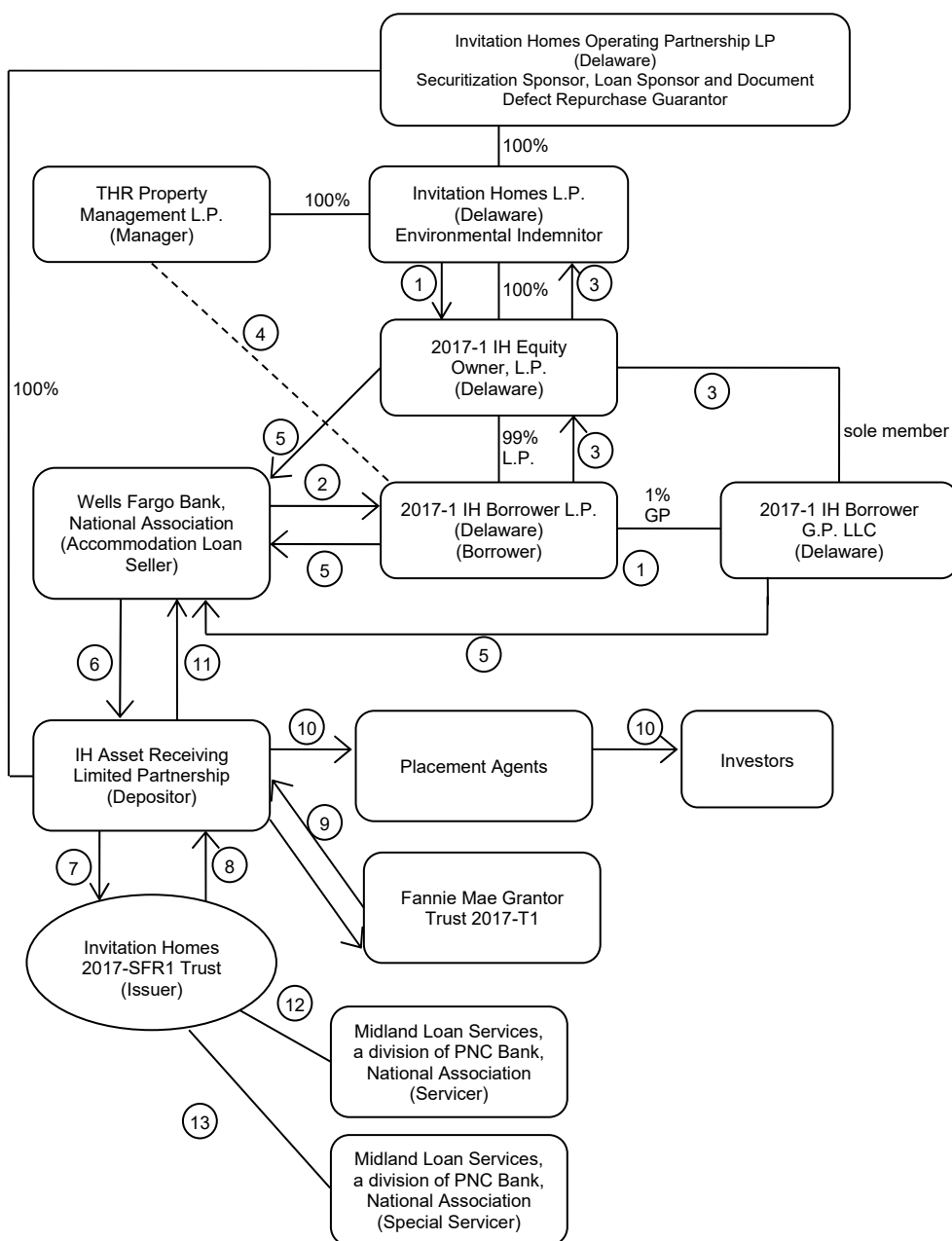
NOTHING CONTAINED IN THIS INFORMATION CIRCULAR IS, OR SHALL BE RELIED UPON AS, A PROMISE OR REPRESENTATION BY ANY PERSON AS TO THE FUTURE PERFORMANCE OF THE BORROWER, THE SECURITIZATION SPONSOR, LOAN SPONSOR, DOCUMENT DEFECT REPURCHASE GUARANTOR AND ENVIRONMENTAL INDEMNITOR, THE DEPOSITOR, THE SERVICER, THE SPECIAL SERVICER, THE TRUST FUND, THE TRUSTEE, THE CERTIFICATE ADMINISTRATOR, THE LOAN, THE CERTIFICATES OR THE PROPERTIES.

FORWARD-LOOKING STATEMENTS

IF AND WHEN INCLUDED IN THIS INFORMATION CIRCULAR, THE WORDS “EXPECTS,” “INTENDS,” “ANTICIPATES,” “ESTIMATES” AND ANALOGOUS EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ANY SUCH STATEMENTS, INCLUDING ANY SUCH STATEMENTS CONTAINED IN “*RISK FACTORS*,” IN “*DESCRIPTION OF THE PROPERTIES*” OR IN “*DESCRIPTION OF THE RELEVANT PARTIES AND THE MANAGER*” INHERENTLY ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED. SUCH RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHERS, GENERAL ECONOMIC AND BUSINESS CONDITIONS, COMPETITION, CHANGES IN POLITICAL, SOCIAL AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS AND VARIOUS OTHER MATTERS, ALL OF WHICH ARE BEYOND THE CONTROL OF THE DEPOSITOR, THE BORROWER, THE MANAGER, THE SECURITIZATION SPONSOR, LOAN SPONSOR, DOCUMENT DEFECT REPURCHASE GUARANTOR AND ENVIRONMENTAL INDEMNITOR, FANNIE MAE, THE PLACEMENT AGENTS, THE CERTIFICATE ADMINISTRATOR, THE TRUSTEE, THE SERVICER AND THE SPECIAL SERVICER. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS INFORMATION CIRCULAR. THE DEPOSITOR EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED IN THIS INFORMATION CIRCULAR TO REFLECT ANY CHANGE IN THE DEPOSITOR’S EXPECTATIONS WITH REGARD TO ANY SUCH STATEMENTS OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

(THIS PAGE INTENTIONALLY LEFT BLANK)

TRANSACTION STRUCTURE SUMMARY



1. A substantial majority of the Properties (and other properties) are pledged as collateral for the 2014-SFR1 Loan. The Borrower will acquire the remaining Properties on the Closing Date from one or more affiliates.
2. Contingent on the issuance of the Certificates as described herein, the Accommodation Loan Seller will make a loan to the Borrower from amounts advanced by the Placement Agents and the Securitization Sponsor as the proceeds from the sales of the Certificates.
3. A portion of the Loan proceeds will be used to repay the 2014-SFR1 Loan and fund required reserves; any remaining net proceeds may be used for making distributions to the Borrower's direct and indirect equity holders and may be applied to partially repay the loan that serves as the primary asset backing the Invitation Homes 2014-SFR2 Single Family Rental Pass-Through Certificates issued by the Invitation Homes 2014-SFR2 Trust.
4. The Borrower will enter into a property management agreement with the Manager.
5. The Borrower will pledge the Properties (secured by mortgages), and personal property and the management agreement to secure the Loan. The Equity Owner guaranty of the Loan will be secured by a pledge of equity in the Borrower by Equity Owner LP and Borrower GP.
6. The Accommodation Loan Seller will sell the Loan to the Depositor.
7. The Depositor will transfer the Loan to the trustee of Trust.
8. The Depositor will receive the Class A, Class B and the Class R Certificates in exchange for transfer of the Loan.
9. The Depositor will transfer the Class A Certificates to a Fannie Mae trust in exchange for the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates.
10. The Depositor will sell the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates and Class R Certificates to investors through the Placement Agents, and the Depositor will sell the Class B Certificates to the Securitization Sponsor.
11. The Depositor will pay the net proceeds of the Certificate sales to the Accommodation Loan Seller as the purchase price for the Loan.
12. The Trust will enter into an agreement with the Servicer to service the Loan.
13. The Trust will enter into an agreement with the Special Servicer to specially service the Loan.

* Steps 1 through 13 all take place on the Closing Date.

SUMMARY OF INFORMATION CIRCULAR

The following summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in this information circular. Capitalized terms used and not defined in this summary have the meanings given to them elsewhere in this information circular. See “*Index of Significant Terms*” to this information circular. Purchasers should thoroughly consider this information circular in its entirety, including the information set forth under “*Risk Factors*” prior to an investment in the Offered Certificates.

A schedule containing certain information with respect to each Property is set forth in Annex A-1 to this information circular. Purchasers should review any statistical information about the Properties contained in Annex A-1 in conjunction with the information set forth in this information circular. Unless otherwise specified, references in this information circular to percentages of Properties of the principal balance of the Loan are based on the related Allocated Cut-off Date Balance.

Title of Certificates Invitation Homes 2017-SFR1 Single-Family Rental Pass-Through Certificates (the “Certificates”). The Certificates will be issued pursuant to the Trust and Servicing Agreement, dated as of the Cut-off Date (the “Trust and Servicing Agreement”), among the Depositor, the Servicer, the Special Servicer, the Certificate Administrator, the Guarantor and the Trustee.

Transaction Overview On the Closing Date, if the conditions to the making of the Loan and the issuance of the Certificates are satisfied, the Accommodation Loan Seller will make the Loan to the Borrower in order to facilitate the structure of the transaction. The Loan will be funded solely from the proceeds of the sale of the Certificates which will be applied by the Depositor to purchase the Loan from the Accommodation Loan Seller.

The Accommodation Loan Seller will sell the Loan to the Depositor, which will in turn transfer the Loan to the Trust in exchange for the Certificates. The Trust will be formed by the Trust and Servicing Agreement. The Servicer will service the Loan (other than after a Special Servicing Loan Event, in which case the Special Servicer will service the Loan) in accordance with the Trust and Servicing Agreement and provide the information to the Certificate Administrator necessary for the Certificate Administrator to calculate distributions and other information regarding the Certificates.

The Class A Certificates will have the benefit of a guaranty from Fannie Mae, as described in this information circular under “*Description of the Certificates—Payment on the Certificates*” (the “Fannie Mae Guaranty”). On the Closing Date, the Depositor will deliver the Class A Certificates to Fannie Mae in exchange for Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates, Fannie Mae Grantor Trust 2017-T1, Class A Certificates (the “Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates”), issued by Fannie Mae and backed by the Class A Certificates. The Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates will be entitled to receive payments equal to all required distributions on the Class A Certificates. The Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates will be placed with investors by Wells Fargo Securities, LLC (“WFS”) or Siebert Cisneros Shank & Co., L.L.C. (“Siebert” and, together with WFS, the “Placement Agents” and each, a “Placement Agent”) on behalf of the Depositor.

The Accommodation Loan Seller is acting solely in an accommodation capacity to enable the Borrower to obtain financing through the transactions described in this information circular involving the simultaneous closing of the Loan, the issuance of the Certificates, the exchange of the Class A Certificates for the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates and the sale of the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates to investors. In connection with the creation of the Loan, Fannie Mae delegated certain

underwriting functions with respect to Fannie Mae's underwriting criteria to the Accommodation Loan Seller. Similar to Fannie Mae's DUS Lending Program, Fannie Mae and the Accommodation Loan Seller will enter into a loss-sharing arrangement with respect to the Class A Certificates. The Accommodation Loan Seller will also perform certain asset management functions for Fannie Mae in its role as the Directing Certificateholder. As compensation for taking on this role with respect to the transaction, the Loan Sponsor will pay the Accommodation Loan Seller an arrangement fee. The Accommodation Loan Seller will also be entitled to receive a portion of the Fannie Mae Guaranty Fee.

See "*Transaction Structure Summary*" in this information circular for a transaction overview.

RELEVANT TRANSACTION PARTIES AND DATES

Depositor..... IH Asset Receiving Limited Partnership, a Delaware limited partnership (the "Depositor"). The Depositor is an affiliate of the Borrower, the Equity Owners, the Manager and the Securitization Sponsor, Loan Sponsor, Document Defect Repurchase Guarantor and Environmental Indemnitor. See "*Transaction Parties—Description of the Depositor*" in this information circular.

Issuing Entity..... Invitation Homes 2017-SFR1 Trust, a New York common law trust (the "Trust"). The Trust will be formed on the Closing Date pursuant to the Trust and Servicing Agreement. See "*Transaction Parties—Description of the Issuing Entity*" in this information circular.

Securitization Sponsor and
Document Defect Repurchase

Guarantor Invitation Homes Operating Partnership LP, a Delaware limited partnership ("IH OP"). In its capacity as the "Securitization Sponsor", IH OP will organize and initiate the issuance of the Certificates by:

- causing the creation of the Loan,
- retaining the Accommodation Loan Seller to act as the accommodation loan seller;
- causing the transfer of the Loan by the Accommodation Loan Seller to the Depositor and from the Depositor to the Issuing Entity;
- causing Fannie Mae to issue its guaranty of the payments of principal and interest of the Class A Certificates as described herein; and
- delivering the Class A Certificates to Fannie Mae in exchange for the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates.

In its capacity as the "Document Defect Repurchase Guarantor", IH OP will guaranty the Depositor's limited repurchase obligations with respect to certain material document defects with respect to the documents to be delivered pursuant to the Trust and Servicing Agreement.

On February 6, 2017, Invitation Homes Inc. ("IH Pub Co") closed its initial public offering. IH OP is the wholly-owned operating partnership of IH Pub Co. In connection with the initial public offering (the "IPO transaction"), the holding entities (the "IH Holding Entities") that constituted the Invitation Homes platform became wholly-owned subsidiaries of IH OP. Invitation Homes is a national platform focused

	<p>on acquiring, renovating, maintaining and managing single-family residential properties and leasing them to residents. References to "Invitation Homes" in this information circular refer to IH OP and its wholly-owned subsidiaries, including the IH Holding Entities and their various subsidiaries.</p> <p>See "<i>Transaction Parties—Description of the Securitization Sponsor and Document Defect Repurchase Guarantor</i>" in this information circular.</p>
Servicer	<p>Midland Loan Services, a division of PNC Bank, National Association, a national banking association (in its capacity as servicer, the "<u>Servicer</u>"). The principal servicing office of the Servicer is located at 10851 Mastin Street, Building 82, Suite 300, Overland Park, Kansas 66210, and its telephone number is (913) 253-9000. The Servicer will be primarily responsible for servicing and administering the Loan: (a) if there is no default or reasonably foreseeable default that would give rise to a transfer of servicing to the Special Servicer; or (b) if any such default or reasonably foreseeable default has been corrected, including as part of a workout. In addition, the Servicer will be the primary party responsible for making principal and interest advances and property advances under the Trust and Servicing Agreement with respect to the Loan, subject in each case to a nonrecoverability determination. See "<i>Transaction Parties—Description of the Servicer and Special Servicer</i>" in this information circular.</p>
Special Servicer	<p>Midland Loan Services, a division of PNC Bank, National Association, a national banking association (in its capacity as special servicer, the "<u>Special Servicer</u>"). The principal servicing office of the Special Servicer is located at 10851 Mastin Street, Building 82, Suite 300, Overland Park, Kansas 66210, and its telephone number is (913) 253-9000. The Special Servicer will be responsible for the servicing and administration of the Loan if there is a default or reasonably foreseeable default that would give rise to a transfer of servicing to the Special Servicer and any foreclosed collateral. See "<i>Transaction Parties—Description of the Servicer and Special Servicer</i>" in this information circular.</p>
Trustee	<p>Wilmington Trust, National Association, a national banking association (in its capacity as trustee, the "<u>Trustee</u>"). The corporate trust offices of the Trustee are located at 1100 North Market Street, Wilmington, Delaware 19890. Following the transfer of the Loan to the Trust, the Trustee, on behalf of the Trust, will become the lender of record with respect to the Loan. See "<i>Transaction Parties—Description of the Trustee</i>" in this information circular.</p>
Certificate Administrator	<p>Wells Fargo Bank, National Association, a national banking association (in its capacity as certificate administrator, the "<u>Certificate Administrator</u>"). The corporate trust offices of the Certificate Administrator are located at 9062 Old Annapolis Road, Columbia, Maryland 21045-1951, and for certificate transfer services at 600 South Fourth Street, 7th Floor, Minneapolis, Minnesota 55479. The Certificate Administrator will be responsible for: (a) distributing payments to Certificateholders, (b) delivering or otherwise making available certain reports to Certificateholders and (c) in its capacity as Directing Certificateholder/17g-5 Information Provider, making available certain information to NRSROs in accordance with Rule 17g-5. In addition, the Certificate Administrator will have additional duties with respect to custody of the loan file (in its capacity as Custodian) and tax administration. See "<i>Transaction Parties—Description of the Certificate Administrator and Custodian</i>" in this information circular.</p>

Directing Certificateholder	<p>The “<u>Directing Certificateholder</u>” will be, for any date of determination, Fannie Mae; provided, however, that if a Rights Termination Event has occurred, the Directing Certificateholder will be the Controlling Class Certificateholder (or its representative or designee) selected by the majority of the Controlling Class Certificateholders, by Certificate Balance, as determined by the Certificate Registrar from time to time; provided, however, that (i) absent such selection, (ii) until a Directing Certificateholder is so selected or (iii) upon receipt of a notice from a majority of the Controlling Class Certificateholders, by Certificate Balance, that a Directing Certificateholder is no longer designated, there will be no Directing Certificateholder until such time as a Directing Certificateholder is selected as provided above.</p> <p>The “<u>Controlling Class</u>” will be the Class A Certificates; provided, that if at any time the Certificate Balance of the Class A Certificates have been reduced to zero and the Class A Guarantor Entitlement Amount is zero, then the Controlling Class will be the Class B Certificates. The Class R Certificates will not be entitled to exercise the rights of the Controlling Class or appoint a Directing Certificateholder.</p> <p>The Directing Certificateholder will have certain consent, consultation or other rights under the Trust and Servicing Agreement in certain circumstances.</p>
Guarantor	<p>Fannie Mae, as guarantor (the “<u>Guarantor</u>”), will guaranty the payment of interest and principal due on the Class A Certificates to the extent described in this information circular (the “<u>Fannie Mae Guaranty</u>”). If Fannie Mae were unable to pay under the Fannie Mae Guaranty, or if the conservator were to place Fannie Mae in receivership and repudiate the Fannie Mae Guaranty, the Class A Certificates could be subject to losses.</p> <p>On the Closing Date, the Depositor will deliver the Class A Certificates to Fannie Mae in exchange for the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates issued by Fannie Mae and backed by the Class A Certificates. The Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates will be entitled to receive payments equal to all required distributions on the Class A Certificates. The Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates will be placed with investors by the Placement Agents on behalf of the Depositor.</p>
Accommodation Loan Seller	<p>Wells Fargo Bank, National Association, a national banking association (in its capacity as accommodation loan seller, the “<u>Accommodation Loan Seller</u>” and “<u>WFBNA</u>”). The Accommodation Loan Seller will enter into the Loan Agreement on the Closing Date with the Borrower and immediately thereafter sell the Loan to the Depositor. See “<i>Transaction Parties—Description of the Accommodation Loan Seller</i>” in this information circular.</p> <p>The Accommodation Loan Seller is acting solely in an accommodation capacity to enable the Borrower to obtain financing through the transactions described in this information circular involving the simultaneous closing of the Loan, the issuance of the Certificates, the exchange of the Class A Certificates for the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates and the sale of the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates to investors. In connection with the creation of the Loan, Fannie Mae delegated certain underwriting functions with respect to Fannie Mae’s underwriting criteria to the Accommodation Loan Seller. Similar to Fannie Mae’s DUS Lending Program, Fannie Mae and the Accommodation Loan Seller will enter into a loss-sharing arrangement with respect to the Class A Certificates. The Accommodation Loan Seller will perform certain asset</p>

	<p>management functions for Fannie Mae in its role as the Directing Certificateholder. As compensation for taking on this role with respect to the transaction, the Loan Sponsor will pay the Accommodation Loan Seller an arrangement fee. The Accommodation Loan Seller will also be entitled to receive a portion of the Fannie Mae Guaranty Fee.</p> <p>When deciding to purchase the Certificates, you should consider that the Loan is being created solely to enable the Borrower to obtain financing through the transactions described in this information circular, the funding of which will be enabled solely by the purchase of the Certificates.</p>
Placement Agents	WFS will act as sole structuring agent, bookrunning manager, manager and Placement Agent and Siebert will act as co-manager and Placement Agent for the sale of the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates and the Class R Certificates.
Borrower	<p>2017-1 IH Borrower L.P., a Delaware limited partnership (the "<u>Borrower</u>"). While the Loan is outstanding, the Borrower will not have any significant assets other than the Properties (together with the leases), and incidental personal property necessary for the ownership and operation of the Properties. See "<i>Description of the Relevant Parties and the Manager—Description of the Borrower and the Equity Owners</i>" in this information circular.</p> <p>As of the date hereof, a substantial majority of the Properties (as well as certain other properties that will not be collateral for the Loan) secure an existing loan of the Borrower (the "<u>2014-SFR1 Loan</u>") that serves as the primary asset backing the Invitation Homes 2014-SFR1 Single Family Rental Pass-Through Certificates issued by the Invitation Homes 2014-SFR1 Trust. A portion of the net proceeds from the offering of the Certificates will be used to repay the 2014-SFR1 Loan and to obtain a release of the Properties and the other properties securing the 2014-SFR1 Loan on the Closing Date. The remaining Properties (and other properties that will not be collateral for the Loan) secured an existing loan of a different wholly-owned subsidiary of IH (the "<u>2013-SFR1 Loan</u>") that served as the primary asset backing the Invitation Homes 2013-SFR1 Single Family Rental Pass-Through Certificates issued by the Invitation Homes 2013-SFR1 Trust and were released from the 2013-SFR1 Loan prior to the date hereof or were owned by other affiliates of the Borrower. All properties that do not serve as collateral for the Loan have been or will be, concurrently with the closing of the Loan, transferred to an affiliate of the Borrower.</p> <p>As the borrower on the 2014-SFR1 Loan, the Borrower will be a recycled special purpose entity that will have previously owned properties other than the Properties and will have previously had liabilities other than the Loan. The Borrower will be required to observe certain single purpose entity covenants as described in "<i>Description of the Loan—Certain Special Purpose Bankruptcy Remote Entity Loan Covenants</i>" in this information circular.</p>
Equity Owners.....	<p>2017-1 IH Equity Owner L.P., a Delaware limited partnership ("<u>Equity Owner LP</u>"). Equity Owner LP owns 99% of the partnership interests in the Borrower and 100% of the limited liability company interests in Borrower GP.</p> <p>2017-1 IH Borrower G.P. LLC, a Delaware limited liability company ("<u>Borrower GP</u>" and, together with Equity Owner LP, the "<u>Equity Owners</u>"). Borrower GP is the general partner of, and owns 1% of the partnership interests in the Borrower. The Borrower and the Equity Owners, together with each "taxable REIT subsidiary" (if any) that is</p>

	<p>formed by the Borrower after the Closing Date in connection with a permitted sale of a Property as described in this information circular, are collectively referred to as the “<u>Loan Parties</u>” and each, as a “<u>Loan Party</u>.”</p> <p>As the equity owners on the 2014-SFR1 Loan, each Equity Owner will be a recycled special purpose entity that will have previously had liabilities other than the Loan. Each Equity Owner will be required to observe certain single purpose entity covenants as described in “<i>Description of the Loan—Certain Special Purpose Bankruptcy Remote Entity Loan Covenants</i>” in this information circular. While the Loan is outstanding, (i) Equity Owner LP will not have any significant assets other than its partnership interests in the Borrower and its limited liability company interests in Borrower GP and (ii) Borrower GP will not have any significant assets other than its partnership interest in the Borrower.</p> <p>See “<i>Description of the Relevant Parties and the Manager—Description of the Borrower and the Equity Owners</i>” in this information circular.</p>
Loan Sponsor	<p>IH OP. In its capacity as “<u>Loan Sponsor</u>”, IH OP will be the entity acting as loan sponsor under the Loan documents, including as the party to the Sponsor Guaranty.</p> <p>The Loan Sponsor will also be the Securitization Sponsor and Document Defect Repurchase Guarantor.</p> <p>See “<i>Description of the Relevant Parties and the Manager—Description of the Loan Sponsor</i>” in this information circular.</p>
Environmental Indemnitor	<p>Invitation Homes LP, a Delaware limited partnership (“<u>IH LP</u>” and, in its capacity as indemnitor, the “<u>Environmental Indemnitor</u>”), will enter into a limited guaranty to guaranty the obligations of the Borrower under the Environmental Indemnity Agreement described below. See “<i>Description of the Relevant Parties and the Manager—Description of the Environmental Indemnitor</i>” and “<i>Description of the Loan—Environmental Indemnity</i>” in this information circular.</p>
Manager	<p>THR Property Management L.P., a Delaware limited partnership (“<u>THR</u>” or the “<u>Manager</u>”). The Properties will be managed by the Manager under the management agreement (the “<u>Management Agreement</u>”) between the Borrower and the Manager as described under “<i>Description of the Management Agreement and the Assignment and Subordination of Management Agreement</i>” in this information circular. THR is a wholly-owned subsidiary of IH LP.</p>
Certain Affiliations	<p>The Borrower, the Equity Owners, the Manager, the Loan Sponsor, the Environmental Indemnitor and the Depositor are affiliated with each other, and the Securitization Sponsor and Document Defect Repurchase Guarantor is the same entity as the Loan Sponsor. Additionally, it is expected that the Securitization Sponsor (or a majority-owned affiliate) will hold the Class B Certificates as described under “<i>Credit Risk Retention</i>” in this information circular. See “<i>Description of the Relevant Parties and the Manager</i>” and “<i>Transaction Parties—Description of the Depositor</i>” and “<i>—Description of the Securitization Sponsor and Document Defect Repurchase Guarantor</i>” in this information circular.</p> <p>The Accommodation Loan Seller is an affiliate of WFS, one of the Placement Agents.</p> <p>These roles and other potential relationships may give rise to conflicts of interest as further described under “<i>Risk Factors—Potential Conflicts of</i>”</p>

Interest of the Accommodation Loan Seller” and “Risk Factors—Potential Conflicts of Interest of the Placement Agents” in this information circular.

THE LOAN AND THE PROPERTIES

Loan and Note..... A term loan (the “Loan”) with an original principal amount (the “Loan Amount”) of \$999,999,713 as of the Cut-off Date (the “Cut-off Date Loan Balance”) evidenced by a single componentized promissory note, subject to a variance of plus or minus 5%.

The Loan will be comprised of two fixed rate components, and will have a 121-month maturity. The closing of the Loan will be simultaneous with the issuance of the Certificates and will be funded with the proceeds of the sale of the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates and the Class B Certificates on the Closing Date. A portion of the net proceeds from the offering of the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates and the Class B Certificates will be used to repay the 2014-SFR1 Loan and to obtain a release of the Properties and the other properties securing the 2014-SFR1 Loan on the Closing Date. The Certificates will represent 100% of the beneficial interests in the Loan.

Components..... The Loan Amount will be divided into two separate components: Component A and Component B (each, a “Component” and, collectively, the “Components”). Interest will accrue on each Component during each Loan Interest Accrual Period at the interest rate *per annum* applicable to each Component as described herein. References herein to the Loan or the outstanding principal balance of the Loan will mean the entire Loan Amount, as the aggregate of all Components. Each Class of Certificates (other than the Class R Certificates) will have an initial Certificate Balance equal to the principal balance of the corresponding Component as of the Closing Date. The initial principal balance of each Component is set forth below, subject to a variance of plus or minus 5%:

<u>Component</u>	<u>Initial Principal Balance</u>
A	\$944,500,000
B	\$55,499,713

Allocated Cut-off Date Balance For each Property, the “Allocated Cut-off Date Balance” means the portion of the Cut-off Date Loan Balance allocated to each Property under the Loan Agreement as of the Cut-off Date, which is equal to the Cut-off Date Loan to BPO Value Ratio multiplied by the BPO Value of the Property (based on the BPOs obtained within three months of the Property Cut-off Date).

Allocated Loan Amount For each Property, the “Allocated Loan Amount” means, as of any date, its Allocated Cut-off Date Balance net of the portion of any principal payments or prepayments allocated to reduce the Allocated Loan Amount of such Property as described in “*Description of the Loan—Prepayment*” in this information circular and as the same may be further adjusted as described in “*Description of the Loan—Special Releases*” and “*Description of the Loan—Reporting—Calculation Date Reports*” in this information circular; provided, however, that (i) if a single new property is substituted for any Property or group of Properties in connection with a release of such Property or Properties, the Allocated Loan Amount for such new property shall be equal to the Allocated Loan Amount (or the aggregate Allocated Loan Amounts, as applicable) of the Property or Properties being released immediately prior to substitution and (ii) if a new group of properties is substituted for any Property or group of Properties being released, each new property shall

have an Allocated Loan Amount equal to its ratable share (based on the aggregate Property Values of the new properties) of the Allocated Loan Amount or Amounts of the Property or Properties being released immediately prior to substitution. For the avoidance of doubt, in connection with calculating any prepayments, a transfer of Properties or consenting to any releases contemplated by the Loan Agreement, the Lender will determine the Allocated Loan Amount for any individual Property as of the date the Lender received notice of the prepayment or release, as applicable, from the Borrower. See *Description of the Loan—Substitutions* in this information circular.

The “Property Value” for any Property will generally be equal to the BPO Value as the same may be adjusted on a quarterly basis by the Lender based on the use of the Fannie Mae HPI index or other nationally recognized index and such other adjustments as the Lender deems necessary or appropriate in its reasonable discretion, as more specifically described in “*Description of the Loan—Reporting—Calculation Date Reports*” in this information circular.

Properties..... 7,204 single-family residential properties (each a “Property” and, collectively, the “Properties”). The Properties are located in twenty-nine (29) metropolitan statistical areas in ten (10) states of the United States. See “*Transaction Structure Summary*” in this information circular for a transaction overview.

The information presented in this information circular on the Properties is presented as of December 31, 2016 (the “Property Cut-off Date”) and reflects the expected composition of the portfolio as of the Closing Date. The information does not take into account changes in the Properties that the Borrower will own on the Closing Date due to any variance in the Cut-off Date Loan Balance. Additionally, one or more Properties could be substituted for other properties if such Property (or Properties, as applicable) for some reason did not satisfy the terms of the Loan Documents. Therefore, the actual Properties owned by the Borrower on the Closing Date could vary from those shown in this information circular. Any variance between the characteristics of the information in this information circular and the actual characteristics of the Properties is not expected to be material. For purposes of the statistical information presented herein, dollar amounts are rounded.

As of the Property Cut-off Date, 6,974 Properties representing approximately 96.7% of the Cut-off Date Loan Balance were leased (including 116 Properties representing approximately 1.7% of the Cut-off Date Loan Balance leased on a month-to-month basis) and 230 Properties representing approximately 3.3% of the Cut-off Date Loan Balance were vacant.

The table below shows the number of Properties, the BPO Values for such Properties and the percentage of the Cut-off Date Loan Balance secured by Properties that are located in metropolitan statistical areas that have concentrations of Properties of 5.0% or more:

Metropolitan Statistical Area	Number of Properties	Aggregate Cut-off Date BPO Value⁽¹⁾	% of Cut-off Date Loan Balance⁽²⁾
Phoenix-Mesa-Scottsdale, AZ..	1,517	\$ 283,795,198	17.0%
Riverside-San Bernardino-Ontario, CA	608	\$ 194,367,918	11.7%
Sacramento--Roseville--Arden-Arcade, CA.....	581	\$ 162,417,500	9.7%
Atlanta-Sandy Springs-Roswell, GA	808	\$ 154,819,650	9.3%
Miami-Fort Lauderdale-West Palm Beach, FL	461	\$ 142,069,600	8.5%
Tampa-St. Petersburg-Clearwater, FL	602	\$ 124,213,800	7.5%
Orlando-Kissimmee-Sanford, FL.....	454	\$ 97,489,377	5.8%
Charlotte-Concord-Gastonia, NC-SC.....	428	\$ 83,574,481	5.0%

(1) Based on the BPOs obtained within three months of the Property Cut-off Date.

(2) Percentage of Cut-off Date Loan Balance is based on the BPO Value for each Property.

Maturity Date..... The Loan will be scheduled to mature on the Monthly Payment Date occurring in June 2027 (the "Stated Maturity Date").

"Maturity Date" means either the Stated Maturity Date, or such earlier date on which the final payment of principal of the Note becomes due and payable, whether at the Stated Maturity Date, by declaration of acceleration, or otherwise.

Interest on the Loan Each Component of the Loan will accrue interest at the *per annum* rate set forth below with respect to each Component (the "Regular Component Interest Rate").

Component	Regular Component Interest Rate
A	4.2285%
B	4.2285%

The amount of interest which is payable on each Monthly Payment Date with respect to all Components will be equal to the aggregate interest that accrues on the Components for the related Loan Interest Accrual Period.

Interest will be calculated on the basis of a 30-day Loan Interest Accrual Period and a 360-day year and will be paid on each Monthly Payment Date.

If a Loan Event of Default has occurred and is continuing, the aggregate outstanding principal balance of the Components and, to the extent permitted by law, all accrued and unpaid interest in respect of each Component of the Loan and any other amounts due pursuant to the Loan Documents, will accrue interest at a rate *per annum* equal to the lesser of (a) the maximum legal rate and (b) 3% above the interest rate applicable to such Component ("Default Interest").

In addition, a late charge on late payments (other than on the outstanding principal balance of the Loan due on the Maturity Date) will

	be assessed at a rate equal to the lesser of (a) the maximum legal rate and (b) 4% of the amount of such late payment.
Monthly Payment Date	The " <u>Monthly Payment Date</u> " will be the 9th day of each calendar month, or, if such date is not a Business Day, the immediately preceding Business Day.
Loan Interest Accrual Period	The " <u>Loan Interest Accrual Period</u> " with respect to the interest payment due on the Closing Date, is the period from the Closing Date through and including April 30, 2017 (the " <u>Initial Loan Interest Accrual Period</u> ") and, thereafter, with respect to each Monthly Payment Date, is the calendar month immediately preceding the calendar month in which the related Monthly Payment Date occurs.
Scheduled Payments	On the Closing Date, the Borrower will be required to pay interest on the outstanding principal balance of the Components for the Initial Loan Interest Accrual Period. On the Monthly Payment Date occurring in June 2017 and each Monthly Payment Date during the term of the Loan, the Borrower will be required to make a payment equal to the amount of interest which is due on all of the Components of the Loan at the interest rate in the aggregate for the related Loan Interest Accrual Period. In addition, on the Closing Date and on each Monthly Payment Date thereafter, the Borrower will be required to pay all amounts required in respect of reserve funds and the regular monthly fee of the Certificate Administrator (deemed to be \$6,575 per month) and the Trustee (deemed to be \$250 per month) under the Trust and Servicing Agreement for the related month. The outstanding principal balance of the Loan, together with all accrued and unpaid interest and all other amounts due under the Loan Documents, will be due and payable on the Maturity Date.
Releases of Properties	<p>The Borrower will be permitted to release an individual Property or Properties from the Loan by prepaying the Loan in an amount equal to the Release Amount (as defined under "<u>Release Amount</u>" below).</p> <p>Any such release will be subject to, among others, the following terms and conditions:</p> <ul style="list-style-type: none"> (i) the Loan Debt Service Coverage Ratio on a pro forma basis after giving effect to such release and any related prepayment is at least the greater of (x) 1.35:1 and (y) the actual Loan Debt Service Coverage Ratio as of the date of such release; (ii) the ratio of (a) the outstanding principal balance of the Loan to (b) the aggregate Property Values of the Properties as of such date (such ratio, the "<u>Loan LTV</u>") after giving effect to such release and any related prepayment is not greater than the lesser of (x) 60% and (y) the actual Loan LTV as of the date of such release; (iii) the Pool Geographic Test after giving effect to such release is satisfied; provided that if such released Property is in a Specified IH Market, clause (iii) of the definition of Pool Geographic Test shall be deemed inapplicable for purposes of determining whether this condition is satisfied; (iv) no Loan Event of Default or event which, with the giving of notice or passage of time, would constitute a Loan Event of Default, shall have occurred and be continuing; and (v) notice and other administrative conditions set forth in the Loan Documents, including payment of taxes, expenses and certain

review and transfer fees owing to the Lender for the account of Fannie Mae, are satisfied by the Borrower.

Any prepayment in connection with a Property release (other than prepayments made with respect to a Disqualified Property (except where such prepayment arises as a result of a Voluntary Action) or as a result of a casualty or condemnation) made prior to the Yield Maintenance End Date will include the applicable Yield Maintenance Premium.

Notwithstanding the foregoing, if a transfer of a Property is made in connection with a Substitution or a Special Release, then the conditions described above shall not be applicable and instead the conditions described below in this information circular with respect to such Substitution or Special Release will govern. In addition to the above restrictions, except in the case of a transfer and associated release of a Fully-Condemed Property or Property subject to a Casualty or as otherwise consented to by Lender in its sole discretion, (i) there shall be no more than one date in each calendar quarter on which any transfers and associated releases occur and (ii) no transfer or associated release shall occur prior to the first anniversary of the Closing Date or after the Yield Maintenance End Date.

In addition, the above-described conditions shall not be applicable to any transfer of a Disqualified Property in connection with a prepayment of the Loan which complies with the provisions of the Loan Agreement applicable to such transfers or any contribution of a Property to a Borrower TRS which complies with the provisions of the Loan Agreement applicable to such contributions.

Release Amount..... The "Release Amount" means, with respect to any individual Property to be released from the Loan, the following amount plus certain additional amounts described in clauses (i) through (iii) under the heading "*Description of the Loan—Prepayment—Prepayment/Repayment Conditions*" in this information circular:

- (a) in connection with a transfer of any Property (other than a Designated HOA Property) or any failure of a Property to qualify as an Eligible Property due to the occurrence of a Voluntary Action (all such transferred Properties and all such Disqualified Properties, the "Release Premium Properties"): (i) 105% of the Allocated Loan Amount of the subject Property or Properties being released, if the sum of the initial Allocated Loan Amounts of all Release Premium Properties and Special Release Properties released from the Loan (including the subject Property or Properties to be released) is less than 10% of the initial principal balance of the Loan, (ii) 110% of the Allocated Loan Amount of the subject Property or Properties being released, if the sum of the initial Allocated Loan Amounts of all Release Premium Properties and Special Release Properties released from the Loan (including the subject Property or Properties to be released) is equal to or greater than 10%, but less than 15%, of the initial principal balance of the Loan, (iii) 115% of the Allocated Loan Amount of the subject Property or Properties being released, if the sum of the initial Allocated Loan Amounts of all Release Premium Properties and Special Release Properties released from the Loan (including the subject Property or Properties to be released) is equal to or greater than 15%, but less than 20%, of the initial principal balance of the Loan, and (iv) 120% of the Allocated Loan Amount of the subject Property or Properties being released, if the sum of the initial Allocated Loan Amounts

	<p>of all Release Premium Properties and Special Release Properties released from the Loan (including the subject Property or Properties to be released) is equal to or greater than 20% of the initial principal balance of the Loan (if a Trigger Period is continuing, the excess of the net sale proceeds of the sale of such Property over the Release Amount, if any, will be deposited into the Cash Collateral Account);</p> <p>(b) in connection with any Property that becomes a Disqualified Property, other than due to a Voluntary Action, if that circumstance is not cured within the applicable cure period, an amount equal to 100% of the Allocated Loan Amount for such Property;</p> <p>(c) in connection with any Condemnation or Casualty of any Property for which prepayment of the Release Amount will be required pursuant to the Loan Agreement, 100% of the Allocated Loan Amount for such Property; and</p> <p>(d) in connection with the release of any Designated HOA Property, a percentage of the Allocated Loan Amount for such Property that is equal to the lesser of (A) the percentage that would have been applicable under clause (a) above if such Property were not a Designated HOA Property and (B) if the Borrower has obtained a Required Parties' Approval applicable to such release, the percentage that is set forth in such Required Parties' Approval, provided such percentage shall be at least one hundred percent (100%).</p>
Prepayment to Cure Breach.....	<p>If the Lender determines that any Property fails to comply with each of the property covenants set forth in <u>Annex D</u> of this information circular (the "<u>Property Covenants</u>") and the property representations (the "<u>Property Representations</u>") set forth in Section B of <u>Annex E</u> to this information circular (any such Property, a "<u>Disqualified Property</u>"), following the lapse of the applicable cure period, if any, set forth in the Loan Documents, the Borrower will be required to prepay the Loan by 100% of the Allocated Loan Amount for such Property (or in the amount of the Release Amount in the event the Property becomes a Disqualified Property as a result of a voluntary action or omission by any Loan Party (or a third party authorized by a Loan Party), which results in (i) an imposition of a lien (other than a Permitted Lien) on such Property (ii) a transfer of such Property or (iii) such Property becoming a Disqualified Property (each such action or omission, a "<u>Voluntary Action</u>")), provided,</p> <p>(1) no cure period will be available in the event a Property becomes a Disqualified Property as a result of (i) the failure of such Property to comply with the representation relating to Specified Liens (as defined in "<u>Description of the Loan—Guaranties</u>" in this information circular), or (ii) a Voluntary Action; and</p> <p>(2) in lieu of such prepayment, the Borrower will be permitted to either (x) deposit a reserve with the Lender in an amount equal to 100% of the Allocated Loan Amount for such Disqualified Property or (y) substitute the Disqualified Property or a portfolio of Disqualified Properties with a substitute property or a portfolio of substitute properties upon satisfaction of permitted substitution conditions and eligibility criteria set forth in the Loan Documents.</p>

	See “ <i>Description of the Loan—Substitution of Properties</i> ” in this information circular.
Substitutions	<p>In addition to the right to substitute Disqualified Properties with new Properties to cure breaches as described above, the Borrower will have the right to substitute any Properties or portfolio of Properties with replacement Properties. All such substitutions will be subject to, among others, the following terms and conditions:</p> <ul style="list-style-type: none"> (i) the Loan Debt Service Coverage Ratio on a pro forma basis after giving effect to such substitution is at least the greater of (x) 1.35:1 and (y) the actual Loan Debt Service Coverage Ratio as of the date of such release; (ii) the Loan LTV after giving effect to such substitution is not greater than the lesser of (x) 60% and (y) the actual Loan LTV as of the date of such release; (iii) if any replacement Properties are located in a Specified IH Market, the Pool Geographic Test, on a pro forma basis after giving effect to such substitution, is satisfied; (iv) the replacement Properties (or replacement portfolio of Properties) must have a BPO Value the same or greater than the BPO Values of the Properties being replaced; (v) each replacement Property must be an Eligible Property and any Lease for such replacement Property shall have a remaining term of at least six (6) months; (vi) the in-place rents for the replacement Properties (or replacement portfolio of Properties) must be equal to or greater than the greater of (a) the in-place rents for the Properties being replaced as of the substitution date or (b) the in-place rents for such Properties as of the Closing Date; (vii) no Loan Event of Default or event which, with the giving of notice or passage of time, would constitute a Loan Event of Default, shall have occurred and be continuing; and (viii) notice and other administrative conditions set forth in the Loan Documents, including the delivery of new or modified Mortgages and opinions related thereto and payment of taxes, expenses and certain review and transfer fees owing to the Lender for the account of Fannie Mae, are satisfied by the Borrower. <p>See “<i>Description of the Loan—Substitution of Properties</i>” in this information circular.</p>
Special Releases	<p>After the first anniversary of the Closing Date but prior to the fifth anniversary of the Closing Date, the Borrower will be allowed, on not more than two occasions, to transfer Properties with an aggregate Allocated Loan Amount of up to fifteen percent (15%) of the outstanding principal balance of the Loan as of the related transfer date and obtain a release of such transferred Properties (such Properties, the “Special Release Properties”) from the Collateral without prepaying the Loan. Any such transfer and release will, unless otherwise consented to by Lender in its sole discretion, be subject to, among other things, the following conditions precedent:</p>

	<ul style="list-style-type: none"> (i) the Loan Debt Service Coverage Ratio on a pro forma basis after giving effect to such release is not less than the Loan Debt Service Coverage Ratio as of the Closing Date; (ii) the Loan LTV after giving effect to such release is not greater than the Loan LTV as of the Closing Date (iii) the Pool Geographic Test, after giving effect to such release, is satisfied; (iv) the ratio of the Allocated Loan Amount for each remaining Property in the Collateral to its most recently calculated Property Value must not be greater than 60%; (iv) no Loan Event of Default or event which, with the giving of notice or passage of time, would constitute a Loan Event of Default, shall have occurred and be continuing; and (v) notice and other administrative conditions set forth in the Loan Documents including payment of taxes, expenses and certain review and transfer fees certain review and transfer fees owing to the Lender for the account of Fannie Mae, are satisfied by the Borrower. <p>See “<i>Description of the Loan—Special Releases</i>” in this information circular.</p>
Voluntary Prepayment.....	<p>The Borrower will be permitted to prepay the Loan in whole or in part, with prior notice, subject to minimum prepayments of not less than \$1,000,000 and integral multiples of \$100,000 in excess thereof. Voluntary prepayments will include:</p> <ul style="list-style-type: none"> (i) all accrued and unpaid interest calculated at the Interest Rate on the amount of principal being prepaid on the applicable Component or Components through and including the date of repayment together with, if the date of repayment is not a Monthly Payment Date, all interest accruing through the end of the interest period in which such date of repayment occurs; (ii) the Yield Maintenance Premium applicable thereto (if such prepayment occurs prior to the Yield Maintenance End Date, including recoveries or prepayments following a Loan Event of Default); provided that no Yield Maintenance Premium will be due in connection with a prepayment made in connection with a Disqualified Property (except in connection with a prepayment prior to the Yield Maintenance End Date that arises as a result of a Voluntary Action) or in connection with a casualty or condemnation; and (iii) all other sums then due under the Note, the Loan Agreement and the other Loan Documents.
Application of Prepayments of Principal.....	<p>All prepayments of principal of the Loan will be applied to the Components as follows:</p> <ul style="list-style-type: none"> (i) first, to Component A, until the outstanding principal balance of Component A is reduced to zero; and (ii) second, to Component B, until the outstanding principal balance of Component B is reduced to zero. <p>See “<i>Description of the Loan—Prepayment—Prepayment/Repayment Conditions</i>.”</p>

Yield Maintenance Premium Prior to the Monthly Payment Date occurring in December 2026 (the "Yield Maintenance End Date"), prepayments of principal (other than payments made with respect to a Disqualified Property (except where such prepayment arises as a result of a Voluntary Action) or as a result of a casualty or condemnation) will be subject to a prepayment premium (each, a "Yield Maintenance Premium"), calculated for each Component prepaid equal to the greater of (a) one percent (1.0%) of the principal amount of the Component being prepaid and (b) the product obtained by multiplying (1) the principal amount of the Component being prepaid times (2) the difference between (A) the Interest Rate for such Component and (B) the Treasury Rate, by (3) a present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{n/12}}{r}$$

where:

r = the Treasury Rate

n = the number of months remaining between the last day of the month in which the prepayment is made, and the Yield Maintenance End Date.

Trigger Period A "Trigger Period" will commence upon the occurrence of (i) a Loan Event of Default, (ii) the commencement of a Low DSCR Period or (iii) the commencement of a Low Debt Yield Period; and will end if, (x) with respect to a Trigger Period continuing pursuant to clause (i), the Loan Event of Default commencing the Trigger Period has been cured and such cure has been accepted by the Lender (and no other Loan Event of Default is then continuing), (y) with respect to a Trigger Period continuing due to clause (ii), the Low DSCR Period has ended or (z) with respect to a Trigger Period continuing due to clause (iii), the Low Debt Yield Period has ended.

A "Low DSCR Period" will commence if, as of any Calculation Date, the Loan Debt Service Coverage Ratio is less than 1.25x (a "Low DSCR Trigger"), and will end if (i) as of any two succeeding consecutive Calculation Dates, a Loan Debt Service Coverage Ratio of at least 1.25x will have been achieved or (ii) immediately (without waiting for two consecutive Calculation Dates) upon the Borrower prepaying the principal amount of the Loan in an amount sufficient to cause the Loan Debt Service Coverage Ratio to be equal to or in excess of 1.25x.

A "Low Debt Yield Period" will commence if, as of any Calculation Date, the Debt Yield is less than:

- (w) for any Calculation Date occurring prior to the fifth anniversary of the Closing Date, eighty-five percent (85%) of the Closing Date Debt Yield,
- (x) for any Calculation Date occurring from and after the fifth anniversary of the Closing Date but prior to the sixth anniversary of the Closing Date, less than ninety percent (90%) of the Closing Date Debt Yield,
- (y) for any Calculation Date occurring from and after the sixth anniversary of the Closing Date but prior to the seventh anniversary of the Closing Date, ninety-five percent (95%) of the Closing Date Debt Yield, and

- (z) for any Calculation Date occurring from and after the seventh anniversary of the Closing Date, one hundred percent (100%) of the Closing Date Debt Yield,

(in each case of the foregoing, (a "Low Debt Yield Trigger"), and will end if (i) as of any two succeeding consecutive Calculation Dates, a Debt Yield equal to or greater than the then applicable Low Debt Yield Trigger will have been achieved or (ii) immediately (without waiting for two consecutive Calculation Dates) upon the Borrower prepaying the principal amount of the Loan in an amount sufficient to cause the Debt Yield to be equal to or in excess of the then applicable Low Debt Yield Trigger.

"Loan Debt Service Coverage Ratio" means as of any date of determination, a ratio in which:

- (i) the numerator is the Loan Underwritten Net Cash Flow calculated for the twelve (12) month period ending on such date of determination; and
- (ii) the denominator is (x) the sum of (A) the Loan Underwritten Debt Service Amount (Assumed Amortization) as of such date of determination, and (B) the regular monthly fee of the Certificate Administrator (deemed to be \$6,575 per month) and the Trustee (deemed to be \$250 per month) under the Trust and Servicing Agreement multiplied by (y) twelve (12).

"Loan Underwritten Debt Service Amount (Assumed Amortization)" means, as of any date of determination for any period, based on the then outstanding principal amount of the Loan and Interest Rate, the level monthly interest and principal payment amount that would be necessary to fully amortize the Loan by the Assumed Amortization End Date.

"Assumed Amortization End Date" means, as of any date of determination, (i) from and after Closing Date until the date of the first Qualifying Prepayment, if any, the thirtieth anniversary of the Closing Date, (ii) from and after the date of the first Qualifying Prepayment, if any, until the next Qualifying Prepayment, if any, the thirtieth anniversary of the date of such first Qualifying Prepayment and (iii) thereafter, the thirtieth anniversary of the date of the most recent Qualifying Prepayment, if any.

"Qualifying Prepayment" means any prepayment of the Loan in an amount greater than or equal to 5% of the outstanding principal balance of the Loan (prior to giving effect thereto) as of the date of such prepayment.

"Debt Yield" means as of any date of determination, a ratio in which:

- (i) the numerator is the Loan Underwritten Net Cash Flow calculated for the twelve (12) month period ending on such date of determination; and
- (ii) the denominator is the outstanding principal balance of the Loan as of such date of determination.

Cash Management..... The Borrower will be required to establish one or more accounts (each, a "Rent Deposit Account") for the purpose of collecting rents. The Rent Deposit Accounts will be subject to an account control agreement, and the Borrower and the Manager will be permitted to make certain withdrawals from any Rent Deposit Account until the occurrence of a

	<p>Loan Event of Default, after which the Lender may exercise control over each Rent Deposit Account and neither the Borrower nor the Manager will have the right of withdrawal. The Borrower will be required to cause all rents received by the Borrower or the Manager to be deposited into a Rent Deposit Account or into a collection account at a bank selected by the Lender and under the Lender's exclusive control (the "<u>Loan Collection Account</u>"), provided that all rents are deposited into the Loan Collection Account within 3 Business Days after receipt. All rents on deposit in a Rent Deposit Account (other than a reasonable amount of funds with respect to anticipated overdrafts, charge-backs and refunds of partial payments of rents to preserve rights of eviction, not to exceed 2.5% of the total rents deposited into the Rent Deposit Accounts during the immediately prior calendar month) are to be deposited into the Loan Collection Account every third Business Day (or more frequently in the Borrower's discretion). In addition, the Borrower will be required to (or will be required to cause the Manager to) deposit any net sale proceeds, insurance and condemnation proceeds and any other payments received with respect to the Properties into the Loan Collection Account within 3 Business Days of receipt. The Loan Collection Account will be subject to an account control agreement providing for the exclusive control of the account by the Lender. See "<i>Description of the Loan—Cash Management Arrangements; Funds; Reserves</i>" in this information circular.</p>
Application of Collections	<p>On each Monthly Payment Date, except during the continuance of a Loan Event of Default, funds on deposit in the Loan Collection Account will be applied in the following order of priority:</p> <ul style="list-style-type: none"> (i) to the applicable Security Deposit Account, the amount of any security deposits that have been deposited into the Loan Collection Account for the calendar month immediately ending prior to such Monthly Payment Date; (ii) to fund the next monthly deposit into the Tax Account as described under "<i>Description of the Loan—Cash Management Arrangements; Funds; Reserves—Tax Funds</i>"; (iii) to fund the next monthly deposit into the Insurance Account as described under "<i>Description of the Loan—Cash Management Arrangements; Funds; Reserves—Insurance Funds</i>"; (iv) to the Lender, funds sufficient to pay (A) the Monthly Debt Service Payment Amount (which is generally accrued interest on the Components for the related Loan Interest Accrual Period) applied first, to the payment of interest then due and payable on Component A; and second, to the payment of interest then due and payable on Component B; and (B) the regular monthly Certificate Administrator Fee and Trustee Fee; (v) to the Manager, the management fees payable for the calendar month ending immediately prior to such Monthly Payment Date, not to exceed 6.0% of the gross Rents collected during such calendar month; (vi) to the Capital Expenditure Reserve Account, an amount sufficient to make the required monthly deposit as described under "<i>Description of the Loan—Cash Management Arrangements; Funds; Reserves—Capital Expenditure Funds</i>"; (vii) to the Lender, any other fees, costs, expenses or indemnities then due and payable under the Loan Documents;

- (viii) to the Lender, the amount of any mandatory prepayment then due and payable under the Loan Agreement and all other amounts payable in connection therewith; and
- (ix) all amounts remaining either:
 - (A) if no Low DSCR Period or Low Debt Yield Period exists, to the Borrower's operating account (the "Borrower's Operating Account"); and
 - (B) if a Low DSCR Period or a Low Debt Yield Period is continuing: (1) first, to the Borrower's Operating Account, in an amount equal to the amount set forth for such month in the annual budget for Operating Expenses and capital expenditures, (2) second, to the Borrower's Operating Account, payments for extraordinary operating expenses approved by the Lender, and (3) third, to the Cash Collateral Account to be held or disbursed as described under "*Description of the Loan—Cash Management Arrangements; Funds; Reserves—Cash Collateral Reserve*" in this information circular.

Upon the occurrence and during the continuance of a Loan Event of Default, the Lender, at its option, may apply any funds then in the possession of the Lender, the Servicer or any account bank (including Reserve Funds in the accounts) to the payment of the debt owed under the Loan Documents in such order, proportion and priority as the Lender may determine in its sole and absolute discretion.

The Borrower's Operating Account will be subject to an account control agreement in which the Borrower and the Manager will have access to and may make withdrawals from such account until the occurrence of a Loan Event of Default, after which the Lender may exercise control over such account and neither the Borrower nor the Manager will have the right of withdrawal.

See "*Description of the Loan—Cash Management Arrangements; Funds; Reserves—Application of Collections*" in this information circular.

Reserves..... The Borrower will be required to fund and maintain the following reserve accounts (the "Reserve Funds"):

<u>Reserve Funds</u>	<u>Description</u>
Property Tax Reserve	A Tax Account into which the Borrower will deposit with the Lender (i) on the Closing Date, an amount equal to the amount which, when added to the expected ongoing deposits described below, will be sufficient to ensure the payment of the real estate taxes that the Lender estimates will be payable in the ensuing 12 months following the Closing Date and (ii) on each Monthly Payment Date, an amount equal to 1/12th of the estimated property taxes for the next 12 months. Provided no Loan Event of Default is continuing, funds in the Tax Account will be applied to reimburse the Borrower for payments of property taxes made by the Borrower after delivery by the Borrower to the Lender of evidence of such payment

	<p>reasonably acceptable to the Lender. See <i>"Description of the Loan—Cash Management Arrangements; Funds; Reserves—Tax Funds"</i> in this information circular.</p>
HOA Reserve	<p>An HOA Subaccount into which the Borrower will deposit with the Lender on the Closing Date an amount equal to the estimated HOA Fees payable with respect to the Applicable HOA Properties payable in the twelve months following the Closing Date, and thereafter, if the Lender reasonably determines that the amounts on deposit in the HOA Subaccount are insufficient to pay the HOA Fees for the Applicable HOA Properties for the next twelve months, on thirty days' notice, the amount of such deficiency.</p>
Insurance Reserve	<p>An Insurance Account into which the Borrower will deposit with the Lender on each Monthly Payment Date, an amount equal to 1/12th of the estimated annual insurance premiums that the Lender estimates will be payable for the renewal of the coverage afforded by the insurance policies upon the expiration thereof (except that no reserve will be required if the Properties are insured under an acceptable blanket insurance policy in accordance with the Loan Documents unless the Lender otherwise requires such reserves notwithstanding the blanket policy due to the failure of the Borrower to comply with its covenants regarding maintenance of insurance; it is expected that, as of the Closing Date, such an acceptable blanket insurance policy will be in effect and, accordingly, no payments will be made into the Insurance Account). Provided no Loan Event of Default is continuing, funds in the Insurance Account will be applied to pay or reimburse the Borrower for payments of insurance premiums. See <i>"Description of the Loan—Cash Management Arrangements; Funds; Reserves—Insurance Funds"</i> in this information circular.</p>
Capital Expenditures Reserve	<p>A Capital Expenditure Reserve Account into which the Borrower will deposit with the Lender on each Monthly Payment Date, an amount equal to 1/12th of the product of (i) \$750 multiplied by (ii) the number of Properties. Provided no Loan Event of Default is continuing, funds in the Capital Expenditure Reserve Account will be disbursed to reimburse the Borrower for capital expenditures actually paid by the Borrower, subject to certain conditions as provided in the Loan Documents. So long as no Event of Default has occurred and is continuing, the Borrower may request that the Lender perform an analysis to determine the adequacy of the funds in the Capital Expenditure Reserve</p>

	<p>Account and Lender may, in its sole discretion based on such analysis, adjust the size of such deposits or suspend Borrower's obligation to make additional deposits into the Capital Expenditure Reserve Account provided that Lender may at any time reinstate such obligation on notice to the Borrower. See <i>"Description of the Loan—Cash Management Arrangements; Funds; Reserves—Capital Expenditure Funds"</i> in this information circular.</p>
Special Insurance Reserve	<p>A special insurance reserve account into which the Borrower will deposit with the Lender, if the Borrower elects to maintain insurance policies with deductibles in excess of the amounts specified in the Loan Agreement, an aggregate amount equal to the difference between deductibles in respect of insurance policies maintained by the Borrower that are in excess of the levels required by the Loan Agreement. Provided no Loan Event of Default is continuing, in the event of a casualty, funds in the special insurance reserve account will be disbursed to pay the excess deductible, provided that if the Borrower continues to maintain insurance policies with deductibles in excess of the amounts specified in the Loan Agreement, no disbursement will be made to the extent funds in the special insurance reserve account would be less than the aggregate amount of the excess deductibles. See <i>"Description of the Loan—Cash Management Arrangements; Funds; Reserves—Special Insurance Reserve"</i> in this information circular.</p>
Limited Sponsor Guaranty	<p>The Loan Sponsor will provide a limited guaranty (the <u>"Sponsor Guaranty"</u>) for:</p> <ul style="list-style-type: none"> (i) certain losses arising out of bad acts, Specified Liens and any Previously-Owned Properties Liabilities described under <i>"Description of the Loan—Guaranties"</i> in this information circular; and (ii) the principal amount of the Loan and all other obligations under the Loan Agreement in the event of any of the bankruptcy events and certain other bad acts involving the Loan Parties described under <i>"Description of the Loan—Guaranties"</i> in this information circular.
Property Management.....	<p>The Properties will be managed by the Manager pursuant to the Management Agreement. The Manager's rights under the Management Agreement (including any right to fees thereunder) will be subordinate to the Loan and to the terms and conditions of the Loan Documents, and the Manager will execute an assignment and subordination agreement. The Lender will have the right to require the Borrower to replace the Manager (i) at any time following the occurrence of a Loan Event of Default, (ii) if the Manager is in material default under the Management Agreement beyond any applicable notice and cure periods (including as a result of any gross negligence, fraud, willful misconduct or misappropriation of funds), or (iii) if the Manager becomes insolvent or a debtor in any bankruptcy or insolvency proceeding. The Borrower will</p>

	<p>not be permitted to surrender, terminate, cancel, modify, renew or extend the Management Agreement without the Lender's approval, except that the Borrower will be permitted to replace the Manager with a new property manager which satisfies certain criteria set forth in the Loan Documents pursuant to a replacement property management agreement which satisfies certain requirements set forth in the Loan Documents. In no event will the fee payable to the Manager exceed an amount equal to 6.0% of actual gross rents collected with respect to the Properties during the related calendar month. See <i>"Description of the Management Agreement and the Assignment and Subordination of Management Agreement"</i> in this information circular.</p>
Collateral.....	<p>The Loan will be guaranteed in full by Equity Owner LP and Borrower GP (together, the <u>"Equity Owner Guaranty"</u>). The Loan will be secured by first priority mortgages on each of the Properties and the Equity Owner Guaranty will be secured by a first priority pledge of (i) Equity Owner LP's equity interests in the Borrower and Borrower GP and (ii) Borrower GP's equity interest in the Borrower (collectively, the <u>"Equity Collateral"</u>). Each Loan Party will grant a security interest in its personal property, including accounts, rights of the Borrower and the Equity Owners under certain transaction documents and other agreements, and all proceeds of the foregoing (together with the Equity Collateral and the mortgages, the <u>"Collateral"</u>) to secure the Loan and the Equity Owner Guaranty, as the case may be. The Loan Agreement will include a customary negative pledge on the Properties and other Collateral. See <i>"Description of the Loan—Security for the Loan"</i> in this information circular.</p>
<u>DESCRIPTION OF THE CERTIFICATES</u>	
Trust Fund.....	<p>The Certificates represent all of the beneficial interests in the Trust. The assets of the Trust (the <u>"Trust Fund"</u>) will consist primarily of the Note evidencing the Loan, first priority mortgages (which consist of a mortgage, assignment of leases and rents, security agreement and fixture filing; deed of trust, assignment of leases and rents, security agreement and fixture filing; or deed to secure debt, assignment of leases and rents, security agreement and fixture filing) on each of the Properties (the <u>"Mortgages"</u>), the Equity Owner Guaranty and the other documents executed by each Loan Party and Loan Sponsor on the Closing Date (collectively, the <u>"Loan Documents"</u>) and all payments due under, and proceeds of, the Loan Documents from and after the Cut-off Date. The Trust Fund will also include the Document Defect Repurchase Guaranty and the Risk Retention Agreement. The Certificates will represent the beneficial ownership of the Note and the Loan Documents and the other Collateral.</p> <p>The Class A Certificates will have the benefit of the Fannie Mae Guaranty. The Depositor will deliver the Class A Certificates to Fannie Mae in exchange for Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates issued by Fannie Mae and backed by the Class A Certificates. The Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates will be entitled to receive payments equal to all required distributions on the Class A Certificates. The Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates will be placed with investors by the Placement Agents on behalf of the Depositor.</p>
Certificate Collection Account	<p>Within one Business Day after receipt by the Servicer of any amounts collected in respect of the Loan (other than amounts required to be deposited into the reserve accounts as described under <i>"Description of the Loan"</i> in this information circular), the Servicer will be required to remit such amounts into an account (the <u>"Certificate Collection</u></p>

Account). The Certificate Collection Account will be established and maintained by the Servicer.

The Certificates

The Certificates will be issued in three classes, designated as the Class A (the "Class A Certificates"), Class B (the "Class B Certificates") and the Class R (the "Class R Certificates").

The Class A and Class B Certificates will have the initial Certificate Balance shown in the "*Executive Summary*" of this information circular and correspond to a Component of the Loan set forth in the table below.

<u>Certificates</u>	<u>Corresponding Components</u>
Class A	Component A
Class B	Component B

The Class A Certificates are referred to herein as the "Offered Certificates" or, so long as no Fannie Mae Guaranty Termination has occurred, the "Guaranteed Certificates." The Class A Certificates and Class B Certificates are collectively referred to herein as the "Principal Balance Certificates." The Class B Certificates and Class R Certificates are collectively referred to herein as the "Non-Offered Certificates."

The aggregate initial Certificate Balance of the Class A Certificates and the Class B Certificates will be equal to the Cut-off Date Loan Balance.

The "Certificate Balance" with respect to any outstanding Class of Principal Balance Certificates at any date, represents an amount equal to the initial Certificate Balance of such Class less the sum of, without duplication, (a) all amounts distributed to Certificateholders of such Class on all previous Distribution Dates as principal, (b) the aggregate amount of Realized Losses allocated to such Class of Certificates on all previous Distribution Dates and (c) with respect to the Class A Certificates, any Class A Guaranteed Payment Amount made to the Guaranteed Certificates in respect of principal.

The Class R Certificates will not have a Certificate Balance and have no corresponding Component. No interest will accrue on the Class R Certificates. The holders of the Class R Certificates will not be entitled to any distributions of principal or interest but will be entitled to receive the proceeds of the remaining assets of the Trust REMIC, if any, on the final Distribution Date for the Certificates, after all required distributions in respect of the Class A and Class B Certificates have been made and all expenses of the Trust have been paid in full. It is not anticipated that there will be any material assets remaining after such distributions.

The final Distribution Date of the Class A and Class B Certificates is assumed to be the Distribution Date in June 2027 (the "Assumed Final Distribution Date") and the Class A Certificates will have a Guaranty Principal Final Distribution Date of June 2027.

Cut-off Date

The Closing Date (the "Cut-off Date").

Closing Date

On or about April 28, 2017 (the "Closing Date").

Distribution Date

The 25th day of each month, or if such date is not a Business Day, the immediately succeeding Business Day, commencing in May 2017 (each, a "Distribution Date").

"Business Day" means (i) with respect to references to "Business Day" in the Loan Agreement, any day other than a Saturday, a Sunday or a legal holiday on which national banks are not open for general business in (a) the State of New York, (b) the state where the corporate trust

	<p>office of the Trustee is located, or (c) the state where the servicing offices of the Servicer are located, and (ii) with respect to references to "Business Day" relating to the Trust and Servicing Agreement or the Certificates, any day other than a Saturday, a Sunday or any other day on which national banks in New York, New York, or the place of business of the Certificate Administrator, the Trustee, the Servicer, the Special Servicer, the Guarantor or the financial institution that maintains the Certificate Collection Account or the reserve accounts established under the Loan, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business; provided that, for purposes of making any payment under the Trust and Servicing Agreement, a Business Day will be any day on which the Federal Reserve Bank of New York is open for business.</p>
Determination Date	With respect to each Distribution Date, the 13 th day of the calendar month in which such Distribution Date occurs or, if such 13 th day is not a Business Day, the immediately preceding Business Day (each, a " <u>Determination Date</u> ").
Record Date	With respect to each Distribution Date, the close of business on the last Business Day of the calendar month immediately preceding the month in which such Distribution Date occurs (the " <u>Record Date</u> ").
Collection Period	With respect to the first Distribution Date following the Closing Date, the period commencing on and including the Cut-off Date and ending on and including the Determination Date relating to such Distribution Date, and with respect to any other Distribution Date, the period commencing on and including the date immediately following the Determination Date relating to the immediately preceding Distribution Date and ending on and including the Determination Date relating to such Distribution Date.
Interest Accrual Period	With respect to each Class of Principal Balance Certificates and for any Distribution Date, the calendar month immediately preceding the calendar month in which such Distribution Date occurs.
Distributions on the Certificates	<p>The "<u>Pass-Through Rate</u>" applicable to the Certificates for each Distribution Date will be (a) in the case of the Class A Certificates, a fixed <i>per annum</i> rate equal to (x) 4.168% less (y) the Fannie Mae Guaranty Fee Rate as of the related Distribution Date and (b) in the case of the Class B Certificates, a fixed <i>per annum</i> rate equal to 4.168%.</p> <p>Calculations of interest on the Principal Balance Certificates will be made on the basis of a 30-day Interest Accrual Period and a 360-day year.</p> <p>In general, principal payments received with respect to a Component will be distributed to the Class of Principal Balance Certificates having the same alphabetical designation. See "<i>Description of the Certificates—Payment on the Certificates</i>" and "<i>Risk Factors—Subordination of the Class B Certificates</i>" in this information circular.</p> <p>Distributions in respect of principal and interest on each Class of Principal Balance Certificates to which such Class is entitled will be made on each Distribution Date from the Available Funds and will be made to each such Class of Certificates in the priority (which is generally in Sequential Order) described in "<i>Description of the Certificates—Payment on the Certificates</i>" in this information circular. No distributions on the Class R Certificates will be made until all required distributions in respect of the Class A and Class B Certificates have been made and all expenses of the Trust have been paid in full.</p>

See “*Description of the Certificates—Payment on the Certificates*” in this information circular.

“Sequential Order” means, with respect to (A) distributions in respect of principal or interest on the Certificates on any Distribution Date, to the Class A and Class B Certificates, in that order, in each case until the principal or interest, as applicable, then payable to each such Class is paid in full and (B) payments in respect of principal or interest on the Components on any Monthly Payment Date, Component A and Component B, in that order, in each case until the principal or interest, as applicable, then payable to each such Component is paid in full.

The “Available Funds” on each Distribution Date will be equal to all amounts received in respect of the Loan (other than the Yield Maintenance Premiums) during the related Collection Period or advanced in respect of principal and interest with respect to such Distribution Date (including, without limitation, any repurchase price (or indemnification payments made by the Depositor or Accommodation Loan Seller in connection with a Material Document Defect or Material Breach, as applicable) liquidation proceeds, condemnation proceeds or insurance proceeds received by the Trust), reduced by certain amounts paid to the Servicer, the Special Servicer, the Certificate Administrator and the Trustee in respect of the reimbursement of Advances, the payment of the Servicing Fee, the Special Servicing Fee, the Work-out Fee, the Liquidation Fee, the Certificate Administrator Fee, the Trustee Fee and other Trust Fund Expenses all as described in “*Description of the Certificates—Payment on the Certificates*” and “*Distributions in Respect of the Loan after a Loan Event of Default and Foreclosed Collateral*” in this information circular.

Yield Maintenance Premiums Distributions in respect of Yield Maintenance Premiums (if any) received from the Borrower under the terms of the Loan Agreement, will be distributed in the priority set forth in “*Description of the Certificates—Allocation of Yield Maintenance Premiums*” in this information circular.

Realized Losses The Certificate Administrator will allocate Realized Losses on the Loan *first*, to the Class B Certificates and *second*, to the Class A Certificates in each case until the Certificate Balance of that Class has been reduced to zero.

As a result of such reductions, less interest will accrue on each Class of Principal Balance Certificates than would otherwise be the case. Once a Realized Loss is allocated to a Certificate, no principal or interest will be distributable with respect to such written down amount except as described in “*Description of the Certificates—Payment on the Certificates*” in this information circular.

With respect to the Certificates, a “Realized Loss” with respect to any Distribution Date is the amount, if any, by which (i) the aggregate of the Certificate Balances of the Principal Balance Certificates after giving effect to distributions made on such Distribution Date (including, with respect to the Class A Certificates, on the Guaranty Principal Final Distribution Date, the related Certificate Balance after giving effect to all amounts distributable to principal but prior to any guaranteed payments of interest or principal) exceeds (ii) the outstanding principal balance of the Loan after giving effect to (a) any payments of principal received with respect to the Monthly Payment Date occurring immediately prior to such Distribution Date and (b) the aggregate reductions of the principal balance of the Components that have been permanently made as a result of a bankruptcy proceeding, modification or otherwise. If, at any time following a Special Servicing Loan Event and the final liquidation of the collateral or the Loan, the Special Servicer determines that there

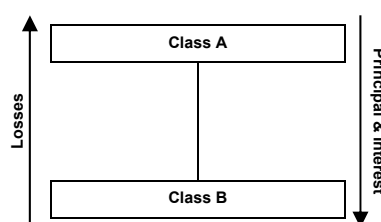
has been a recovery of all insurance proceeds, liquidation proceeds or other payments that the Special Servicer determines will be ultimately recoverable (a “Final Recovery Determination”), the outstanding principal balance of the Loan will be considered zero for purposes of determining Realized Losses.

Realized Losses with respect to the Class A Certificates will be covered by the Fannie Mae Guaranty as Class A Guaranteed Principal Distribution Amounts in the manner set forth under “*Description of the Certificates—Payment on the Certificates*” in this information circular.

Subordination; Allocation of Losses

and Certain Expenses

The chart below describes the manner in which the rights of various Classes of Principal Balance Certificates (will be senior to the rights of other Classes. This subordination will be effected in two ways: (i) entitlement to receive principal, if applicable, and interest, if applicable, on any Distribution Date is in descending order and (ii) Loan losses are allocated in ascending order.⁽¹⁾



No other form of credit enhancement will be available for the benefit of the Holders of the Certificates other than the subordination of the Class B Certificates and, in the case of the Class A Certificates, the Fannie Mae Guaranty, as described in this information circular under “*Description of the Certificates—Payment on the Certificates*.”

Fannie Mae Guaranty

It is a condition to the issuance of the Class A Certificates that they be purchased by Fannie Mae and that the Guarantor guaranty certain payments on the Class A Certificates, as described in this information circular (the “Fannie Mae Guaranty”). Any Class A Guaranteed Principal Distribution Amount made to the Class A Certificates will reduce the Certificate Balance of the Class A Certificates. The Fannie Mae Guaranty does not cover any Yield Maintenance Premium related to the Loan. See “*Description of the Certificates—Distributions—Fannie Mae Guaranty and Rights of the Guarantor*” and “*Description of the Certificates—Payment on the Certificates*” in this information circular.

Fannie Mae is entitled to the Fannie Mae Guaranty Fee as described under “*Description of the Certificates—Distributions—Fannie Mae Guaranty and Rights of the Guarantor*” and “*Description of the Certificates—Payment on the Certificates*” in this information circular.

The Class A 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 Fannie Mae. If Fannie Mae were unable to pay under the Fannie Mae Guaranty, the Class A Certificates could be subject to losses.

See “*Risk Factors—Credit Support in the Form of Subordination Is Limited and May Not Be Sufficient To Prevent Loss on the Certificates*” and “*—Fannie Mae*” in this information circular. Fannie Mae will not guaranty any class of Certificates other than the Class A Certificates.

Distribution Account

On each Business Day immediately preceding a Distribution Date (each, a “Remittance Date”), the Servicer will be required to remit the

	Available Funds for such Remittance Date that were received during the related Collection Period to an account (the " <u>Distribution Account</u> ") established and maintained by the Certificate Administrator.
Distributions	On each Distribution Date, the Certificate Administrator will be obligated to remit funds from the Distribution Account to each holder of record of a Certificate at the close of business on the related Record Date and to the Guarantor.
Replacement of the Special Servicer	The Directing Certificateholder will have the right to replace the Special Servicer. See " <i>Description of the Trust and Servicing Agreement—Replacement of the Special Servicer Without Cause</i> " in this information circular.
Special Servicer Compensation	<p>Following a Special Servicing Loan Event, the Special Servicing Fee will equal 0.25% <i>per annum</i> of the outstanding principal balance of the Components. The Work-out Fee payable to the Special Servicer with respect to the Loan will be an amount equal to 0.75% of each collection of interest and principal following a workout and the Liquidation Fee payable to the Special Servicer will be 0.75% of any liquidation proceeds. With respect to any Collection Period, the Special Servicer, however, will only be entitled to receive a Work-out Fee or a Liquidation Fee, but not both. All Borrower-paid modification fees actually paid to the Special Servicer, which are capped at \$1,500,000, to the extent such amounts have not been applied to reimburse additional expenses incurred on behalf of the Trust, will be deducted from the total Work-out and/or Liquidation Fees payable (other than modification fees earned while the Loan was not in special servicing).</p> <p>The Borrower will have no obligation to pay Special Servicing Fees, Work-out Fees, Liquidation Fees or interest on debt service advances and servicing advances, nor any other fees, expenses or liabilities of the Trust Fund that do not represent an amount for which the Borrower is otherwise responsible under the terms of the Loan. These amounts are referred to as "<u>Borrower Reimbursable Trust Fund Expenses</u>." To the extent the Borrower is not obligated to pay these amounts, and these amounts are paid from principal distributions on the Loan, a realized loss will occur with respect to the Certificates (although the shortfalls related to such realized losses with respect to the Class A Certificates will be covered under the Fannie Mae Guaranty as further described in this information circular).</p>
Other Compensation	<p>The Servicer will be entitled to receive a servicing fee payable monthly with respect to each Distribution Date from interest collections on or in respect of the Loan. The servicing fee will accrue at a fixed rate <i>per annum</i> equal to 0.06% on the outstanding principal balance of the Loan.</p> <p>The Certificate Administrator will be entitled to receive a certificate administrator fee payable monthly on each Distribution Date from general collections on or in respect of the Loan. The certificate administrator fee will equal \$6,575 for each Distribution Date.</p> <p>The Trustee will be entitled to receive a trustee fee payable monthly on each Distribution Date from general collections on or in respect of the Loan. The trustee fee will equal \$250 for each Distribution Date.</p>
Advances	The Servicer will be obligated to make an advance on any Remittance Date in respect of any scheduled monthly payment of interest on the Loan (or, if applicable, the assumed monthly payment) to the extent not received by the Servicer by the close of the Business Day immediately

prior to that Remittance Date (each such advance, a "Monthly Payment Advance"), subject to reduction as a result of Calculated Portfolio Value Reduction Amounts and the other limitations described in this information circular. The Servicer will have no obligation to advance the final "balloon" payment due on the Maturity Date or any Default Interest; however, the Servicer is obligated to advance on each Remittance Date following a delinquency in respect of any balloon payment the amount of any scheduled interest payment on each Component had the final "balloon" payment on the Loan not become due on the related Monthly Payment Date subject to the limitations described in this information circular.

The Servicer also will be obligated to make advances ("Servicing Advances") subject to the limitations described in this information circular, to pay delinquent real estate taxes, assessments, governmental charges and hazard insurance premiums and to cover other similar costs and expenses necessary to preserve, restore, operate and protect the Collateral and any Property. In addition, the Servicer will be obligated to make advances, subject to the limitations described in this information circular, to pay the Borrower Reimbursable Trust Fund Expenses (such advances, "Administrative Advances" and, together with Monthly Payment Advances and Servicing Advances, "Advances"). Advances, together with accrued interest thereon at the Advance Rate compounded annually, will be reimbursed to the Servicer or the Certificate Administrator as described under "*Description of the Trust and Servicing Agreement—Advances*" in this information circular. If the Servicer fails to make any required Advance, the Trustee will be required to make that Advance in accordance with the terms of the Trust and Servicing Agreement. See "*Description of the Trust and Servicing Agreement—Advances*" in this information circular.

At any time that a Calculated Portfolio Value Reduction Amount exists, the amount that would otherwise be required to be advanced by the Servicer in respect of delinquent payments of interest on any Component will be reduced by multiplying such amount by a fraction, the numerator of which is the then outstanding principal balance of such Component minus the portion of such Calculated Portfolio Value Reduction Amount allocated to the Class of Principal Balance Certificates corresponding to such Component and the denominator of which is the then outstanding principal balance of such Component. The "Calculated Portfolio Value Reduction Amount" will be determined on the basis of 90% of the Calculated Portfolio Value as described under "*Description of the Certificates—Calculated Portfolio Value Reductions*" in this information circular.

The Servicer or the Trustee, as applicable, will be obligated to make an Advance only if the Servicer or the Trustee, as applicable, believes that the amount to be advanced, together with any previous unreimbursed Advances and interest on all those Advances, will be recoverable from subsequent payments or collections in respect of the Loan. See "*Description of the Trust and Servicing Agreement—Advances*" in this information circular. Advances are intended to maintain a regular flow of scheduled interest payments to holders of the Class or Classes of Certificates entitled thereto, and are not credit support for the Certificates and will not act to guarantee or insure against losses on the Loan or otherwise.

U/W NCF Debt Yield "U/W NCF Debt Yield" means, with respect to any Class of Certificates as of the Cut-off Date, (x) the Underwritten Annual Net Cash Flow divided by (y) the aggregate initial Certificate Balance of such Class of Certificates and all Classes of Certificates senior to such Class of Certificates.

Class	U/W NCF Debt Yield as of the Cut-off Date
Class A.....	8.64%
Class B.....	8.16%

The Loan U/W NCF Debt Yield as of the Cut-off Date will be 8.16%, which will be calculated by dividing (x) the Underwritten Annual Net Cash Flow by (y) the Cut-off Date Loan Balance.

The U/W NCF Debt Yield and the Loan U/W NCF Debt Yield is based on the Underwritten Annual Net Cash Flow. See *"Risk Factors—Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash Flow Assumptions Are Hypothetical"* and *"Description of the Properties—Additional Information Regarding the Loan and the Properties"* in this information circular. See also *"Description of the Properties—General"* in this information circular.

U/W NCF Debt Service

Coverage Ratio..... Based on the sum of the monthly debt service payments for the first 12 full Loan Interest Accrual Periods after the Closing Date plus the amount of the Certificate Administrator Fee and the Trustee Fee payable by the Borrower in each such Loan Interest Accrual Period under the Loan, the underwritten net cash flow debt service coverage ratio as of the Cut-off Date calculated using Underwritten Annual Net Cash Flow was approximately 1.93x, with respect to the Loan. The U/W NCF Debt Service Coverage Ratio presented in this information circular is calculated using the interest-only monthly debt service payments that will be due under the Loan. The Loan Debt Service Coverage Ratio, by contrast, is calculated using the Loan Underwritten Debt Service Amount (Assumed Amortization), assuming a thirty-year level-pay amortization schedule (which may be reset under certain circumstances).

See *"Risk Factors—Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash Flow Assumptions Are Hypothetical"* and *"Description of the Properties—Additional Information Regarding the Loan and the Properties"* in this information circular.

Certificate Balance to

BPO Value Ratio The Cut-off Date Loan to BPO Value Ratio will be approximately 60.0%. This ratio represents a fraction, expressed as a percentage, the numerator of which is the Cut-off Date Loan Balance, and the denominator of which is the Aggregate Cut-off Date BPO Value. See *"Risk Factors—Limitations of Broker Price Opinions; Interior Condition Assumption; No Physical Inspections"* and *"Description of the Properties—General"* in this information circular.

With respect to each Class of Certificates, the "Certificate Balance to BPO Value Ratio" shown in the table below has been calculated by dividing (x) the aggregate initial Certificate Balance of such Class of Certificates and all Classes of Certificates senior to such Class of Certificates by (y) the Aggregate Cut-off Date BPO Value.

	Class	Approximate Certificate Balance to BPO Value Ratio
	Class A	56.7%
	Class B	60.0%

See “Description of the Properties—Additional Information Regarding the Loan and the Properties” in this information circular.

Loan Debt Service Coverage Ratio.....	The Loan Debt Service Coverage Ratio, which is calculated using the Loan Underwritten Net Cash Flow and the Loan Underwritten Debt Service Amount (Assumed Amortization), was approximately 1.37x with respect to the Loan. The Loan Underwritten Debt Service Amount (Assumed Amortization) assumes a rate of amortization for purposes of calculating the Loan Debt Service Coverage Ratio. The Loan Debt Service Coverage Ratio is used for purposes of calculating the Low DSCR Trigger and determining if the Borrower may obtain a release of Properties or substitute Properties.
---------------------------------------	--

ADDITIONAL CONSIDERATIONS

Credit Risk Retention	IH OP, the Securitization Sponsor, intends to satisfy its credit risk retention requirements with respect to the issuance of the Certificates through the purchase and retention by it or a “majority owned affiliate” of an “eligible horizontal residual interest” (in each case as defined in Regulation RR which implemented the risk retention requirements of Section 15G of the Exchange Act (the “ <u>Risk Retention Rules</u> ”)) with a fair value equal to not less than 5% of the aggregate fair value of the Certificates (other than the Class R Certificates) as determined as of the Closing Date using a fair value measurement framework under GAAP. The “eligible horizontal residual interest” will consist of the Class B Certificates (the “ <u>EHRI</u> ”), which is intended to meet the Risk Retention Rules requirements. Under the Risk Retention Agreement executed by IH OP on the Closing Date (the “ <u>Risk Retention Agreement</u> ”), IH OP or a majority owned affiliate will be required to retain the EHRI in accordance with the Risk Retention Rules.
Forms of Certificates; Denominations.....	All of the Certificates will be issued in registered form without coupons. The Class A Certificates will be represented by a global certificate deposited on or about the Closing Date with a custodian for, and registered in the name of a nominee of, the Depository Trust Company (“ <u>DTC</u> ”). Beneficial interests in the global certificates will be shown on, and transfers of global certificates will be effected only through, accounts maintained by DTC and its direct and indirect participants. The Class A Certificates will be issued in minimum denominations of \$100,000 and integral multiples of \$1 in excess thereof.
Information Available to Certificateholders.....	On each Distribution Date, the Certificate Administrator will prepare and make available to each Certificateholder of record, initially expected to be Cede & Co., a statement as to the distributions being made on that date. Additionally, under certain circumstances, Certificateholders of record may be entitled to certain other information regarding the Trust. See “Description of the Trust and Servicing Agreement—Reports to Certificateholders” and “—Information Available Electronically” in this information circular.

Deal Information/Analytics	<p>Certain information concerning the Loan and the Certificates may be available to subscribers through the following services:</p> <ul style="list-style-type: none"> • Bloomberg, L.P., Trepp, LLC and Intex Solutions, Inc.; • the Certificate Administrator's website initially located at www.ctslink.com; and • the Servicer's website initially located at www.pnc.com/midland.
Required Repurchase of Loan	<p>Under certain limited circumstances, the Accommodation Loan Seller may be obligated to repurchase the Loan from the Trust as a result of a material breach of the representations and warranties made by the Accommodation Loan Seller with respect to the Loan in the Loan Purchase Agreement. Under certain limited circumstances, the Depositor may be obligated to repurchase the Loan from the Trust as a result of a material document defect with respect to the documents delivered by the Depositor under the Trust and Servicing Agreement. The obligations of the Depositor to repurchase the Loan will be guaranteed by the Document Defect Repurchase Guarantor. See <i>"Description of the Loan Purchase Agreement"</i> and <i>"Description of the Trust and Servicing Agreement—Assignment of the Loan"</i> in this information circular.</p>
Sale of Defaulted Loan	<p>The Special Servicer may sell the Loan after the occurrence of a Special Servicing Loan Event, in accordance with the procedures set forth in the Trust and Servicing Agreement. The sale of the Loan is generally subject to any consent or consultation rights of the Directing Certificateholder. See <i>"Description of the Trust and Servicing Agreement—Realization Upon the Loan"</i> in this information circular.</p>
Early Termination	<p>Following a Rights Termination Event, at any time at least two (2) years following the Closing Date, the sole holder of the Class A Certificates may exchange all of the Class A Certificates for the Loan and any Foreclosed Collateral remaining in the Trust Fund by delivering an amount equal to the sum of (i) to the extent the Class B Certificates have a Certificate Balance greater than zero, the fair value of the Class B Certificates, (ii) the Class A Guarantor Entitlement Amount, if any, and (iii) all amounts then due and owing to the Servicer, the Special Servicer, the Certificate Administrator and the Trustee under the Trust and Servicing Agreement.</p> <p>After the Certificate Balance of the Class A Certificates has been reduced to zero, holders of the Class B Certificates may similarly exercise an exchange right for the Loan and any Foreclosed Collateral upon payment of the sum of (i) the amount, if any, of the Class A Guarantor Entitlement Amount and (ii) all amounts then due and owing to the Servicer, the Special Servicer, the Certificate Administrator and the Trustee under the Trust and Servicing Agreement.</p>
Certain Federal Income Tax Considerations.....	<p>The Trust will consist of a single REMIC (the "Trust REMIC") and a Grantor Trust (the "Grantor Trust") for federal income tax purposes. The assets of the Trust REMIC will consist of the Note and any other assets designated in the Trust and Servicing Agreement. The Trust REMIC will issue one class of REMIC regular interests, which will be represented by the Class A Certificates and a single class of REMIC residual interest, which will be represented by the Class R Certificates. The assets of the Grantor Trust will consist of entitlement to the principal and interest amounts payable on Component B, and the Grantor Trust will issue the Class B Certificates, representing beneficial ownership of such</p>

entitlement. The Offered Certificates will represent newly issued debt instruments for federal income tax purposes and may be issued with original issue discount. See "*Certain Federal Income Tax Considerations.*"

No Ratings

The Certificates will not be rated on the Closing Date by any rating agency, and the Depositor does not intend to obtain a rating for the Certificates at any time in the future.

RISK FACTORS

You should carefully consider the following risks before making an investment decision. In particular, distributions on your Certificates will depend on payments received on, and other recoveries with respect to, the Loan. Therefore, you should carefully consider the risk factors relating to the Loan and the Properties. The risks and uncertainties described below are not the only ones relating to your Certificates. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair your investment. If any of the following events or circumstances identified as risks or other factors or conditions that are not anticipated actually occur or materialize, your investment could be materially and adversely affected. This information circular also contains forward looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the risks described below and elsewhere in this information circular.

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 the Class A 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 Class A Certificates are subject to material variability from period to period and over the life of the Class A Certificates to the extent the Guarantor does make Class A Guaranteed Payment Amounts on the Class A 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 and who have conducted appropriate due diligence on the Loan and the Class A Certificates.

The Certificates Will Be a New Issue of Securities Within an Emerging Class of Securitization

The Certificates will be backed by a loan secured by a portfolio of single-family rental properties and securitizations involving such a loan have all occurred recently, beginning in the second half of 2013. See “—*Single-Family Rental on an Institutional Scale is Relatively New and Unproven*” below. As such, the Certificates will represent a new issue of securities within a category of real estate-related securitization that emerged only recently. The prepayment, credit, liquidity and market risks associated with your investment will differ in whole or in part from those associated with other classes of investment, including other forms of real estate-related securitization such as residential mortgage-backed securities (“RMBS”) or commercial mortgage-backed securities (“CMBS”). The characterization of the Certificates for the purposes of any regulatory, legal investment, capital or financial reporting requirements that apply to you may be unknown or unclear.

In general, the Certificates will involve both some risks commonly associated with an investment backed by income-producing real estate and some risks commonly associated with an investment backed by single-family properties.

Additionally, this is the first securitization of a loan secured by a portfolio of single-family rental properties in which Fannie Mae has participated.

Limited Obligations

The Certificates will represent obligations of the issuing entity only (and, solely with respect to certain payments of interest and principal on the Class A Certificates under the Fannie Mae Guaranty, Fannie Mae), and do not represent obligations of or interests in the Depositor, the Accommodation Loan Seller, the Securitization Sponsor, Loan Sponsor, and Document Defect Repurchase Guarantor, the Environmental Indemnitor, the Manager or any of their affiliates. Neither the Certificates nor the underlying Properties are insured or guaranteed by any governmental agency (other than to the extent set forth herein with respect to the Class A Certificates, Fannie Mae). The primary asset of the Trust Fund will be the Note evidencing the Loan, and the primary security and source of payment for the Loan will be the Equity Collateral and the Properties and the other collateral described in this information circular. Payments on the Certificates are expected to be derived from payments made by the Borrower on the Loan, together with any amounts received under the Fannie Mae Guaranty in the case of the Class A Certificates. If the cash flow from the Properties and the proceeds of any sale or refinancing of the Equity Collateral and/or the Properties is insufficient to pay the principal of, and interest on, the Loan when due or to distribute in full the amounts of interest and principal to which the holders of the Certificates are entitled, excluding any amounts due under the Fannie Mae Guaranty as described under “*Description of the Certificates—Payment on the Certificates*” in this information

circular, no other assets will be available to you for payment of the deficiency, and you will bear the resulting loss. See “*Description of the Loan—Security for the Loan*” in this information circular.

The Loan Will Be Made on the Closing Date of the Securitization

Lenders typically look to the payment and performance history of loans and their related properties and borrowers as an indicator of future performance and in assessing risks of default. The Loan will be created at the same time as the issuance of the Certificates and consequently, the Loan will have no payment history and we cannot assure you that payments will be made on the Loan. Payments on and the refinancing of the Loan will depend on, and are subject to, the Borrower's financial and operating performance, which is dependent on payments under the Loan and other factors. There is no assurance that the payments that are received from revenues and rents in connection with the Properties will generate sufficient cash flow to make timely payments on the Loan and, correspondingly, on the Certificates. In addition, the Accommodation Loan Seller will have no obligations under the Loan after the Closing Date and will not be a source of repayment on the Certificates.

Neither the Accommodation Loan Seller Nor Any Other Person Will Make Any Representation Regarding the Terms of the Loan in Favor of the Issuing Entity

The Accommodation Loan Seller is acting solely in an accommodation capacity to enable the Borrower to obtain financing through the transactions described in this information circular involving the simultaneous closing of the Loan, the issuance of the Certificates, the exchange of the Class A Certificates for the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates and the sale of the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates to investors. In connection with the creation of the Loan, Fannie Mae delegated certain underwriting functions with respect to Fannie Mae's underwriting criteria to the Accommodation Loan Seller. Similar to Fannie Mae's DUS Lending Program, Fannie Mae and the Accommodation Loan Seller will enter into a loss-sharing arrangement with respect to the Class A Certificates. The Accommodation Loan Seller will also perform certain asset management functions for Fannie Mae in its role as the Directing Certificateholder. As compensation for taking on this role with respect to the transaction, the Loan Sponsor will pay the Accommodation Loan Seller an arrangement fee. No representation will be made by any person that the terms of the Loan comply with the underwriting standards of Fannie Mae, the Accommodation Loan Seller or of any other person in favor of the Issuing Entity. Accordingly, when deciding to purchase the Certificates, you should rely solely on your own underwriting and otherwise on your own evaluation of the merits of the Loan (including the Properties that secure the Loan), the funding of which will be enabled solely by the purchase of the Certificates.

The Loan May Not Be Made and the Certificates Described in This Information Circular May Not Be Issued, Even After the Certificates Have Priced

The Accommodation Loan Seller will act as lender in an accommodation capacity only to facilitate the initial making of the Loan for transfer to the Depositor, and only if it is able to do so as a result of the simultaneous closing of the Loan, the issuance of the Certificates, the exchange of the Class A Certificates for the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates, and the sale of the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates to investors and the sale of the Class B Certificates to the Securitization Sponsor or a majority-owned affiliate (as defined in the Risk Retention Rules), so that the proceeds of such sales will fund the Loan. This simultaneous closing arrangement means that the financing statements or other security instruments will not be recorded or filed prior to the issuance and sale of the Certificates. See “*Description of the Trust and Servicing Agreement—Assignment of the Loan*” in this information circular. None of Wells Fargo Bank, National Association, any of its affiliates or any other person (including the Guarantor) is obligated to make the Loan. If the Loan is not made, the Certificates will not be issued. Accordingly, you should consider the risk that you may commit to purchase Certificates that might not be issued, even if the Certificates have priced, and that you will not know whether the Certificates will be issued until the Closing Date. Among other things, this may make it difficult for you to hedge any risks of your planned purchase of any Certificates and/or subject you to a greater risk of loss on any hedge you do maintain. None of the Placement Agents, the Guarantor, the Depositor, the Accommodation Loan Seller, the Borrower, the Securitization Sponsor, the Loan Sponsor or any other person will have any obligation to compensate you for any breakage costs or any other expenses incurred in connection with any hedge you elect to implement in the event the Certificates are not issued.

Credit Support in the Form of Subordination Is Limited and May Not Be Sufficient To Prevent Loss on the Certificates.

Any use of credit support in the form of subordination 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 the Class A 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.

The Fannie Mae Guaranty is intended to provide credit enhancement to the Class A Certificates as described in this information circular by increasing the likelihood that holders of the Class A Certificates will receive (i) payments of accrued interest thereon, (ii) payment of principal thereof on or before the Monthly Payment Date in June 2027 (the “Guaranty Principal Final Distribution Date”) and (iii) payments equal to any Realized Losses allocated thereto. If, however, Fannie Mae were unable to perform its obligations under the Fannie Mae Guaranty, or if the conservator were to place Fannie Mae in receivership and repudiate the Fannie Mae Guaranty, the holders of Class A 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—Fannie Mae Guaranty and Rights of the Guarantor*” in this information circular for a detailed description of the Fannie Mae Guaranty. The Class A 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 Fannie Mae.

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

- the distribution priorities of the respective Classes of Certificates;
- the order in which the Certificate Balances of the Principal Balance Certificates will be reduced in connection with losses and default-related shortfalls (subject, in the case of the Class A Certificates, to coverage under the Fannie Mae Guaranty); and
- the characteristics and quality of the Loan.

Single-Family Rental on an Institutional Scale is Relatively New and Unproven

The Loan will be secured by a portfolio of single-family properties operated as rental residences. Until recently, the single-family rental business consisted primarily of private and individual investors in local markets and was managed individually or by small, non-institutional owners and property managers. The Loan Sponsor’s business strategy involves acquiring, renovating, maintaining and managing a large number of residential properties and leasing them to qualified residents. Entry into this market by large, well-capitalized investors is a relatively recent trend, so few peer companies exist and none have yet established long-term track records. At present, the institutional single-family rental industry is still evolving, with few participants, and its long-term viability has not yet been demonstrated. There is no assurance that the industry will expand further or that existing participants will continue operations. Recently, one or more national institutional operators have consolidated their platforms through merger or acquisition and it is unclear how the increasing consolidation of the institutional investment in this asset-class will affect the industry.

In general, no long-term history has yet been established in the institutional single-family rental industry, including long-term history with respect to (1) economies of scale, cost containment and operating results generally; (2) portfolio experiences of rents, vacancy, tenant turnover, post-vacancy absorption, leasing incentives, rent delinquency or other tenant delinquencies, capital expenditures, restoration, maintenance, marketing and other operating costs, or other significant determinants of net operating incomes; (3) portfolio experiences during or after a transfer of management; (4) the performance of loans backed by single-family rental portfolios or the resolution of loans after default; or (5) managing a large-scale foreclosure and liquidation in the event of a default on a loan secured by a portfolio of single-family properties similar to the Loan. While the operation and management of multi-family residential portfolios that commonly back CMBS securities may be the most comparable established business model, the geographic dispersion of single-family properties (even within a local clustering) in individual units may create greater operational and maintenance challenges and, potentially, higher per-unit operating costs than multi-family operations.

In addition, because each home has unique features, appliances and building materials, the renovation, maintenance, marketing and operational tasks may be more varied and demanding than in a typical multi-family setting. No assurance can be provided that operating a large portfolio of single-family rental properties on a long-term basis can be executed effectively or within the assumptions used to calculate the Underwritten Annual Net Operating Income and the Underwritten Annual Net Cash Flow. Similarly, vacancy rates may be unique for single-family properties compared to multi-family residential properties, and may be uniquely affected by changes in the real estate market, local economic conditions, tenant demographics and other rental market characteristics. Limited historical data for institutionally owned single-family residential rentals is available to validate assumptions with respect to vacancies on the Properties. See “*The Certificates Should Be Evaluated Differently Than CMBS Securities*” in this section. Historical industry information regarding other types of income-producing real estate is not

expected to be of substantial utility in the evaluation of potential future performance of a portfolio of single-family rental properties.

The institutional single-family rental industry, thus far, has generally not been subject to industry specific state and federal rules and regulations for those housing market products, aside from laws governing the landlord/tenant relationship and laws related to consumer lending and installment contracts. Further, the practices of the institutional operators have generally not been subject to scrutiny by state and federal regulators (such as the CFPB, which is responsible for administering and enforcing the laws and regulations for consumer financial products and services). As the institutional single-family rental industry continues to develop, state and federal regulators may potentially begin inquiry into and/or evaluate the practices of institutional single family rental operators which could lead to increased compliance costs for institutional single family rental operators, including the Loan Sponsor.

As a result of these factors, there is no assurance that the management and operation of the portfolio of Properties can be executed effectively, in a manner consistent with the assumptions underlying the determination and presentation of Underwritten Annual Net Operating Income and Underwritten Annual Net Cash Flow or in a manner that will enable the Borrower to make required Loan payments and otherwise perform its obligations.

See “—*Limited Operating History Employing a Business Model with a Limited Track Record*” “—*Vacancy and Turnover Rates Are Subject to a High Degree of Uncertainty*,” “—*Capital Expenditures and Operating Expenses Are Subject to a High Degree of Uncertainty*” and “—*Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash Flow Assumptions Are Hypothetical*” in this information circular.

Limited Operating History Employing a Business Model with a Limited Track Record

The Borrower is an indirect, wholly-owned subsidiary of Invitation Homes Operating Partnership LP (“IH OP”). On February 6, 2017, Invitation Homes Inc. (“IH Pub Co”) closed its initial public offering. IH OP is the wholly-owned operating partnership of IH Pub Co. In connection with the initial public offering (the “IPO transaction”), the holding entities (the “IH Holding Entities”) that constitute the Invitation Homes platform became wholly-owned subsidiaries of IH OP. The first IH Holding Entity was formed in 2012. IH OP owns 100% of Invitation Homes, L.P. (“IH LP”), which will provide a limited guaranty of the environmental indemnity. IH LP owns 100% of THR Property Management L.P., a Delaware limited partnership (“THR” or the “Manager”). The Borrower is a special purpose vehicle that relies on the Manager for management of the Properties.

THR will manage the Properties, as well as the properties owned by the IH Holding Entities and their respective subsidiaries. Invitation Homes is a national platform focused on acquiring, renovating, maintaining and managing single-family residential properties and leasing them to residents. References to “Invitation Homes” in this information circular, refer to IH OP and its wholly-owned subsidiaries, including the IH Holding Entities and their various subsidiaries.

THR began operations in early 2012 and may not be able to successfully manage the Properties to generate sufficient operating cash flows for the Borrower to make required payments on the Loan underlying the Certificates. THR has provided property management, purchasing, renovation and other services for the Invitation Homes platform since it was formed. As of December 31, 2016 provided management services to approximately 48,298 single-family rental properties owned by the IH Holding Entities.

Few peer companies invest in the business of institutional single-family ownership and operation and none have yet established a long-term track record. While past performance is not indicative of future results, it is difficult to evaluate potential future performance of Invitation Homes without the benefit of established track records from companies implementing a similar business model. Invitation Homes may encounter unanticipated problems in the ownership, operation and management of the properties in its portfolio (which would include the Properties) as the business model of Invitation Homes continues to be refined. This may adversely affect the Borrower’s results of operations and ability to pay debt service. See “—*Property Management Is Integral to the Performance of the Loan*” in this information circular.

Since commencing operations in 2012, the Invitation Homes platform has grown rapidly, assembling a portfolio of nearly 50,000 homes as of December 31, 2016. The future operating results of the Invitation Homes platform may depend on the ability to effectively manage the growth of the platform, which is dependent, in part, upon the ability to:

- stabilize and manage an increasing number of properties and resident relationships across a geographically dispersed portfolio while maintaining a high level of resident satisfaction, and building and enhancing its brand;

- identify and supervise a number of suitable third parties on which it relies to provide certain services outside of property management to its properties;
- attract, integrate and retain new management and operations personnel; and
- continue to improve its operational and financial controls and reporting procedures and systems.

No assurance can be given that Invitation Homes will be able to manage its properties or grow its business efficiently or effectively, or without incurring significant additional expenses. Any failure to do so may have an adverse effect on the business and operating results of Invitation Homes and in turn the ability of the Borrower to make payments of principal of, and interest on, the Loan when due.

Invitation Homes has recorded consolidated net losses in the years ended December 31, 2016, 2015 and 2014. Invitation Homes may likely continue to record net losses in future periods.

Property Management Is Integral to the Performance of the Loan

Income realized from operations at the Properties may be affected by management decisions relating to the Properties, which in turn may be affected by events or circumstances impacting THR or Invitation Homes or the financial condition or results of operations of any of the foregoing. The day-to-day management of the Properties, including leasing and collection functions, is currently performed by THR. We cannot assure you that THR will continue to act as the property manager of the Properties or that it will manage the Properties successfully. While THR as Manager will be required to act in accordance with Operation Standards, it will have broad discretion with the respect to the management of the Properties, including, without limitation, renovations, maintenance and all matters related to leasing, including marketing, selection and underwriting of tenants and lease terms. A change in the ownership (which could occur if the Blackstone Real Estate Partnership VII, which currently controls Invitation Homes were to dispose of its control position in Invitation Homes, which will be more feasible since IH Pub Co is publicly traded) or management or management practices, for example, could adversely affect the business of Invitation Homes and the Manager.

Successful management of the Properties also depends to a significant degree upon the continued contributions of key personnel who may be difficult to replace. The Loan Sponsor relies on a small number of persons to carry out its business and investment strategies, and the loss of the services of any of its key management personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on the business and financial results of the Loan Sponsor, which could in turn adversely affect the ability of the Borrower to pay the principal of, and interest on, the Loan when due and, accordingly, the value and performance of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates). Continued and future success also depends, in part, upon the ability to efficiently hire and retain highly skilled managerial, investment, financial and operational personnel. Competition for highly skilled managerial, investment, financial and operational personnel is intense. As additional large real estate investors enter into and expand their scale within the single-family rental business, the Loan Sponsor has faced increased challenges in hiring and retaining personnel and no assurance can be given that it will be successful in attracting and retaining such skilled personnel. If the Loan Sponsor is unable to hire and retain qualified personnel as required, its growth and operating results could be adversely affected, which could in turn adversely affect the ability of the Borrower to pay the principal of, and interest on, the Loan when due and, accordingly, the value and performance of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

Management of all of the Properties by one manager also presents concentration risk. As a result, financial or other difficulties experienced by the Manager, the Loan Sponsor or its subsidiaries would have a greater impact on the Loan than would be the case if such Properties did not have common management. For example, a financial failure or bankruptcy filing involving the Manager, the Loan Sponsor or its subsidiaries could have a greater impact on the Loan than a financial failure or bankruptcy filing involving a property manager in a Loan with multiple property managers.

The Loan Documents will permit the Borrower to appoint another management company as a replacement property manager meeting certain criteria set forth in the Loan Documents and the Lender may, under certain circumstances, including the occurrence of a Loan Event of Default, cause the Borrower to replace the Manager. See “*Description of the Management Agreement and the Assignment and Subordination of Management Agreement—Loan Agreement Covenants*” in this information circular. However, no assurance can be made given the nascent development of institutionally owned single-family rentals that an adequate replacement property manager, or replacement property managers, with the experience, scale and operations to manage such a large portfolio of single-family rental properties could be identified or would be available for engagement or engagement

upon acceptable terms. Even if one or more replacement property managers were engaged, there would be no assurance that any such replacements would be able to perform management services adequately or within existing cost and expense assumptions. See “*Description of the Relevant Parties and the Manager—Description of the Property Manager*” and “*Description of the Management Agreement and the Assignment and Subordination of Management Agreement*” in this information circular.

Upon enforcement, the Management Agreement will be subordinated to the Loan, and the Borrower may be required to terminate the Manager upon the direction of the Lender (i) following a Loan Event of Default, (ii) if the Manager is in material default under the Management Agreement beyond any applicable notice and cure periods (including as a result of any gross negligence, fraud, willful misconduct or misappropriation of funds) or (iii) if the Manager becomes insolvent or a debtor in any bankruptcy or insolvency proceeding. See “*Description of the Management Agreement and the Assignment and Subordination of Management Agreement—Loan Agreement Covenants*” in this information circular. There is a high risk of a disruption in operations and possible lapse in quality when the Properties experience a change in ownership, operators or key leadership personnel, particularly in the transition period immediately following such changes.

Borrower May Be Adversely Affected by Derogatory Publicity or by Losing the Use of the “Invitation Homes” Name

The ability of the Manager to attract and retain qualified tenants for the Properties will depend in part on the perceptions of prospective tenants regarding the Manager and the Borrower. Those perceptions may be materially and adversely affected by any derogatory publicity, including that originating in or disseminated by social and other media, relating to the entities that are part of Invitation Homes, including the Manager and the Borrower, the quality and condition of the homes they operate (whether or not included in the pool of Properties), the maintenance or other services provided by the Manager on behalf of the Borrower, the responsiveness of the Manager to tenant inquiries and requests, data security associated with tenant information maintained in electronic form, the ease and convenience of correspondence with the Manager or other matters. The effects of derogatory publicity may be significant or long-lasting, whether or not the Manager has legal remedies with respect to the publicity.

In managing the Properties on behalf of the Borrower, the Manager uses the “Invitation Homes” name. The ability of the Manager to attract and retain qualified tenants for the Properties may be adversely affected by any actions of other users of the “Invitation Homes” name, or by any derogatory publicity, that adversely affect public perceptions regarding such name. In addition, if the THR ceases to be the Manager, the Borrower (or the Special Servicer after a foreclosure on the Properties or the Equity Collateral) may incur substantial expense in ceasing to use the “Invitation Homes” name, except to the extent that a successor manager agrees to bear such expenses.

Dependence on Third Parties for Key Services May have Adverse Effect on Performance of Properties if the Third Parties Fail to Perform

The Manager also uses local and national third party vendors and service providers to provide certain services for the Properties. For example, third party home improvement professionals are typically used with respect to certain maintenance and specialty services, such as heating, ventilation and air conditioning systems (“HVAC”), roofing, painting and floor installations. Selecting, managing and supervising these third party service providers requires significant resources and expertise, and because the Properties consist of geographically dispersed properties, the ability to adequately select, manage and supervise such third parties may be more limited or subject to greater inefficiencies than if the Properties were more geographically concentrated. The Manager generally does not have exclusive or long-term contractual relationships with these third party providers, and no assurance can be provided that the Manager will have uninterrupted or unlimited access to their services. If the Manager does not select, manage and supervise appropriate third parties to provide these services, the performance of the Properties and the Loan Sponsor’s reputation may suffer. Notwithstanding efforts to implement and enforce strong policies and practices regarding service providers, the Manager may not successfully detect and prevent fraud, misconduct, incompetence or theft by third party service providers. In addition, any removal or termination of third party service providers would require the Manager to seek new vendors or providers, which would create delays and adversely affect operations of the Properties. Poor performance by such third-party service providers will reflect poorly on the Loan Sponsor and could significantly damage its reputation among desirable residents. In the event of fraud or misconduct by a third party, the Borrower or Manager could also be exposed to material liability and be held responsible for damages, fines or penalties and their reputation may suffer. Damage to the Loan Sponsor’s reputation and decreased performance of the Properties could have an adverse effect on the Borrower’s ability to pay principal of, and interest on, the Loan when due and, accordingly, the value and performance of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

Operating Performance of the Properties Depends on a Variety of Factors

There is also a risk that the net operating income and cash flow of the Properties cannot be maintained or may vary significantly from the net operating income and cash flow generated during the period in which those Properties have been leased and under the management of the Manager. Operating performance will depend on many factors, including:

- the ability to effectively manage renovation, maintenance, marketing and other operating costs for the Properties;
- the ability to maintain high occupancy rates and target rent levels;
- the ability to contain capital expenditures and restoration, maintenance, marketing and other operating costs;
- real estate appreciation or depreciation in the markets where the Properties are located (to the extent Properties are sold);
- the ability to make any necessary rehabilitation of those Properties that are vacant as of the Property Cut-off Date and to lease those Properties.
- the variability of costs beyond the control of the Borrower, such as real estate taxes, homeowners or condominium association (“HOAs”) fees, insurance premiums, litigation costs (including title litigation and litigation with tenants or tenant organizations) and compliance costs;
- the ability to adapt to judicial and regulatory developments affecting landlord-tenant relations that may affect or delay the ability to dispossess or evict occupants or increase rents;
- the ability to respond to changes in population, employment or homeownership trends in the relevant markets;
- the impact of potential reforms relating to government-sponsored enterprises involved in the home finance and mortgage markets;
- competition for tenants in the relevant markets; and
- economic conditions in the relevant markets, as well as the condition of the financial and real estate markets and the economy generally.

In addition, owners and managers of properties often distinguish between discretionary capital expenditures (which are generally considered accretive to property values or are aimed at managing long-term costs through current improvements) and those necessary in order to lease properties at current market rates or maintain the properties in compliance with law, and the Borrower will be permitted to choose to make such discretionary capital expenditures that are not captured in the underwritten capital expenditure reserve amount. If the Borrower is unable to make these discretionary capital expenditures at the Properties, the Properties may no longer be competitive with other properties. The failure to sustain and, in certain cases, increase such net operating income could adversely affect the ability of the Borrower to pay the principal of, and interest on, the Loan when due and, accordingly, the value and performance of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

The Certificates Should Be Evaluated Differently Than CMBS Securities

A prospective investment in the Certificates requires a unique analysis and should be evaluated differently than an investment in CMBS, notwithstanding that this securitization transaction will involve income-producing real estate and may resemble certain CMBS securitizations in some respects. The Loan will be secured by a portfolio of single-family properties operated as rental residences, which represents a distinct form of real estate investment. The following are some examples of the characteristics of this securitization that differ in whole or in part from common characteristics of certain forms of CMBS securitization:

- Portfolios of single-family rental properties differ substantially from other types of income-producing real estate, including multifamily rental developments, that are commonly involved in CMBS securitizations. For example:

- (i) Single-family rental portfolios are exposed to a significant extent to both the residential rental market and the market for sales of single-family rental properties.
 - (ii) Maintenance and leasing activities for a single-family rental portfolio are generally more time-consuming than those for a multifamily development as a result of the geographic dispersion of the residences (even within a local clustering), which may result in higher per-unit operating costs.
 - (iii) Geographic dispersion (even within a local clustering) may also result in greater variation between residences with respect to rental rates, and the quality and creditworthiness of tenants or prospective tenants, than would be the case in a multi-family development.
 - (iv) Vacancy rates may be unique for single-family properties compared to multi-family properties, and may be uniquely affected by changes in the real estate market, local economic conditions, tenant demographics and other rental market characteristics.
 - (v) Renovations, maintenance, marketing and operational tasks for a single-family rental portfolio will be far more varied and may in the aggregate be more demanding than in a typical multi-family setting because each single-family rental property has certain unique features, appliances, fixtures and building materials.
 - (vi) The value of single-family rental properties has historically been a function of conditions in the respective local markets for single-family properties (where purchasers tend to be individuals), the availability and cost of home mortgage financing and conditions in the RMBS market, while the value of multi-family rental developments have historically been a function of conditions in the applicable market for multi-family developments (where purchasers tend to be institutional investors or other commercial enterprises), the availability and cost of commercial mortgage financing and conditions in the CMBS markets.
- The cash flow generated by a portfolio of single-family rental properties will depend on the payment of rent by individuals, generally from their personal income, and not on the income and assets of operating businesses as commonly would be the case with respect to office buildings, shopping centers, warehouses and certain other forms of commercial real estate.
 - The short durations of leases and the competitive environment involved with a portfolio of single-family rental properties means that active, day-to-day management will be more integral to the performance of the portfolio than would be the case with respect to a single commercial structure leased to a small number of tenants under long-term leases.
 - The property review procedures conducted with respect to the Loan and Properties differ substantially from those customarily undertaken in connection with the origination of loans secured by other forms of income-producing real estate. For example, broker price opinions serve as the basis for the estimates of property value presented in this information circular, and no appraisals, environmental assessments, property condition reports, surveys or zoning reports will be obtained in connection with the Loan.
 - Underwritten Net Operating Income and Underwritten Net Cash Flow with respect to the Properties presented in this information circular are prepared as illustrative numbers based on a variety of assumptions. These assumptions are based on limited historical information for purposes of determining the appropriate amounts, which contrasts with many CMBS transactions, where more historical information is available to the lender and investors when considering the assumptions taken with respect to the underwritten financial information.
 - Institutional investment in large-scale single-family rental portfolios is a relatively new and unproven industry. See “—*Single-Family Rental on an Institutional Scale Is Relatively New and Unproven*” in this section. If a default occurs under a loan secured by a portfolio of single-family rental properties, resolution by means of a note sale or bulk property sale will likely be substantially more difficult than would be the case with a defaulted loan secured by commercial or multifamily real estate. Additionally, other resolution strategies, such as a loan workout or the foreclosure and liquidation of individual properties, are likely to lack the legal and operational convenience and cost efficiencies of a note or bulk property sale. These circumstances

may adversely affect the present value recovery to the Certificateholders in the event of a default of the Loan (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

The Certificates Should Be Evaluated Differently Than RMBS Securities

A prospective investment in the Certificates requires a unique analysis and should be evaluated differently than investments in RMBS securities, notwithstanding that this securitization transaction will involve single-family properties and may resemble some RMBS securitizations in certain other respects. The following are some examples of the characteristics of this securitization that differ in whole or in part from common characteristics of certain forms of RMBS securitization:

- The indebtedness underlying the Certificates will consist of a single promissory note, representing the obligations of a commercial borrower and its direct owner, and not a pool of residential home mortgage loans.
- The cash flow generated by the Properties will depend in part on the income and assets of the individual tenants, whose motivations as short-term tenants may differ substantially from the motivations of individuals who obtain mortgage loans to finance the acquisition and ownership of their homes.
- The underwriting standards applied to tenants or prospective tenants at the Properties are different from, and may be less stringent than, the underwriting standards that commonly have been applied in recent periods to prospective borrowers under residential mortgage loans. The tenants (individually or in the aggregate) may be less creditworthy and/or experience greater financial hardship than borrowers (individually or in the aggregate) under residential mortgage loans originated in recent years in the locations of the Properties.
- Structuring and underwriting assumptions have been conducted in part based on the operation of the portfolio of Properties as income-producing real estate.
- Broker price opinions rather than appraisals serve as the basis for the estimates of property value presented in this information circular.
- The Borrower has not obtained or delivered the types of homeowners insurance policies and title insurance policies that would customarily be required in connection with home mortgage loans or otherwise attempted to comply with customary standards or requirements for home mortgage loans that commonly underlie RMBS securities.

While Fannie Mae delegated certain underwriting functions with respect to Fannie Mae's underwriting criteria to the Accommodation Loan Seller, this transaction is the first time that Fannie Mae has provided a guaranty of payment of interest and principal with respect to certificates backed by a single loan secured by multiple single-family rental properties. Additionally, no representation will be made by any person that the terms of the Loan comply with the underwriting standards of Fannie Mae, the Accommodation Loan Seller or of any other person in favor of the issuing entity. See "*Neither the Accommodation Loan Seller Nor Any Other Person Will Make Any Representation Regarding the Terms of the Loan in Favor of the Issuing Entity*" in this section.

Volatile Economy, Credit Crisis and Downturn in the Real Estate Market May Adversely Affect the Value and Liquidity of Your Investment

The global economy recently experienced a significant recession and from mid-2007 through 2009 major disruptions in the real estate and securitization markets, as well as the debt markets and the economy generally, caused significant illiquidity and volatility in the market for asset-backed securities and mortgage-backed securities, including a significant reduction of investor demand for, and purchases of, asset-backed securities and structured financial products. The fallout from the downturn in the mortgage-backed securities market and markets for other asset-backed securities contributed to a decline in the market value and liquidity of securitized investments such as the Certificates. While conditions in the financial markets and secondary market for asset-backed securities and mortgage-backed securities have improved, there can be no assurance that future events will not occur that could similarly materially impact price volatility and liquidity in the debt markets, negatively affecting a broad range of fixed income securities including asset-backed securities and mortgage-backed securities. Even if the Certificates perform as anticipated, the value of the Certificates in the secondary market may nevertheless decline as a result of a deterioration in general market conditions or in the market for other asset-backed or structured financial products.

Economic recovery from the recession may not be sustainable for any specific period of time, and could be followed by an even more significant recession. Downward price pressures and increasing defaults and foreclosures in real estate or other conditions that severely depressed the overall economy and contributed to the credit crisis have also led to increased declines in income from, and the value of, real estate. In particular, with respect to commercial real estate, the lack of credit liquidity, correspondingly higher mortgage rates and decreases in the value of commercial properties have prevented many commercial mortgage borrowers from refinancing their mortgages. In particular, with respect to residential real estate, the lack of credit liquidity and decreases in the value of residential properties have prevented many residential mortgage borrowers from refinancing their mortgages. These circumstances have increased delinquency and default rates of securitized residential and commercial loans and other loans. In addition, the declines in residential and commercial 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. Defaults, delinquencies and losses have further decreased property values, thereby resulting in additional defaults by mortgage borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of mortgage-backed securities. We cannot assure you that the dislocation in the real estate and securitization markets will not return, continue to occur or become more severe. Any continued or renewed downturn may have an adverse effect on securitizations of real estate assets. Even if the real estate and securitization markets do recover, the Loan and Certificates may nevertheless decline in value.

Uncertainties Related to Governmental Actions

A substantial level of uncertainty continues to persist in the financial markets as a result of the credit crisis, particularly with respect to securitized real estate investments. The responses to such crisis and events have included, among other things: (i) numerous actions by monetary and fiscal authorities in the United States and Europe, such as the conservatorship and the control by the U.S. government since September 2008 of Freddie Mac and Fannie Mae; (ii) the establishment of the Troubled Asset Relief Program through the Emergency Economic Stabilization Act of 2008 and resulting public investments in numerous financial institutions and other enterprises; and (iii) the adoption or revision, or proposed adoption or revision, of statutes and regulations governing securitization markets in the United States and Europe, such as the SEC's revisions to Regulation AB and other rules applicable to asset-backed securities adopted on August 27, 2014, the finalization of the Risk Retention Rules, the adoption of the Federal Deposit Insurance Corporation's (the "FDIC") final securitization safe harbor rule, the enactment of the Dodd-Frank Act and related regulatory implementation and certain European Union regulatory initiatives. See "*Legal and Regulatory Provisions Affecting Investors Could Adversely Affect the Liquidity of the Certificates and/or Increased Regulatory Capital Requirements*" in this section for a discussion of risk retention regulations. It is also possible that new laws and regulations may be adopted specifically relating to the single-family rental industry and single-family rental securitizations. Such laws and regulations could subject this transaction or the related parties to additional regulations or supervision by new or existing government agencies which could adversely affect the performance of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates). Certain public officials, including certain members of Congress, have expressed concerns about or intentions to monitor institutional investment in and securitization of single-family rental housing. Ongoing developments with respect to these matters could further adversely affect the already-constrained availability of credit for real estate, which may in turn affect the performance of the Loan or the performance or value of your Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

The conservatorships of Fannie Mae and Freddie Mac have impacted both the real estate market and the market value of real estate assets generally. While Fannie Mae and Freddie Mac currently act as the primary sources of liquidity in the residential mortgage markets, both by purchasing loans for their own portfolios and by guaranteeing mortgage-backed securities, their long-term role is uncertain as various proposals at varying levels of the federal government have proposed reducing and, in some cases, eliminating their role in the residential mortgage markets. Any significant changes to Fannie Mae and Freddie Mac or their support by the federal government could affect the value of securitized residential and commercial loans and other loans, including the Certificates. Similarly, any activities of the federal government involving the purchase or sale of mortgage-backed securities may also affect the value of the Certificates. Additionally, a reduction in the ability of loan originators to access Fannie Mae and Freddie Mac to sell their loans may adversely affect the financial condition of loan originators. In addition, any decline in the value of securities issued by Fannie Mae and Freddie Mac may affect the value of RMBS in general. Additionally, any significant changes to Fannie Mae could negatively affect its ability to make payments with respect to the Fannie Mae Guaranty. See "*Description of the Certificates—Fannie Mae Guaranty and Rights of the Guarantor*" in this information circular.

The global markets have seen an increase in volatility due to uncertainty surrounding the level and sustainability of sovereign debt of certain countries that are part of the European Union, as well as the sustainability of the European Union itself. On June 23, 2016, in a public referendum, the United Kingdom voted to leave the EU. As a

result, negotiations will likely take place to determine the terms of the United Kingdom's withdrawal from the EU and of its potential new relationship with the EU. The outcome of the referendum may increase the likelihood that other member states will have similar referendums and/or withdraw from the EU. It is uncertain what effect the vote to exit the EU will have on the remaining countries in the EU or the value and/or liquidity of the certificates. In addition, it is uncertain what effect protests and changes in government will have in the Middle East or Eastern Europe, or what effect such events might have on the United States and world financial markets, particular business segments, world commodity prices or otherwise. There is no assurance that this uncertainty will not lead to further disruption of the credit markets in the United States. Particular uncertainty persists regarding the prospects for long-term growth in the U.S. economy, and a number of factors have contributed to this uncertainty, including stagnant wage growth, rising government debt levels, prospective Federal Reserve policy shifts, the withdrawal of government interventions into the financial markets, changing U.S. consumer spending patterns, pending regulations, and changing expectations for inflation and deflation. Furthermore, many state and local governments in the United States are experiencing, and are expected to continue to experience, severe budgetary constraints. The bankruptcy filing of the municipality of Detroit demonstrates the severe strain under which some local authorities are operating. Market volatility or disruption could result if a state were to default on its debt, or other significant local governments were also to default on their debt or seek relief from their debt under the Bankruptcy Code or by agreement with their creditors. In addition, recently-enacted financial reform legislation in the United States could adversely affect the availability of credit for commercial and residential real estate. Moreover, other types of events may affect general economic conditions and financial markets, such as wars, revolts, insurrections, armed conflicts, terrorism, political crises, natural disasters and man-made disasters. These events may make it difficult to lease or sell the Properties, or increase the tenant default rate, in a manner that will generate sufficient net cash flow to make full and timely payments on the Loan.

We cannot predict such matters or their effect on the value or performance of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

The Condition and General Risks of the Real Estate Market Directly Affect the Certificates

Investors should consider that general conditions in the residential real estate, commercial real estate and mortgage markets may adversely affect the performance of, or the value of the Loan, and accordingly the performance of the Certificates. Lenders have tightened their loan underwriting standards, which has reduced the availability of credit to prospective borrowers. This has contributed, and may continue to contribute, to a weakening in the real estate market as these adjustments have, among other things, inhibited refinancing and reduced the number of potential buyers of real estate.

The Borrower's ability to make payments due on the Loan will be subject to the risks generally associated with real estate investments. These risks include adverse changes in general or local economic conditions, real estate values generally and in the locales of the Properties, interest rates, real estate tax rates, energy costs, inflation, governmental rules and policies, bankruptcy or other events adversely affecting the tenants or prospective tenants at the Properties, civil disorder, acts of war or of terrorists, acts of God, such as floods or earthquakes, and other factors beyond the control of the Borrower. Due to these and other factors, the performance of real estate has historically been cyclical. Such factors may make it difficult to lease or sell the Properties, or increase the tenant default rate, in a manner that will generate sufficient net cash flow to make full and timely payments on the Loan.

The Trust Fund will not have any asset diversification insofar as the property of the Trust will be comprised of a single Loan secured by the Properties, which are all single-family residential properties located in twenty-nine (29) MSAs in ten (10) states of the United States, all of which are managed by the Manager. As a result of having no significant assets other than the Loan and the lack of diversification of the type of Properties securing the Loan, the Trust Fund will have a significantly greater exposure to each of the potential risks inherent in investing in residential rental real estate.

In addition, in connection with all the circumstances described above and other circumstances described in these Risk Factors, you should be aware in particular that:

- such circumstances may result in reduced cash flow on the Loan and adversely affect the amount of the liquidation proceeds the Trust would realize following a Loan Event of Default and liquidation of the Collateral;
- because the Loan will be the only asset of the Trust, a default on the Loan will result in rapid declines in the value of your Certificates (other than with respect to the Class A Certificates, which will have the benefit of the Fannie Mae Guaranty as a source of payments on the Class A Certificates);

- the values of the Properties may have declined since the BPOs used for purposes of determining the allocated loan amount for each Property under the Loan were obtained and may decline following the issuance of the Certificates, and such declines may be substantial and could occur in a relatively short period; and such declines may or may not occur for reasons largely unrelated to the circumstances of any particular Property;
- if you determine to sell your Certificates, you may be unable to do so or you may be able to do so only at a substantial discount from the price you paid; this may be the case for reasons unrelated to the then-current performance of the Certificates or the Loan; and this may be the case within a relatively short period following the issuance of the Certificates;
- if the Loan defaults, and the Servicer declines to make advances (as a result of concerns about repayment or otherwise), 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, if any, on your 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 (other than the Class A Certificates with respect to which the Guarantor is required to pay the Class A Guaranteed Principal Distribution Amount on the Guaranty Principal Final Distribution Date), and the interest on your investment may be insufficient to compensate you for that delay;
- if the Loan defaults, even if liquidation proceeds received on the defaulted Loan are sufficient to cover the principal and accrued interest on the Loan, the Trust Fund may experience losses in the form of Special Servicing Fees, Work-out Fees, Liquidation Fees, interest on Advances and other expenses, and you may bear losses as a result, or your yield may be adversely affected by such losses (although the shortfalls related to such expenses with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular);
- the Lender retains discretion under the Loan Agreement with respect to a variety of matters, such as whether or not to waive conditions for certain releases or transfers, whether non-Eligible Properties should be treated as Disqualified Properties or whether reserve adjustments should be permitted, and, while exercise of such discretion will generally not be done without the consent of the Directing Certificateholder, there is no guaranty that the Directing Certificateholder's decisions with respect to such matters will not adversely affect the timely repayment of the Loan (although any shortfalls in the ultimate payment of the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular);
- if the Loan defaults, the time period to resolve the defaulted Loan may be long, and that period may be further extended because of a Borrower bankruptcy and related litigation which would delay receipt of any recoveries under the Loan and therefore the Certificates (although the Class A Certificates will be entitled to receive the Class A Guaranteed Principal Distribution Amount on the Guaranty Principal Final Distribution Date as further described in this information circular);
- the existence of any consent rights of the Directing Certificateholder with respect to a sale of the Loan could impede or otherwise adversely affect the ability of the Special Servicer to sell the Loan in a market bidding process, or to obtain competitive bids with respect thereto, and if a lower price is obtained than would otherwise have been obtained without the existence of such consent rights, any resulting loss could adversely affect payments on your Certificates (although the shortfalls related to such loss with respect to the Class A Certificates will be covered under the Fannie Mae Guaranty);
- trading activity associated with indices of CMBS or RMBS may also drive spreads on those indices wider than spreads on CMBS or RMBS, thereby resulting in a decrease in value of securities backed by loans secured by real estate, including your Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A 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 real estate markets and may be affected for reasons that are unknown and cannot be discerned; and
- even if you intend to hold your Certificates, depending on your circumstances, you may be required to report declines in the value of your 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, repurchase transactions or other financial transactions that you have entered into that are

backed by or make reference to your Certificates, in each case as if your Certificates were to be sold immediately.

In connection with all the circumstances described above, the risks we described 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.

Risks to the Financial Markets Relating to Terrorist Attacks

It is difficult to determine 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 commercial mortgage loans). 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.

Performance of the Loan Is Dependent Upon Net Operating Income

The payment of debt service on the Loan from time to time will generally depend upon the ability of the Properties to produce cash flow through the collection of rental revenues from individual tenants and, in the event of reductions in such cash flow, may depend in the future on the ability of the Borrower to engage in sales or refinancings of individual Properties in a manner that complies with the release and transfer provisions of the Loan and results in sufficient proceeds to enable the Borrower to pay debt service. The ability to lease the Properties will depend on a variety of factors. Some of these factors relate to the Properties themselves, such as:

- the location, age, condition, design and construction quality of the Property;
- perceptions regarding the safety, convenience, quality of appliances and finishes and attractiveness of the Property;
- the characteristics of the neighborhood where each Property is located;
- availability of other rental property in close proximity; and
- if applicable to such Property, perceptions regarding the lifestyle afforded by an individual single-family residence compared to a multi-family rental property.

Other factors relate to the overall management of the Properties and include:

- the adequacy of the Borrower’s management;
- the performance of the Manager;
- the Manager’s reliance on third-party service providers;
- the amount of and increases in the capital expenditures needed to maintain the Properties or make improvements;
- an increase in tenant vacancy rates;
- the rental rates at which leases are renewed or replaced (including the extent to which concessions are granted); and
- the amount of and increases in real estate taxes, HOA Fees and assessments, insurance premiums, repair costs, management fees and leasing commissions for the Properties.

Other factors are more general in nature, such as:

- national, regional or local economic conditions, including plant closings, military base closings, industry slowdowns and unemployment rates;

- local real estate conditions, including an increase in or oversupply of comparable residential space;
- demographic factors;
- consumer confidence;
- the creditworthiness of tenants;
- consumer tastes and preferences;
- zoning laws or other governmental rules and policies (including environmental restrictions);
- retroactive changes in building codes;
- location of certain Properties in less densely populated or less affluent areas;
- the availability of credit for home purchases;
- vulnerability to litigation by tenants; and
- natural disasters and civil disturbances such as earthquakes, hurricanes, floods, eruptions, terrorist attacks or riots.

The volatility of cash flow available to the Borrower will be influenced by many of the foregoing factors, as well as by:

- the creditworthiness of tenants;
- the level of tenant defaults;
- the Borrower's operating leverage, which is generally a percentage of total expenses of running the Properties 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 each Property and to maintain or replace tenants.

Many of the expenses associated with management of the Properties, such as real estate taxes, renovation and maintenance costs, HOA Fees, personal and real property taxes, insurance, utilities, administrative service fees and other general expenses are fixed or may rise and would not decrease proportionally with any decrease in revenue from the Properties. In addition, many of these fixed expenses (such as renovation and maintenance costs, HOA Fees, personal and real property taxes) are also incurred on a per-unit basis and are recurring in nature and would not decrease on a per-unit basis for cost efficiencies as the properties under management by the Manager increases. Property expenses, including capital expenditures, will be affected by, among other things, any inflationary increases, and cost increases may exceed the rate of inflation in any given period. Since rental income is affected by many factors beyond the control of the Borrower and the Manager, such as the availability and price of alternative rental housing and economic conditions in the relevant markets, it may not be possible to fully, or partially, offset any increase in expenses with a corresponding increase in revenues. In addition, state and local regulations may require maintenance of properties, even if the cost of maintenance is greater than the value of the property or the cash flow from renting such property. In the event of the failure of any assumptions or projections used in connection with the calculation of Underwritten Annual Net Operating Income and Underwritten Annual Net Cash Flow, the actual net operating income and net cash flow could be materially and adversely affected which could have an adverse effect on the Borrower's ability to pay the principal of, and interest on, the Loan when due.

A decline in the economy will tend to have a more immediate effect on the net operating income of properties with relatively short-term (often year to year) leases such as the Properties and may lead to higher rates of vacancies more quickly. In addition, underwritten cash flows, by their nature, are speculative and are based upon certain assumptions and projections. The inconsistency of such assumptions or projections in whole or in part with actual performance could substantially affect the actual net operating income of the Properties. See *"—Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash Flow Assumptions Are Hypothetical"* in this information circular.

Net Operating Income is Dependent on Successful Rental of Properties

Substantially all of the ongoing cash flow of the Borrower will be derived from rental payments and other fees paid by tenants. The financial performance of the Borrower will depend, almost entirely, upon the ability of the Manager to attract and retain qualified tenants for the Properties and to attract new tenants where there are vacancies. The Properties are single-family rental properties that compete for tenants with other single-family rental properties, including those owned by direct and indirect subsidiaries of the Loan Sponsor, and multi-family housing options, such as apartment buildings or condominiums. The continuing development of housing units in any market increases the supply of housing and exacerbates competition for tenants. Competing properties may attract tenants, possibly including existing tenants at the Properties, with better location, convenience, appearance or amenities, lower rents or greater leasing incentives than those existing or available with respect to the Properties. Additionally, some competing housing options may qualify for governmental subsidies that may make such options more affordable and therefore more attractive than the Properties. Competition for tenants could reduce the occupancy and rental rates and adversely affect the financial results of the Borrower and, accordingly, payment and performance on the Loan.

The general interest rate environment tends to have a substantial effect on the residential real estate market. A decline in interest rates, or the continuation of a low interest rate environment, tends to make home mortgage financing more affordable, which in turn may reduce demand for rental housing as existing renters purchase homes or newly-formed households elect to purchase a home rather than rent one. On the other hand, an increase in interest rates may coincide with an increase in the inflation rate, which may reduce demand for rental homes as homeowners who otherwise desire to rent, whether to downsize or for another reason, instead elect to remain in their homes to avoid an increase in their housing costs.

Leasing activity at the Properties will be affected by the general conditions in the single-family rental market in the geographic markets where the Properties are located and the alternatives for home ownership. Rental rates and occupancy levels in the portfolio of Properties may have benefited in recent periods from macroeconomic trends affecting the United States economy generally and the residential rental markets in particular, including tight credit for home purchases, increased foreclosure activity, declining real estate values, a supply of vacant or unsold housing, low number of newly constructed houses and reduced or stagnated levels of personal income, all of which have contributed to a reduced level of homeownership than existed in the several years leading up to the financial crisis and economic downturn. However, these trends are very unlikely to continue indefinitely, if at all, and many of these trends, such as declining real estate values and supply of vacant or unsold housing, have reversed or begun to reverse in some markets. In addition, a decline in demand for rental housing may occur in some or all markets as a result of (i) a continuation or acceleration of the more recent gradual expansion of the U.S. economy, (ii) the recent gradual increase in employment levels, (iii) more recent increases in personal income, (iv) government programs designed to keep residential mortgage borrowers in their homes, (v) a continuation of the current low interest rate environment, (vi) a loosening of lenders' criteria for home mortgages and/or (vii) an increase in the supply of unsold homes (including as a result of prior foreclosure activity or new construction). Any combination of such events would generally tend to make home purchases more affordable and might cause some potential renters to seek to purchase their residences rather than leasing them and may result in a decline in the number and quality of potential tenants.

In addition, increases in unemployment levels and other adverse changes in economic conditions in the markets where the Properties are located may adversely affect the creditworthiness of potential residents, which may decrease the overall number of qualified residents for such Properties. No assurance can be given that the Loan Sponsor will be able to attract and retain suitable residents. If the Manager is unable to lease the Properties to suitable residents, the operating performance of the Properties would be adversely effected, which could in turn adversely affect the ability of the Borrower to pay the principal of, and interest on, the Loan when due and, accordingly, the value and performance of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

Macroeconomic trends often manifest themselves differently across individual housing markets or submarkets. See “—*Geographic Concentration*” in this section.

To remain competitive and maintain economic value, a portfolio of single-family properties generally requires more frequent expenditures, though relatively small for any one property, for repairs than commercial properties require for improvements and renovations. If insufficient amounts are spent on necessary repairs at the Properties, they may not remain competitive in their local markets. While the Borrower will be required to escrow \$750 per house per year for capital expenditure reserves, no assurance can be given that the Borrower will have sufficient funds for adequate improvements and renovations. In addition, owners and managers of properties often distinguish between discretionary capital expenditures (which are generally considered accretive to property values or are aimed at managing long-term costs through current improvements) and those necessary in order to lease properties at current

market rates or maintain the properties in compliance with law, and the Borrower may choose (and, based on prior capital expenditures with respect to the Properties, expects) to make capital expenditures that are not captured in the underwritten capital expenditure reserves. If the Borrower is unable to make these discretionary capital expenditures at the Properties, the Properties may no longer be competitive with other properties.

Rental Revenues Depend Upon Performance by Individual Tenants; Time and Costs Associated with Enforcing Rights

Substantially all of the ongoing cash flow of the Borrower will come from rental payments and other fees paid by tenants. The operating results and cash available for payments on the Loan from the Properties would be adversely affected if a significant number of tenants were unable to meet their lease obligations or failed to renew their leases. At any point in time (including as of the Closing Date), it is expected that a certain portion of the Properties will have tenants that are delinquent or in the process of being evicted, and a significant increase in these numbers could adversely affect the Borrower's ability to make payments under the Loan Agreement. The Loan Agreement will not restrict the Borrower (or the Manager on behalf of the Borrower) to leasing Properties to tenants that meet specific screening criteria, such as specified income levels and credit history or similar criteria which can be customary in the market of leasing residential properties. Under the Loan Agreement, the criteria for leasing Properties will be limited to entering into an Eligible Lease and the requirement that the leasing of the Properties has complied in all material respects with Borrower's internal leasing guidelines, which are subject to change from time to time. The absence of a specific rent-to-income requirement under the Loan Agreement to determine creditworthiness of tenants may increase the volatility of net operating income in respect of the Properties and may lead to higher rates of tenant delinquency or defaults. With regard to the processes of the Borrower (or the Manager on behalf of the Borrower) to screen potential tenants see "*Description of the Relevant Parties and the Manager—Description of the Property Manager—Marketing and Leasing of Homes*" in this information circular.

Widespread lay-offs and other adverse changes in the economic conditions in the relevant markets could result in substantial tenant defaults or non-renewals. Failure to adequately screen applicants may also result in tenants who do not comply with the terms of the leases and HOA regulations, and even if tenants are adequately screened, individual tenants may nonetheless fail to comply; for example, tenants may default on payment of rent, make unreasonable and repeated demands for service or improvements, make unsupported or unjustified complaints to regulatory or political authorities, make use of the Properties for unlawful purposes, damage or make unauthorized structural changes to the Properties which may not be fully covered by security deposits, refuse to leave a Property when the lease is terminated, engage in domestic violence or similar disturbances, disturb nearby residents, violate HOA regulations resulting in fines and penalties, sub-let in violation of lease terms or permit unauthorized persons to live at the Properties. The process of evicting a defaulting tenant from a residence can be adversarial, protracted and costly and generally is subject to legal barriers, mandatory "cure" periods and other sources of expense and delay. Additionally, some tenants facing eviction may damage or destroy property. Damage to the Properties may delay re-leasing after eviction, necessitate expenditures for property restoration or otherwise impair the rental revenue or value of the Property. Security deposits held by the Borrower with respect to a particular Property may not be sufficient to offset the expenditures for property restoration.

In the event of a tenant default or bankruptcy, the Borrower (x) may experience delays in enforcing its rights as landlord and may incur costs in protecting its investment and re-leasing the Property, such as marketing expenses and brokerage commissions, (y) will not collect revenue while the property is vacant and (z) may be unable to re-lease the Property at the rental rate previously received. If vacancies continue for a long period of time, revenues will be reduced and less cash will be available for payments on the Loan. In addition, the resale value of a Property could be reduced because the market value of a particular Property may deteriorate if it remains unoccupied for an extended period of time. Any time a Property becomes vacant either by a default of tenant under its lease or the expiration or termination of tenant leases, the Manager may be unable to re-lease the Property for the rent previously received. If the rental rates for the Properties decrease or vacancy rates rise, the results of operations, cash flow and cash available to satisfy debt service obligations on the Loan could be adversely affected.

Even if a tenant vacates a Property voluntarily after a default in the payment of rent, the security deposit may be insufficient to cover the defaulted rent, whether alone or together with the costs of repairing any damage to the Property that may have been caused by the tenant. In addition, the costs of enforcing the payment of defaulted rent may not justify the expense of legal proceedings to recover the deficiency or, if a legal proceeding is initiated and successful, the judgment amount may be less than the defaulted rent. As a result of such circumstances, it is expected that the Borrower will write off a portion of accrued rent at the Properties as bad debt from time to time. The operating history of the Invitation Homes platform is limited. The rate of bad debt write-offs for defaulted rent experienced with respect to the Properties may vary significantly from the assumptions used in the determination of Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income. No assurances can be made regarding the rate of bad debt write-offs for defaulted rent that will actually be experienced by the Properties

individually or in the aggregate in the future. See “—*Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash Flow Assumptions Are Hypothetical*” in this information circular.

The Manager Relies on Information Supplied by Prospective Residents in Managing the Properties

The Manager makes leasing decisions based on its review of rental applications completed by the prospective resident. While the Manager may seek to confirm or build on information provided in such rental applications through its own due diligence, including by conducting background checks, the Manager relies on the information supplied to it by prospective residents to make leasing decisions, and it cannot be certain that this information is accurate. These applications are submitted to the Manager at the time it evaluates a prospective resident and it does not require residents to provide updated information during the term of the lease, notwithstanding the fact that this information can, and frequently does, change over time. For example, increases in unemployment levels or adverse economic conditions in a market may adversely affect the creditworthiness of residents in such market. If resident-supplied information is inaccurate or the residents' creditworthiness declines over time, the Manager may make poor or imperfect leasing decisions and the Properties may contain more risk than the Manager believes.

Business is Highly Dependent on Information Systems

The Loan Sponsor's operations are dependent upon its resident portal and property management platforms, including Yardi and Salesforce, which include certain automated processes that require access to telecommunications or the internet, each of which is subject to system security risks. Certain critical components of the platform are dependent upon third party service providers and a significant portion of the business operations of the Loan Sponsor are conducted over the internet. As a result, the Loan Sponsor's business could be severely impacted by a catastrophic occurrence, such as a natural disaster or a terrorist attack, or a circumstance that disrupts access to telecommunications, the internet or operations at the third party service providers, including viruses or experienced computer programmers that could penetrate network security defenses and cause system failures and disruptions of operations. Although the Loan Sponsor believes it utilizes appropriate duplication and back-up procedures, a significant outage in telecommunications, the internet or at third party service providers could negatively impact its operations, which would in turn have a negative impact on the operations of the Borrower.

Security Breaches and Other Disruptions could Compromise Information Systems

Information security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of perpetrators of cyber attacks. In the ordinary course of the Loan Sponsor's business it acquires and stores sensitive data, including intellectual property, proprietary business information and personally identifiable information of prospective and current residents, employees and third party service providers. The secure processing and maintenance of such information is critical to the operations and business strategy of the Loan Sponsor. Despite security measures, the Loan Sponsor's information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise its networks and the information stored therein could be accessed, publicly disclosed, misused, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption to the Loan Sponsor's operations and the services it provides to customers or damage to its reputation, any of which could adversely affect the results of operations, reputation and competitive position of the Loan Sponsor and in turn, the Borrower.

Vacancy and Turnover Rates Are Subject to a High Degree of Uncertainty

There is no long-term historical data on vacancy and turnover rates for single-family rental properties on an institutional scale and, accordingly, the level of vacancies and turnovers actually experienced by the Borrower may vary materially from expectations or increase significantly over time. The Properties were specifically selected to meet the eligibility requirements for the Loan, including that each Property other than a limited number of Vacant Properties is subject to an Eligible Lease as of the Property Cut-off Date, and each Vacant Property was previously subject to an Eligible Lease. Accordingly, the actual vacancy characteristics of the Properties may not be representative of the vacancy rate that such Properties will experience over time. Additionally, if the Manager elects to make certain discretionary renovations at the time a Property turns over, the turn-time may be longer for that Property. Vacant properties not only reduce return to the property owners, but may increase costs of maintenance. The vacancy rates for the Properties over time is highly dependent on operations, local markets, tenant marketing, seasonal factors and many other factors described in these Risk Factors and such rates may vary significantly from the vacancy rate assumptions used in the determination of the Underwritten Annual Net Cash Flow. See “—*Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash*”

Flow Assumptions Are Hypothetical" in this information circular. No assurances can be made regarding the vacancy or turnover rates that will actually be experienced by the Properties individually or in the aggregate in the future.

In addition, during the term of the Loan, at any time a disproportionate percentage of leases with respect to the Properties may be scheduled to expire pursuant to their respective terms on or about a particular time. In the event such leases are not renewed and the Borrower is not able to enter into leases with new tenants, vacancy rates may increase and rental income may decline. Such increases and declines could be significant. With regard to the remaining term of leases with respect to the Properties as of the Property Cut-off Date, see the table titled "Date of Lease Expiration of the Properties" under the heading "*Description of the Properties—Additional Information Regarding the Loan and the Properties*" in this information circular. See also "*—Performance of the Loan Is Dependent Upon Net Operating Income*" in this information circular.

Because of the limited operating history of the Invitation Homes platform, the historical tenant turnover rate and related cost estimates used to present the underwritten information in this information circular may be less accurate than if more operating data were available upon which to base these estimates. Such information may be substantially less reliable than would be the case if the Properties had a longer history of ownership and management by the Invitation Homes platform or other institutional owners and managers. No assurance can be made regarding the vacancy rate, turnover rate, costs, revenues or net operating income that will actually be experienced by the Properties individually or in the aggregate in the future. See "*—Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash Flow Assumptions Are Hypothetical*" in this information circular.

Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash Flow Assumptions Are Hypothetical

As described under "*Description of the Properties—Additional Information Regarding the Loan and the Properties*" in this information circular, the Underwritten Annual Net Cash Flow and the Underwritten Annual Net Operating Income (and the components thereof) presented reflects cash flow and operating income as adjusted based on a number of assumptions and subjective judgments, including assumptions with respect to leasing of the Properties (including Properties vacant as of the Property Cut-off Date), vacancy and turnover rates, bad debt, capital expenditures and operating expenses, each of which are hypothetical in nature and are provided only to illustrate how the principal cash flows might behave under the referenced assumption scenarios. Generally, the assumptions are based on historical performance for the Properties and comparable properties owned by Invitation Homes adjusted for market data for similar rental properties to the limited extent available and subjective judgments related to future events, conditions and circumstances, each of which will be affected by a variety of complex factors. The operating performance of a property can vary greatly over time due to a variety of factors, including the condition of the property, length of time operated as a rental property and length of time operated by a particular owner or a manager. The vacancy rate assumed in the presentation of Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income may be lower than projected vacancy rates for credit facilities provided by lenders outside of securitized structures and is generally lower than the actual vacancy rates on existing portfolios of institutionally-held single-family rentals which include both stabilized and non-stabilized properties including other properties of Invitation Homes. See "*—Vacancy and Turnover Rates Are Subject to a High Degree of Uncertainty*" in this information circular.

While the assumptions for the Properties are generally based on historical performance for the Properties and comparable properties owned by Invitation Homes adjusted for market data for similar rental properties to the limited extent available, the operating history of the Invitation Homes platform (including the Properties) and market data regarding similarly situated properties is limited and there is no long-term history in the institutional single-family rental industry with respect to operating revenues and expenses. See "*—Single-Family Rental on an Institutional Scale is Relatively New and Unproven*," "*—Capital Expenditures and Operating Expenses Are Subject to a High Degree of Uncertainty*" and "*—Vacancy and Turnover Rates Are Subject to a High Degree of Uncertainty*" in this information circular. Operating performance of properties is also seasonal. As a result, the financial information presented in Annex A-1 with respect to Underwritten Annual Net Operating Income and Underwritten Annual Net Cash Flow might not prove to be accurate over the long-term. There is a risk that the actual net operating income and net cash flow of the Properties cannot be maintained or may vary significantly from the net operating income and net cash flow generated during the period in which those Properties have been owned by the Invitation Homes platform under the management of the Manager. This lack of long-term historical performance information with respect to the specific properties securing a loan differs from many loans in CMBS transactions, where such historical information is available to the lender and investors when considering the assumptions taken with respect to the underwritten financial information presented with respect to loans backing the CMBS. Investors in the Certificates should carefully consider an investment in the Certificates in light of the limitations on the information presented in this information circular. In addition, 230 Properties representing approximately 3.3% of the Cut-off Date Loan

Balance are vacant as of the Property Cut-off Date and may not achieve the same net operating income and net cash flow as presented in this information circular for purposes of calculating Underwritten Annual Net Operating Income and Underwritten Annual Net Cash Flow (and the components thereof).

Furthermore, although the Underwritten Annual CapEx Reserve is based on a projection of \$750 of expenditures per Property every year, actual capital expenditures may be higher and may result in depletion of the capital expenditure reserve funds. In addition, the Borrower may choose to make capital expenditures that are not captured in the Underwritten Annual CapEx Reserves. Based on the general operating strategy of Invitation Homes, it is expected that the Manager will make discretionary capital expenditures that are intended to be accretive to the property values or are aimed at managing long-term costs that are not captured in the Underwritten Annual CapEx Reserves. See “—*Capital Expenditures and Operating Expenses Are Subject to a High Degree of Uncertainty.*”

Underwritten Annual Net Cash Flow, Underwritten Annual Net Operating Income and the applicable debt service coverage ratios derived from Underwritten Annual Net Cash Flow or Underwritten Annual Net Operating Income are not a substitute for net income as determined in accordance with GAAP as a measure of the results of the operations or a substitute for cash flows from operating activities as determined in accordance with GAAP as a measure of liquidity. No representation of any kind is made that the Underwritten Annual Net Cash Flow or Underwritten Annual Net Operating Income set forth in this information circular as of the Property Cut-off Date or any other date represents future net cash flows or net operating income (or the components thereof). Each investor should carefully review these assumptions and model and consider the impact on Underwritten Annual Net Cash Flow or Underwritten Annual Net Operating Income of different or more conservative assumptions and make its own determination of the appropriate assumptions to be used in determining Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income. In addition, the debt service coverage ratios set forth in this information circular for the Loan may vary, and may vary substantially, from the debt service coverage ratios for the Loan as calculated pursuant to the definition of such ratios as set forth in the Loan Documents. In particular, the Loan Debt Service Coverage Ratio used for purposes of determining the Low DSCR Trigger, among other things, is based on Loan Underwritten Debt Service Amount (Assumed Amortization) which includes a level monthly interest and principal payment amount that would be necessary to fully amortize the Loan by the Assumed Amortization End Date.

Capital Expenditures and Operating Expenses Are Subject to a High Degree of Uncertainty

There is no long-term historical data on the capital expenditures and general operating costs for single-family rentals on an institutional scale and, accordingly, the level of capital expenditures and operating expenses actually experienced by the Borrower may vary significantly from expectations, fluctuate dramatically over time or prove to episodically have periods of substantially higher expenditures when observed over an extended historical period. For example, large one-time capital expenditures may be required on the Properties with respect to relatively common problems that can affect single-family residential properties (such as water damage and related mold remediation, sewage back-up, roof repair and replacements, major electrical or plumbing problems, termite and other pest infestations, foundation and structural issues). If such one-time events, which even in single occurrences can easily exceed the annual rental income of the applicable Property, cluster together or occur more frequently than anticipated, the cash flow of the Borrower and its performance on the Loan may be materially and adversely affected. See “—*Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash Flow Assumptions Are Hypothetical*” in this information circular.

The costs and expenses associated with the Borrower's operation of the Properties, such as renovation and maintenance costs, real estate taxes, HOA Fees, insurance premiums and utility expenses, generally do not vary with rental rates, which will be affected in part by many factors beyond the control of the Borrower and the Manager as described under “—*Net Operating Income is Dependent on Successful Rental of Properties,*” “—*Vacancy and Turnover Rates Are Subject to a High Degree of Uncertainty*” and “—*Short-Term Leases May Expose the Borrower to Additional Risks*” in this section. As a result, the Borrower and the Manager may be unable to offset lower rental rates by reducing costs and expenses, and may be unable to offset higher costs and expenses by raising rental rates, either of which circumstances could have a material adverse effect on the Borrower's operating results and ability to pay the principal of, and interest on, the Loan when due.

In addition, the Properties will require some level of renovation from time to time in connection with leasing and re-leasing of vacant Properties. The Manager will retain vendors and trade professionals to perform physical repair work. As result, the Borrower will be exposed to all of the risks inherent in property renovation, including potential cost overruns, increases in labor and materials costs, delays by contractors in completing work, delays in the timing of receiving necessary work permits, certificates of occupancy and poor workmanship. Although the Borrower does not expect that renovation difficulties on any individual property will be significant to its overall results, if its assumptions regarding the costs or timing of renovation and the number of Properties that will become vacant across its portfolio prove to be materially inaccurate, the ability of the Borrower to lease these Properties could be adversely

affected which could adversely affect net cash flow and the Borrower's ability to pay the principal of, and interest on, the Loan when due.

Short-Term Leases May Expose the Borrower to Additional Risks

Short-term leases of residential properties expose the Borrower to the effects of declining market rents and higher turn-over. As of the Property Cut-off Date, a substantial majority of leases on the Properties to tenant-occupants are for a term of one year or less and 116 of the Properties (or approximately 1.7% of the Cut-off Date Loan Balance) are leased on a month-to-month basis. As these leases permit the residents to leave at the end of the lease term without penalty, rental revenues may be affected by declines in market rents, increased supply of housing or competition from other lessors or types of housing more quickly than if leases were for longer terms. Short-term leases may result in high turnover, which involves costs, such as repair and replacement costs, capital expenses to restore the properties, marketing costs, lower occupancy levels and costs to maintain vacant Properties. Thus, in general, the Properties can be expected to have substantially more volatile cash flows than would be the case with an income-producing commercial property leased to a small number of operating businesses under long term leases. Under the operational practices of the Manager, if a resident has not provided a notice to vacate prior to the lease expiration, the resident will be contacted regarding renewal of the lease and, if the resident opts not to renew the lease, generally will be allowed to remain in occupancy under a month-to-month tenancy. As a result, the remaining length of leases at the Properties individually or in the aggregate may decline over time, which would tend to increase the sensitivity of rental rates and net operating income at the Properties to short-term changes in market circumstances.

As noted under “*Vacancy and Turnover Rates Are Subject to a High Degree of Uncertainty*” in this information circular, lease terms may expire fairly frequently and properties could be vacant for extended periods of time. Vacant properties do not only reduce return to the Borrower, but may increase costs of maintenance.

The information set forth in this information circular with respect to leases of the Properties is based on leases in place as of the Property Cut-off Date. The composition of the tenant pool, lease terms, vacancy rates and the other types of such information with respect to the portfolio of Properties will change from time to time as leases expire, tenants vacate and Properties are re-rented. Such changes are likely to be frequent and significant as a result of the short terms of the leases at the Properties and the other factors discussed above. Changes may also occur with respect to the portfolio of Properties from time to time if and as individual Properties are removed from the portfolio (whether by reason of voluntary or mandatory releases, casualty events, condemnations or the receipt of liquidation proceeds following default). See “*Sales of Properties May Change Portfolio Characteristics; Property Releases and Substitutions May Be Adverse for Credit Characteristics, Yield and Weighted Average Life of Your Investment*” in this information circular.

Related Party Concentration

The Certificates will represent beneficial interests in a single mortgage loan made to the Borrower and the Loan will be secured by the Properties, which will be managed by the Manager, each of which is under common control by the Loan Sponsor. The Loan will also have the benefit of a guaranty and pledge of equity by the Equity Owners, also under the control of the Loan Sponsor. Accordingly, any adverse business or financial conditions that affect the abilities of the Loan Sponsor and/or the Manager to manage the Borrower and the Properties, and the quality of such management, are likely to affect each of the Borrower, the Equity Owners and the Properties. Thus, the performance of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates) will depend on a single group of affiliated entities and the holders of the Certificates will not have the benefit of loan, borrower, sponsor or manager diversification. In addition, because Loan Events of Default include a failure of the Loan Sponsor (or a replacement non-recourse carveout guarantor) to maintain a minimum level of net assets, a default may arise under the Loan for reasons that are not directly related to the performance of the Properties, the Borrower or the Manager.

Sales of Properties May Change Portfolio Characteristics; Property Releases and Substitutions May Be Adverse for Credit Characteristics, Yield and Weighted Average Life of Your Investment

The composition of the portfolio of Properties will change over time if and as individual Properties are removed from the portfolio (whether by reason of voluntary or mandatory releases, casualty events, condemnations, the Borrower's right to substitute or obtain releases of Properties, or the receipt of liquidation proceeds following default).

These changes in the composition of the Properties will alter the risks associated with the portfolio as a whole, including risks associated with the location, condition, competitiveness, value, costs of maintenance, taxes, and other

characteristics of the various Properties then remaining in the portfolio, as well as vacancy and average rental rates for the portfolio as then composed.

The Borrower generally will be entitled to obtain releases of individual Properties from time to time by prepaying a portion of the Loan at a specified release price, in each case subject to the satisfaction of certain debt service coverage ratio tests, loan to value tests, and pool diversification tests (or certain alternative conditions) and the payment of the applicable Yield Maintenance Premium, if any. The Borrower will generally be entitled to substitute individual Properties with new Eligible Properties, again subject to the satisfaction of certain conditions, including tests similar to those described in the immediately preceding sentence. See *"Description of the Loan—Substitution of Properties"* in this information circular. The Borrower also has the right, on no more than two occasions, to obtain a release of Properties with an Allocated Loan Amount of up to fifteen percent (15%) of the outstanding principal balance of the Loan as of the related transfer date without making a corresponding prepayment of the Loan. See *"Description of the Loan—Special Releases"* in this information circular. Other than complying with such conditions, whichever are applicable, the Borrower will have no duties to the holder of the Loan with respect to the selection of Properties for voluntary release or substitution. There is no assurance that any property releases or substitutions will not adversely affect the performance of the pool of Properties as composed from time to time or adversely alter the risks associated with the portfolio as a whole, including risks associated with the location, condition, competitiveness, value, costs of maintenance, taxes, and other characteristics of the various Properties then remaining in the portfolio, as well as vacancy and average rental rates for the portfolio as then composed. In addition, even if sales, releases or substitutions result in an initial improvement in the debt service coverage or loan to value coverage provided by, or the portfolio characteristics of, the pool of remaining Properties, there is no assurance that the portfolio will, over time, perform any better than would have been the case in the absence of the sales, releases and substitutions.

If the Borrower elects to obtain releases of Properties, whether in connection with a transfer, substitution or permitted special release, the selection of Properties for release, individually or in the aggregate, may be affected by many factors, including the relative ability to sell Properties for the required release amounts, which may in turn be affected by economic conditions, the interest rate environment, the values of the properties, conditions in local housing markets, the time necessary to repair or otherwise position properties for sale, the presence or absence of tenants, transaction costs, the availability of mortgage financing for home purchases, the level of demand on the part of institutional investors for single-family properties or rental residences and other factors. For example, local economic factors which depress the rental rates and value of Properties in certain markets may increase the likelihood of sales of Properties in other markets where sales may be more readily achieved. Conversely, a rise in the market value of the Properties or of the Properties in specific geographic markets may lead to increased selling of the Properties in those markets by the Borrower in order to realize gains. Insofar as a decline in debt service coverage resulted from a deterioration in net operating income, the circumstances that caused the decline in net operating income may also constitute or coincide with circumstances that adversely affect the ability of the Borrower to sell one or more Properties for sufficient net proceeds.

In some circumstances, the Borrower will be required to consummate partial prepayments and property releases with respect to Properties that are or become Disqualified Properties, or substitute non-portfolio properties in place of such Disqualified Properties, in order to cure certain breaches of property-specific covenants or representations. If such prepayments and releases or substitutions occur, the portfolio characteristics of the remaining Properties as a group may be adversely affected in some respects, notwithstanding the benefits that may have resulted from the removal of the Disqualified Properties. Such prepayments can be made as early as the initial Payment Date if it is determined between the date of this information circular and the Closing Date that one or more Properties may constitute Disqualified Properties in which event the Property will not be mortgaged under the Mortgages and proceeds of the Loan in an amount equal to the aggregate Allocated Loan Amount for such Properties that are Disqualified Properties will be applied as principal to the Loan and distributed to investors in the Certificates on the initial Distribution Date.

In addition to the effects described above, prepayments made in connection with property release transactions, whether voluntary or mandatory, will shorten the average period during which your investment earns interest and may adversely affect your yield. The Loan has prepayment restrictions in the form of yield maintenance premium for voluntary prepayments until the Yield Maintenance End Date (other than payments made with respect to a Disqualified Property (except where such prepayment arises as a result of a Voluntary Action) or as a result of a casualty or condemnation). See *"—Special Prepayment and Yield Considerations"* and *"—Variability of Average Life May Affect the Yield on Your Certificates"* in this information circular.

Special Releases Will Result in Fewer Properties Securing the Loan Without a Corresponding Prepayment on the Loan

Releases of Properties in connection with a Special Release do not require prepayment of the Loan. In connection with any Special Release, subject to satisfaction of the criteria set forth under “*Description of the Loan—Special Releases*” in this information circular, which includes the requirement that after giving effect to the transfer the Debt Service Coverage Ratio would be no less than the Debt Service Coverage Ratio on the Closing Date and the Loan LTV would be no more than the Loan LTV on the Closing Date and that the Pool Geographic Test is satisfied. Because the original principal balance of the Loan on the Closing Date was limited by the Debt Service Coverage Ratio and the Loan LTV, to release properties through a Special Release, the net cash flow at the Properties and value of the Properties must have increased since the Closing Date. If the Borrower releases Properties through a Special Release and conditions at the Properties reverted to their Closing Date status (or worse), the Borrower’s performance under the Loan may suffer given that the Loan is thereafter secured by fewer Properties.

Limitations of Broker Price Opinions; Interior Condition Assumption; No Physical Inspections

Green River Capital LLC (“GRC”) obtained, through third-party vendors, broker price opinions with respect to each Property within three months of the Property Cut-off Date. As used in this information circular, a “BPO” or “Broker Price Opinion” means a broker price opinion obtained from an independent vendor based on an exterior review of the Property on an “as-is” basis. A BPO generally represents the opinion of a licensed real estate broker, agent or other real estate professional and not a licensed appraiser, as to the value of the property based on comparable sales, the local real estate market and an exterior review of a property. Providers of BPOs are not licensed appraisers and do not evaluate the condition of the interior or other factors not easily viewed from outside of the property. Such exterior valuations may not be sufficient to determine whether a tenant or owner has failed to keep up regular maintenance on the property, routine or otherwise, or even damaged the related property. Furthermore, providers of the BPOs for the Properties were instructed to assume that interiors had been remodeled to standard, comparable in overall quality to available properties for rent on the Invitation Homes website (the contents of which are not incorporated by reference herein or otherwise included as a part of this information circular. Comparable sales used to determine the market value range are selected by the broker based on commonalities such as size, location, condition and date of sale, with an emphasis on recent dates of sale over proximity. Since the Properties were assumed to be repaired and in good condition, brokers were instructed not to use comparables unless such properties were in the same condition or adjustments were made to support the condition. The BPO may contain more than one estimated value based upon type of sale, which are referred to as the “BPO Value”, which for purposes of the Loan Documents and this information circular, is based upon the “as-is” value (made subject to the assumptions on condition and validation and reconciliation by GRC) ascribed to the Property in the BPO obtained by GRC that were used for purposes of determining the Allocated Loan Amount for each Property under the Loan, subject to any adjustments made by Lender to such values after the Closing Date in accordance with the Loan Agreement.

Although GRC performs market analysis and obtains third-party data to validate and reconcile the values, BPOs are inherently subjective, and variances may occur between such valuations (and have been generally found to occur when obtained from different providers) for a variety of reasons, including, without limitation: (i) differences between individual agents, (ii) differences in the point in time at which an agent examined the property, (iii) inherent limitations in the methodologies for estimating property values through the use of BPOs and (iv) differences in the application of such methodologies by agents. Additionally, BPOs are a less formal evaluation of the value of a Property than a full appraisal and are not required to conform to the Appraisal Foundation’s Uniform Standards of Professional Appraisal Practices or with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. We cannot assure you that the value of any Property during the term of the Loan will equal or exceed the BPO Value presented in this information circular. An experienced professional may reach a different conclusion as to the value of a particular single-family rental property than the conclusion that would be reached if a different real estate professional were evaluating such property. Moreover, the BPOs sought to establish the amount a typically motivated buyer would pay a typically motivated seller in a conventional selling process and did not generally incorporate distressed sales unless distressed sales were prominent for the neighborhood and the properties sold in such distressed sales were in a condition comparable to the high quality condition assumed for the Properties or adjustments for such condition were made. In certain cases, the BPOs may have also taken into consideration the purchase price paid by the affiliate of the Borrower that purchased the Property. These amounts could be significantly higher than the amount that could be obtained from the sale of a Property under a distress or liquidation sale or in a sale at market if the affiliate of the Borrower that purchased a Property overpaid for such Property.

In addition, physical inspections were not required as part of the BPOs. As part of the Loan origination process the Lender and Guarantor conducted drive-by exterior reviews with respect to Properties representing approximately 5% of the Cut-off Date Loan Balance. In most commercial real estate loans, a full physical inspection of the real

property is performed in order to assess the structure, exterior walls, roofing, interior construction, mechanical and electrical systems and general physical condition of the site, buildings and other improvements located on the applicable properties. However, in the case of the Loan no such inspections were performed and no property condition report was compiled with respect to any of the Properties. Accordingly, there is no reason to believe that conditions requiring repair or replacement at the Properties have been generally identified during a diligence or valuation process in connection with the offering of the Certificates or otherwise.

Information regarding the BPO Values of the Properties is presented in this information circular only as a reference and estimate of value under specified conditions and is not intended to be a representation as to the past, present or future market values of any of the Properties. The BPOs used for purposes of determining the Allocated Loan Amount for each Property under the Loan were obtained by GRC within three months of the Property Cut-off Date, and in many cases reflected increases in the valuations of the Properties from the initial purchase price of such Properties and the initial BPOs for such Properties prior to rehabilitation. The current market value of the Properties could be lower than the BPO Values presented in this information circular. The BPOs were prepared for each Property individually and in each case is, in general, reflective of valuation on a stand-alone basis. Even assuming the accuracy of the BPO Values as of the Property Cut-off Date, the current market value of the portfolio of Properties (or any subset thereof) as a packaged group may be substantially less than the aggregate of the BPO Values of the Properties included in the portfolio or such group, as the case may be. Also, to the extent any remodeling or repairs assumed in preparing the BPO, were not completed, the value of the Properties would be lower than otherwise anticipated. Investors are encouraged to make their own determinations as the proper valuation of the Properties and the impact on the related financial information presented in this information circular, such as the Cut-off Date Loan to BPO Value Ratio and the LTV Ratio at Maturity which are based on the BPO Values.

Inadequacy of Title Insurers or Insured Amount May Adversely Affect Payments on the Certificates

Lender's title insurance for a mortgaged property generally insures a lender against risks relating to a lender not having a first lien with respect to a mortgaged property, and in some cases can insure a lender against specific other risks. The protection afforded by title insurance depends on the ability of the title insurer to pay claims made upon it. Although the Borrower has obtained owner's policies of title insurance on the Properties, and Lender has obtained lender's title insurance policies on the Properties, we cannot assure you that:

- a title insurer will have the ability to pay title insurance claims made upon it;
- a title insurer will maintain its present financial strength; or
- a title insurer will not contest claims made upon it.

The owner's policies obtained by the Borrower and the Lender's title insurance policies obtained by the Lender are based on the Cut-off Date Allocated Loan Amount rather than the full value of the Property and therefore may not cover the full amount of any such loss.

In addition, the Borrower's title to a Property, especially those acquired at auction, may be challenged for a variety of reasons, including allegations of potential defects in the auction foreclosure process. Each state has its own laws governing the procedures to foreclose on mortgages and deeds of trust, and state laws generally require strict compliance with these laws in both judicial and non-judicial foreclosures. Recently, courts and administrative agencies have become more active in enforcing state laws governing foreclosures, and, in some circumstances, have imposed new rules and requirements regarding foreclosures. The increase in the number of foreclosures since the financial crisis has led legislatures in many states to consider modifications to foreclosure laws to restrict and reduce foreclosures. Foreclosed owners and their legal representatives, including some prominent and well-financed legal firms, have brought litigation questioning the validity and finality of foreclosures that have already occurred. Increased scrutiny of title matters in the case of foreclosures could lead to legal challenges with respect to the validity of the sale of Properties obtained through foreclosure. The defense of or recovery in any such legal challenges is dependent on the ability of the Borrower to respond to and fund the legal costs of responding and, accordingly, the adequacy or success of any such response is uncertain. This could result in an increase in litigation costs incurred with respect to such Properties and if any sale is invalidated, the loss or impairment of the value of such Property. Though the Borrower will obtain owner's policies of title insurance on the Properties, there will be no mezzanine endorsements and, accordingly, no assurance can be given that the Servicer or Special Servicer, as applicable, would be able to enforce any rights under any owner's title insurance policy following a foreclosure on the Equity Collateral after default or that any owner's title insurance policy will prove adequate in these instances.

Litigation and Administrative Proceedings; Federal, State and Local Requirements

From time to time there may be pending or threatened legal proceedings against or involving the Borrower, the Manager and their affiliates arising out of the ordinary course of business. These actions may include claims with respect to the condition of a property and eviction proceedings, other landlord-tenant disputes and issues with local housing officials arising from the condition of a property, all of which result in additional legal costs and absorb management resources. Eviction activities impose legal and managerial expenses that raise costs and expose the Borrower to potential negative publicity. The eviction process is typically subject to legal barriers, mandatory “cure” policies, internal policies and procedures and other sources of expense and delay, each of which may delay the ability to gain possession and stabilize the property. Additionally, state and local regulations and other applicable laws include extensive requirements with respect to property conditions and environmental compliance which may result in tenant claims for Properties to conform. See “—Zoning and Building Code Compliance; Other Legal Restrictions on Properties” and “—Certain Environmental Matters” in this information circular. State and local landlord-tenant laws generally impose legal restrictions on evictions and may impose legal duties to assist tenants in relocating to new housing, or restrict the Borrower’s ability to recover certain costs or charge tenants for damage tenants cause to the Properties. See “—Rental Revenues Depend Upon Performance by Individual Tenants; Time and Costs Associated with Enforcing Rights” in this information circular.

In addition, as a landlord and property owner, the Borrower is subject to various other obligations under applicable laws, including but not limited to compliance with local zoning and building codes and property conditions and environmental compliance (see “—Zoning and Building Code Compliance; Other Legal Restrictions on Properties” in this information circular), potential liability for personal injuries at the Properties or otherwise, real estate tax obligations, compliance with regulations relating to the protection and disposition of consumer credit information and compliance with the duties generally owed by landlords to tenants under the laws of the jurisdictions where the Properties are located. Because such laws vary by state and locality, the Manager, on behalf of the Borrower, will need to be familiar with and take appropriate steps to comply with applicable landlord-tenant laws in the jurisdictions in which the Properties are located. The costs of complying with these duties will affect the Borrower’s operating results. To the extent that the Borrower does not comply with its duties under applicable laws, it may be subjected to civil litigation filed by individuals, a class of plaintiffs or by state or local law enforcement, or come under investigation by tenant and consumer rights organizations or government officials. In addition, federal, state and local laws including fair housing laws also impose non-discrimination requirements regarding leasing practices, making it unlawful to discriminate against tenants or prospective tenants based on race, color, religion, sex, disability, familial status, national origin, and other bases and/or other protected classes. Violation of these requirements can result in substantial monetary and non-monetary sanctions, through government enforcement or private litigation. Such developments could have a significant and adverse impact on the Borrower’s business or operating results (subject to any insurance coverage in place) and ability to pay the principal of, and interest on, the Loan when due, as well as the ability of the Manager to attract tenants and manage the Properties. Furthermore, state and local governmental agencies may introduce rent control laws or other regulations that limit the ability to increase rental rates, which may affect rental income from the Properties. Especially in times of recession and economic slowdown, rent control initiatives can acquire significant political support. If rent controls unexpectedly became applicable to certain of the Properties, revenues from and the value of such Properties could be adversely affected, which could in turn adversely affect the ability of the Borrower to pay the principal of, and interest on, the Loan when due and, accordingly, the value and performance of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

Numerous tenants’ rights and consumer rights organizations exist throughout the country and operate in the target markets of Invitation Homes, and as Invitation Homes grows in scale, it may attract attention from some of these organizations and become a target of legal demands or litigation. Many such consumer rights organizations have become more active and better funded in connection with mortgage foreclosure-related issues, and with the large settlements and the increased market for single-family rental properties arising from displaced homeownership, some of these organizations may shift their litigation, lobbying, fundraising and grass roots organizing activities to focus on landlord-tenant issues. While the Loan Sponsor intends to conduct its business lawfully and in compliance with applicable landlord-tenant and consumer laws, such organizations might work in conjunction with trial and pro bono lawyers in one state or multiple states to attempt to bring claims against the Borrower, the Manager or any other Invitation Homes entity on a class action basis for damages or injunctive relief and seek to publicize the Loan Sponsor or the Manager’s activities in a negative light. For example, eviction proceedings by owners and operators of single-family homes for lease have recently been the focus of negative media attention. The Borrower cannot anticipate what form such legal actions might take, or what remedies they may seek. Additionally, these organizations may lobby local county and municipal attorneys or state attorneys general to pursue enforcement or litigation against the Borrower or the Manager, or may lobby state and local legislatures to pass new laws and regulations to constrain its business operations or may generate negative publicity or harm the Loan Sponsor’s reputation. If they are successful in any such endeavors, they could directly limit and constrain the Borrower’s, the Manager’s and the Loan

Sponsor's business operations, and may impose significant litigation expenses, including settlements to avoid continued litigation or judgments for damages or injunctions.

The Properties, the Borrower or the Manager may also be subject to claims for taxes or special assessments or litigation relating to worker's compensation, professional liability, general liability, automotive liability and/or employment practices liability which may be subject to insurance policies (with applicable deductions) as set forth in the Loan Documents. The ultimate results of claims and litigation cannot be predicted with certainty; however, an unfavorable resolution of some or all of these matters could materially affect the Borrower's future results of operations in a particular period. We cannot assure you that any insurance maintained by the Borrower will be adequate to cover litigation expenses or that litigation will not have a material adverse effect on the Borrower's ability to make its debt service payments or on the value of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

Failure to Make Certain Payments May Result in Liens on the Properties

In order to maintain the Properties, the Manager will undertake certain maintenance and repairs in accordance with the Operation Standards. If the Borrower (or the Manager) fails to pay the costs for work completed or material delivered in connection with such ongoing maintenance or repairs, the related Property may be subject to mechanic's or materialmen's liens that may be senior to the lien of the Loan. In addition, like the failure to pay property taxes, the failure to pay HOA Fees with respect to Properties in certain jurisdictions can give rise to liens that may be senior to the lien of the Loan. Failure to pay these amounts could result in senior liens on the Property that would lessen the amount received in any sale of the Property (or in some states, in the case of the failure to pay HOA Fees could extinguish the lien of the Lender under the mortgage loan) before or after a Loan Event of Default, and could adversely affect the amounts available for distributions on your Certificates (although such shortfalls with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular). Although the Borrower will be required to set aside reserves for estimated HOA Fees owing on Applicable HOA Properties in the manner set forth in the Loan Agreement to mitigate the risk of super-priority liens for unpaid HOA Fees, the determination of whether an HOA Property is an Applicable HOA Property may be difficult to ascertain and may be governed by state statute or court made case law and, in certain states may be determined by the provisions of the relevant HOA declaration. In each such case, such laws may change and Properties that are currently not subject to super-priority liens for unpaid HOA Fees may become so in the future.

Zoning and Building Code Compliance; Other Legal Restrictions on Properties

No assessments or reports were undertaken with respect to the conformity of the Properties with respect to zoning and building code requirements. The building and zoning ordinances and codes affecting the Properties and their occupation and renovation are extensive and complex and there may be existing features or improvements that deviate from or fail to comply with the requirements of applicable law and such deviations and failures may be material. The Borrower may be required to remove, modify, or pay fees or penalties for an existing use or structure that violates codes or laws. Furthermore, violating conditions at the Properties located in certain Florida jurisdictions, could result in a lien that affects all Properties located in the same county as such Property. Failure by the Borrower to cure such conditions could result in the affected Properties becoming Disqualified Properties. In addition, due to changes in applicable building and zoning ordinances and codes affecting the Properties that may have come into effect after the construction or improvements on such Properties, it is possible that certain improvements may not comply with current law, including density, use, parking and set back requirements, but qualify as permitted non-conforming uses. Such deviations from or changes in the zoning laws may limit the ability of the Borrower to rebuild the premises as-is in the event of a substantial casualty loss and may, in the event of such a casualty, adversely affect the ability of the Borrower to pay the principal of, and interest on, the Loan from cash flow from the relevant Property. While the terms of the Loan Agreement will require certain insurance coverage, if a substantial casualty were to occur, we cannot assure you that the proceeds of such insurance would be sufficient to pay the Allocated Loan Amount thereof or, if the Property were to be repaired or restored in conformity with then-current law, what the value of such Property would be relative to the Allocated Loan Amount, whether the Property would have a value equal to that before the casualty, or what its revenue-producing potential would be. See *"Description of the Loan—Hazard, Liability and Other Insurance"* in this information circular. Certain of the Properties may have non-conforming uses or structures or legal non-conforming uses or structures with respect to which, in the event of a significant casualty, there would be limitations on the Borrower's or Manager's ability to rebuild.

The Properties must also comply with local ordinances and building codes and may also be located within HOAs, which are private entities that regulate the activities of owners and occupants of, and levy assessments on, properties in a residential subdivision. Such ordinances and rules may include a broad range of requirements from maintenance and landscaping to limitations on signage and requirements of conformity and use of specific construction materials in restorations. Some HOAs also impose limits on the number of property owners who may rent their homes, which, if

met or exceeded in HOAs where Properties are located, would require the Borrower to sell the Properties or incur opportunity costs of lost rental revenue. In addition, many jurisdictions or HOAs may impose restrictions on the conduct of occupants and the Borrower may be liable if the tenants fail to comply. HOAs also require payment of association fees and may impose additional assessments to pay special tax assessments or to fund capital improvements or repairs which may be substantial. In certain states, a failure to pay such HOA Fees may result in liens on Properties senior to the lien of the Loan. See “*Failure to Make Certain Payments May Result in Liens on the Properties*” in this section. The governing bodies of the HOAs in which some Properties may be located may not disclose to the Borrower any or all important restrictions on the related Properties, block the Borrower’s access to HOA records, initiate litigation against the Borrower or Manager, or restrict the Borrower’s ability to sell or lease the Properties or arbitrarily change the HOA rules.

Certain of the Properties may also be subject to restrictions imposed pursuant to restrictive covenants, reciprocal easement agreements or operating agreements or historical landmark designations. Such use restrictions could include, for example, limitations on the character of the improvements or the properties, and limitations affecting noise and parking requirements. The failure of a Property to comply with zoning laws or to be a “legal non-conforming use” or “legal non-conforming structure” may adversely affect the market value of the Property or the Borrower’s ability to continue to use it in the manner it is currently being used or may necessitate material additional expenditures to remedy non-conformities. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers or HOAs, may restrict the Borrower’s use of the Properties and may require the Borrower to obtain approval from local officials or community standards organizations at any time with respect to the Properties. Among other things, these restrictions may relate to fire and safety, seismic, asbestos cleanup or hazardous material abatement requirements. Existing regulatory policies may adversely affect the performance of the Properties and additional regulations may be adopted that would increase delays or result in additional costs. The Borrower’s failure to obtain permits, licenses and zoning approvals on a timely and cost-effective basis could have a material adverse effect on the Borrower’s ability to pay the principal of, and interest on, the Loan.

Certain of the Properties in Florida Will be Subject to Liens as a Result of Violations with Respect to Other Sponsor-Owned Properties.

Under a Florida statutory scheme implemented by certain Florida jurisdictions, a violation of the relevant building codes, zoning codes or other similar regulations applicable to a property may result in a lien on that property and all other properties owned by the same owner and located in the same county as the property with the code violation, even though the other properties might not be in violation of any code. Until a municipal inspector verifies that the violation has been remedied and any applicable fines have been paid, additional fines accrue on the amount of the lien and the lien may not be released, in each case even at those properties that are not in violation. As with other liens on title, it is possible that a municipality could attempt to foreclose on a lien with respect to such properties. Code violation liens of this type currently encumber 291 Properties located in Palm Beach, Polk and Broward counties, representing approximately 4.4% of the Cut-off Date Loan Balance. These liens (together with accrued fines) total an estimated \$30,379.58 as of April 10, 2017 (representing less than 0.004% of the Cut-off Date Loan Balance) and relate to code violations existing at up to 7 properties owned by the Initial IH Owners (which are not properties that will be Properties securing the Loan). Such liens will be deemed to be “Specified Liens” (as defined in “*Description of the Loan—Guaranties*” in this information circular) pursuant to the Loan Agreement. If a Loan Event of Default occurs before these liens have been remedied and the Special Servicer elects to sell these Properties following a foreclosure on the Equity Collateral or the Mortgages, it may be more difficult or impossible to sell these Properties on a commercially reasonable basis or at all because there is no established statutory procedure for obtaining a release of the liens other than curing the applicable code violation giving rise to such liens (which are code violations on properties that are not owned by the Borrower and therefore will not be controlled by the Special Servicer following a foreclosure). As a practical matter, it might be possible to obtain a release of these liens without remedying the property in violation through other methods, such as payment of an amount to the relevant county, although no assurance can be given that this will necessarily be an available option for the Special Servicer. Both the owner’s title insurance policy obtained with respect to these Properties by the Borrower and the lender’s title insurance policy obtained with respect to these Properties will provide affirmative coverage with respect to these liens, although no assurance can be given that such coverage will completely mitigate any losses that might occur. See “*Inadequacy of Title Insurers or Insured Amount May Adversely Affect Payments on the Certificates*” in this information circular. Under the Loan Documents, if these Specified Liens have not been released before the first anniversary of the Closing Date, these Properties will become Disqualified Properties. In addition, any losses arising from these liens will be covered under the Sponsor Guaranty. See “*Limited Recourse*” in this information circular.

Certain Properties Have Unique Characteristics and Special Risks

Certain of the Properties may have unique characteristics that present special risks for potential hazards, such as swimming pools which require ongoing maintenance and monitoring, or other unique features, including aged properties, wells or landmark status. In addition, some of the Properties are, and in the future may be, under public housing programs, including government payment assistance under Section 8 of the Housing Act of 1937 which require compliance with special rules and regulations. Such unique characteristics could increase the magnitude of the risks described in these Risk Factors or present additional risks with respect to the marketability of such homes for sale, their attractiveness for lease, the rate of wear and tear, liability risk for hazards or injuries or exclusions from insurance or regulatory risks. The regulatory risks can include the application of special regulatory compliance obligations or supervision or monitoring by a regulatory authority and failure to comply could result in loss of eligibility for continued assistance payments or participation in the applicable program (including for all Properties participating in such program) or imposition of penalties and fees. In addition, the continuation or funding of such programs may be subject to the existence of continued political support and public mandates and may be subject to the results of local, state or federal budget and requisitions processes, the outcomes of which cannot be predicted.

Certain Environmental Matters

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the costs of investigation, removal or remediation of hazardous or toxic substances on, under, adjacent to, or in such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefor could exceed the value of the property and/or the aggregate assets of the owner. In addition, the presence of hazardous or toxic substances, or the failure to properly remediate environmental conditions of such property, may adversely affect the owner's or operator's ability to refinance using such property as collateral or the owner's ability to sell such property. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at the disposal or treatment facility.

Even if more than one person may have been responsible for the contamination, each person covered by applicable environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages based on personal injury, natural resources or property damage or other costs, including investigation and clean-up costs, resulting from the environmental contamination. The presence of hazardous or toxic substances on one of the properties, or the failure to properly remediate a contaminated property, could give rise to a lien in favor of the government for costs it may incur to address the contamination or otherwise adversely affect the ability to sell or lease the property or borrow using the property as collateral. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, private parties. The cost of defending against environmental claims, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially and adversely affect the Borrower's ability to make payments of principal of and interest on the Loan.

Certain laws impose liability for release of asbestos containing materials ("ACMs") into the air or require the removal or containment of ACMs, and third parties may seek recovery from owners or operators of real properties for personal injury associated with ACMs or other exposure to chemicals or other hazardous substances. For all of these reasons, the presence of, or potential for contamination by, hazardous or toxic substances at, on, under, adjacent to, or in a Property can materially adversely affect the value of such Property and since, unlike most loans securitized in CMBS, no environmental assessments or reports were done on any of the Properties, the scope and risk of environmental matters is entirely unknown and could materially adversely affect the Borrower and the Borrower's ability to pay the Loan.

In addition, problems associated with mold, asbestos, radon, lead-based paint, pesticides and other pollutants, proximities to power lines and cellular phone towers and other environmental issues may pose risks to the Properties and may also be the basis for liability claims against the Borrower. We cannot assure you that future laws, ordinances or regulations will not impose any material environmental liability or that the current environmental condition of the Properties will not be affected by the activities of residents, existing conditions of the land, operations in the vicinity of the properties or the activities of unrelated third parties. In addition, the Properties may be required to comply with various local, state and federal fire, health, life-safety and similar regulations. Failure to comply with applicable laws and regulations could result in fines and/or damages, suspension of personnel, civil liability or other sanctions. The existence of lead paint is especially a concern in residential units and can cause health problems, particularly for children. A structure built prior to 1978 may contain lead-based paint and may present a potential

exposure to lead; however, structures built after 1978 are not likely to contain lead-based paint. Federal and state laws impose certain disclosure requirements and restrict and regulate renovation activities on housing built before 1978. Violations of these restrictions could result in fines or criminal liability, and the Borrower could be subject to liability arising from lawsuits alleging personal injury or related claims. Although the Borrower attempts to comply with all such regulations, it has not conducted tests on the Properties to determine the presence of lead-based paint and we cannot guarantee that we will not incur any material liabilities as a result of the presence of lead paint in the Properties.

In addition to the lack of environmental assessments, the Properties generally have not been subject to physical inspections and even for Properties that have, there are no generally accepted standards for the assessment of some of these issues, such as existing mold. If left unchecked, problems associated with mold, asbestos and other environmental issues could result in the interruption of cash flow, remediation expenses and litigation which could adversely impact the Borrower's ability to pay the principal of, and interest on, the Loan. In addition, the insurance policies presently covering the Properties contain specific exclusions for losses due to mold, asbestos, radon, lead-based paint, pesticides and other pollutants in addition to other exclusions for environmental issues.

Under some environmental laws, such as the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), as well as other federal and state laws, a lender may become liable as an "owner" or "operator" for the costs of responding to a release or threat of a release of hazardous substances on or from a borrower's property regardless of whether the borrower or a previous owner caused the environmental damage, if (i) agents or employees of a lender are deemed to have participated in the management of the borrower's property prior to enforcement upon default or (ii) the lender actually takes possession of a borrower's property or control of its day-to-day operations, as for example, through the appointment of a receiver. Under the Trust and Servicing Agreement, prior to any foreclosure or by transfer in lieu (or deed in lieu) of foreclosure, with respect to the Equity Collateral or any Property, the Special Servicer will consider all information available to it or the Servicer from the Borrower or of which the Special Servicer otherwise has actual knowledge with respect to any environmental matters with respect to the Properties, and based on such information will determine in accordance with Accepted Servicing Practices if any independent site assessments of any Properties are advisable. See "*Description of the Trust and Servicing Agreement—Realization Upon the Loan*" in this information circular. Although recent legislation tries to clarify the activities in which a lender may engage without becoming subject to liability under CERCLA and similar federal laws, such legislation has not been extensively interpreted by the courts and in any event has no applicability to state environmental laws. Moreover, we cannot assure you that:

- future laws, ordinances or regulations will not impose any material environmental liability; or
- the current environmental condition of the Properties will not be adversely affected by the condition of land or operations in the vicinity of the Properties (such as underground storage tanks).

Limitations on Property Accounts and the Loan Collection Account

The Borrower will be required to instruct Tenants making payments electronically to direct deposits into a Rent Deposit Account or Loan Collection Account and other Rents received by the Borrower and Manager in respect of the Properties (for example, in the form of checks or cash) will be required to be deposited by such party into a Rent Deposit Account or Loan Collection Account, provided that all Rents are required to be deposited into the Loan Collection Account within three Business Days of receipt. However, the Borrower may fail to instruct Tenants making payments electronically to direct deposits into a Rent Deposit Account or Loan Collection Account or the Tenants may fail to comply with such instructions and electronic payments may continue to be made to accounts of other persons, including the affiliates of the Borrower. In addition, with respect to rental receipts from the Properties that are not deposited directly into a Rent Deposit Account or the Loan Collection Account by Tenants, the Manager or the Borrower could fail to deposit such receipts into a Rent Deposit Account or the Loan Collection Account or could misappropriate or divert such funds. In addition, while available funds in the Rent Deposit Accounts will be required to be swept every third Business Day into the Loan Collection Account, so long as no Loan Event of Default exists, the Manager, on behalf of the Borrower, will have access to each Rent Deposit Account and may cause funds on deposit therein to be held back to resolve anticipated overdrafts, charge-backs and refunds of partial payments of rent or to preserve rights of eviction or similar uses. While the Loan Agreement will limit the amount of such hold backs to 2.5% of the amounts deposited into the Rent Deposit Accounts during the immediately prior calendar month, the Manager or the Borrower could, prior to the sweep of such funds into the Loan Collection Account and prior to an exercise of control over such accounts after a Loan Event of Default, hold back or divert additional funds. In addition, so long as no Loan Event of Default exists, the Borrower will have access to funds in each Security Deposit Account. Even though the obligation of the Borrower to refrain from the misappropriation or conversion of funds will be subject to a limited recourse guaranty by the Loan Sponsor, the Loan Sponsor may fail to honor such guaranty. See "*Description of the Loan—Cash Management Arrangements; Funds; Reserves*" in this information circular.

Reserves Established for the Loan May Be Insufficient and This May Adversely Affect Payments on Your Certificates

The Borrower will agree to make ongoing deposits to reserves for the payment of various anticipated or potential expenditures with respect to the Properties, such as capital expenditures for ongoing maintenance and repairs and for taxes and insurance premiums (unless an acceptable blanket insurance policy is in effect, in which event no reserves for insurance premiums will be required unless the Lender requires them due to a default by Borrower in its other obligations relating to the maintenance of insurance). We cannot assure you that any such reserve will be sufficient to cover the actual costs of the items for which the reserves were established or that the Borrower will put aside sufficient funds to pay for those items. We also cannot assure you that cash flow from the Properties will be sufficient to fully fund the ongoing monthly reserve requirements or to enable the Borrower to fully pay for those items. See “—*Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash Flow Assumptions Are Hypothetical.*” Costs may vary significantly from required reserve amounts and increase over time, particularly capital expenditures for which there is very little demonstrated history in this asset class. Accordingly, you should not assume that the required capital expenditure reserves will be sufficient to make ongoing capital expenditure maintenance and repairs. In addition, the Borrower has the right under certain circumstances to obtain a reduction in the size of, or a suspension in its obligation to make, such deposits for capital expenditures. Furthermore, real and personal property taxes on the Properties may increase as tax rates change and as the real properties are assessed or reassessed by taxing authorities. If real property taxes increase, expenses will increase. If the Borrower fails to pay any such taxes and the Servicer or Trustee does not advance those amounts as a Servicing Advance, the applicable taxing authority may place a lien on the applicable Property and the Property may be subject to a tax sale. Also, there are no reserves for the payment of premiums on blanket insurance policies and the absence of adequate funds to pay the premiums may result in a lapse of coverage or inadequate coverage in the event the policies need to be increased, renewed or replaced.

There may also be critical expenditures that are anticipated or may exist for which no reserves have been established, including HOA Fees for Properties that are not Applicable HOA Properties, special assessments, long-term capital expenditures and re-leasing costs. See “—*Vacancy and Turnover Rates Are Subject to a High Degree of Uncertainty*” and “—*Capital Expenditures and Operating Expenses Are Subject to a High Degree of Uncertainty.*” No diligence or verification process has been undertaken with respect to cost assumptions such as HOA Fees and special assessments.

Geographic Concentration

Payments by the Borrower on the Loan and the market value of the Properties could be affected by economic conditions generally or specific to geographic areas or regions of the United States, and concentrations of Properties in particular geographic areas may increase the risk that adverse economic or other developments or natural disasters affecting a particular region of the country could increase the frequency and severity of losses on the Loan. In recent periods, several regions of the United States have experienced significant real estate downturns. Regional economic declines or conditions in regional real estate markets could adversely affect the income from, and market value of, the Properties. In addition, local or regional economies may be adversely affected to a greater degree than other areas of the country by developments affecting industries concentrated in such area. A decline in the general economic condition in the region in which Properties owned by the Borrower are located would result in a decrease in consumer demand in the region and the income from and market value of the Properties may be adversely affected. Other regional factors—e.g., earthquakes, floods, forest fires or hurricanes or changes in governmental rules or fiscal policies—also may adversely affect the Properties. For example, properties located in California, Florida or Georgia may be more susceptible to certain hazards (such as earthquakes, tornados, floods or hurricanes) than properties in other parts of the country. Hurricanes in the Gulf Coast region and in Florida have resulted in severe property damage as a result of winds and associated flooding. The Loan will not require flood insurance on the Properties unless they are in a federally designated “special flood hazard area.” We cannot assure you that all hurricane damage would be covered by insurance as the insurance policies have windstorm limits significantly below the replacement costs of the Properties. Also see “—*Availability of Earthquake, Flood and Other Insurance and Insufficiency of Proceeds*” in this information circular. Regional areas affected by such events often experience disruptions in travel, transportation and tourism, loss of jobs and an overall decrease in consumer activity, and often a decline in real estate-related investments. We cannot assure you that the economies in such impacted areas will recover sufficiently to support income-producing real estate at pre-event levels. Also see “—*Risks to the Financial Markets Relating to Terrorist Attacks*” in this information circular.

The Properties are located in twenty-nine (29) metropolitan statistical areas (“MSAs”) in ten (10) states in the United States. The table below shows the number of Properties, the BPO Values of such Properties and the percentage of the Cut-off Date Loan Balance secured by Properties that are located in MSAs that have concentrations of Properties of 5.0% or more:

Geographic Concentration of Properties by MSA

MSA	Number of Properties	Aggregate Cut-off Date BPO Value⁽¹⁾	% of Cut-off Date Loan Balance⁽²⁾
Phoenix-Mesa-Scottsdale, AZ.....	1,517	\$ 283,795,198	17.0%
Riverside-San Bernardino-Ontario, CA.....	608	\$ 194,367,918	11.7%
Sacramento--Roseville--Arden-Arcade, CA.....	581	\$ 162,417,500	9.7%
Atlanta-Sandy Springs-Roswell, GA.....	808	\$ 154,819,650	9.3%
Miami-Fort Lauderdale-West Palm Beach, FL.....	461	\$ 142,069,600	8.5%
Tampa-St. Petersburg-Clearwater, FL.....	602	\$ 124,213,800	7.5%
Orlando-Kissimmee-Sanford, FL.....	454	\$ 97,489,377	5.8%
Charlotte-Concord-Gastonia, NC-SC.....	428	\$ 83,574,481	5.0%

(1) Based on the BPOs obtained within three months of the Property Cut-off Date.

(2) Percentage of Cut-off Date Loan Balance is based on the BPO Value for each Property.

The table below shows the number of Properties, the BPO Values of such Properties and the percentage of the Cut-off Date Loan Balance secured by Properties that are located in states that have concentrations of Properties of 5.0% or more:

State	Number of Properties	Aggregate Cut-off Date BPO Value⁽¹⁾	% of Cut-off Date Loan Balance⁽²⁾
Florida.....	2,206	\$ 497,720,027	29.9%
California.....	1,483	\$ 457,648,368	27.5%
Arizona.....	1,517	\$ 283,795,198	17.0%
Georgia.....	815	\$ 156,142,650	9.4%
North Carolina.....	447	\$ 85,999,295	5.2%

(1) Based on the BPOs obtained within three months of the Property Cut-off Date.

(2) Percentage of Cut-off Date Loan Balance is based on the BPO Value for each Property.

Other regional factors specific to the single-family residential market may affect the performance and value of the Properties. These other factors could include excessive building resulting in an oversupply of housing in a particular area or zoning or environmental restrictions preventing additions to the housing supply in an area. Currently, many areas of the United States have an oversupply of homes available for sale and such supply may increase as a result of foreclosures. Additionally, due to this oversupply, many foreclosed properties owned by financial institutions and Fannie Mae, Freddie Mac and the Federal Housing Administration have not been listed for sale. That oversupply will likely put downward pressure on real estate prices in such areas, which could adversely affect the ability of the Borrower to pay the principal of, and interest on, the Loan when due to the extent that the length of time required to sell Properties increases or the ultimate sale price received for Properties decreases. Economic factors such as the recent decline in oil prices may have a negative effect on housing conditions in Texas markets which have heavy concentrations of oil and gas mining employees and may also increase the oversupply of homes available for sale in such areas due to relocations driven by poor economic conditions. Such decreases may also increase the affordability of single-family residences for purchase which may attract potential tenants to home ownership and decrease the rental population which could adversely affect the ability of the Borrower to pay the principal of, and interest on, the Loan when due and further increase the need for sales of Properties.

You should consider that the national, state and local economic conditions, general population shifts and the geographic concentrations discussed in this information circular may adversely affect the ability of the Borrower to pay the principal of, and interest on, the Loan when due and may subject you to losses or delays in receiving distributions on the Certificates (although the shortfalls related to such default with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular).

The geographic markets in which the Properties are located were also disproportionately impacted by the housing crisis. Such geographic markets were among the markets most adversely affected in the downward cycle of price depreciation and foreclosure which culminated in the housing crises and these markets ultimately experienced some of the worst declines in home prices in the country. There may be conditions or fundamental characteristics in

these markets which expose them to a greater risk of another precipitous downturn or make any recovery in such markets more fragile. For example, some of the markets have generally experienced a substantial increase in home prices over the past 5 years. There is no assurance as to whether home prices in such markets, or in any other market in which Properties are located, will increase, decrease or remain at current levels, nor whether any recent trends in home prices in such markets, or any other market in which Properties are located, will continue or reverse. Accordingly, the risks with respect to the real estate and financial markets generally may be more acute with respect to the specific portfolio of Properties backing the Loan than would be the case with respect to other portfolios of single-family rental properties.

In addition, certain Properties may be located in markets or submarkets where other single-family properties are owned and operated as rental residences by institutional investors other than the Borrower and its affiliates. Circumstances in such markets or submarkets, including competitive conditions and property values, may be affected by the actions of these other institutional owners and operators, whether generally or with respect to concentrations of their properties in individual markets or submarkets. This may in turn affect the operating performance or value of the Borrower's Properties located in the affected markets or submarkets.

Availability of Earthquake, Flood and Other Insurance and Insufficiency of Proceeds

Although the Properties will be required to be insured against certain risks, there is a possibility of casualty loss with respect to the Properties for which insurance proceeds may not be adequate or which may result from risks not covered by insurance. In particular, the Borrower will be permitted to utilize a \$5,000,000 aggregate deductible stop loss subject to a \$25,000 per occurrence deductible and a \$25,000 maintenance deductible following the exhaustion of the aggregate, which may result in exposure to uninsured casualty loss in the aggregate amount of such deductibles on an annual basis. In addition, 2,206, 815, 447 and 9 of the Properties are located in Florida, Georgia, North Carolina and South Carolina, respectively, representing approximately 29.9%, 9.4%, 5.2% and 0.1%, respectively, of the Cut-off Date Loan Balance; historically, these states have been at greater risk to certain acts of nature (such as hurricanes and earthquakes) than other states.

Furthermore, the Properties will be covered by blanket insurance policies that also cover the overall portfolio of Invitation Homes. In the event that such policies are drawn on to cover losses with respect to an occurrence (or on an annual policy period basis with respect to earthquake) on such other properties, the amount of insurance coverage available under such policies would thereby be reduced and could be insufficient to cover the Properties' insurable risks with respect to such occurrence (or in such annual policy period). Also, there will be no reserves for the payment of premiums on blanket insurance policies and the absence of adequate funds to pay the premiums may result in a lapse of coverage or inadequate coverage in the event the policies need to be increased, renewed or replaced. The Borrower will be required to maintain blanket policies described under "*Description of the Loan—Hazard, Liability and Other Insurance*" in this information circular.

We cannot assure you that in the future the Borrower will be able to comply with requirements to maintain adequate insurance with respect to the Properties, and any uninsured loss could have a material adverse impact on the ability of the Borrower to pay the principal of, and interest on, the Loan when due, and consequently, the Certificates (although the shortfalls related to such loss with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular). In addition, no assurance can be made that the Borrower will be able to pay any required deductible amount under the insurance policies. As with all real estate, if reconstruction (for example, following fire or other casualty) or any major repair or improvement is required to the damaged property, changes in laws and governmental regulations may be applicable and may materially affect the cost to, or ability of, the Borrower to effect such reconstruction, major repair or improvement. As a result, the amount realized with respect to the Properties, and the amount available to make payments of the principal of, and interest on, the Loan, and consequently the Certificates, could be reduced (although the shortfalls related to such loss with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular). In addition, we cannot assure you that the amount of insurance required or provided would be sufficient to cover damages caused by any casualty, or that such insurance will be commercially available in the future. We cannot assure you that any loss incurred will be of a type covered by such insurance and will not exceed the limits of such insurance.

Should an uninsured loss or a loss in excess of insured limits occur, the Borrower could suffer disruption of income, potentially for an extended period of time, while remaining responsible for any financial obligations relating to the Properties. In addition, the Borrower will rely on the creditworthiness of the insurers providing insurance with respect to the Properties. The Loan Agreement will require that the insurance policies be issued by financially sound and responsible insurance companies authorized to do business in the states where the applicable Properties are located and that such insurance companies have certain specified ratings. However, there is no assurance that such insurers will perform their obligations under the insurance coverages provided by them.

The Loan Documents will also require certain specified commercial general liability insurance as well as umbrella and excess liability insurance in a specified amounts. However, claims for personal injury, bodily injury, death or property damage occurring upon, in or about any Property may exceed such limits or may result from risks not covered by such general liability insurance. See “*Description of the Loan—Hazard, Liability and Other Insurance*” in this information circular.

Condemnations with Respect to the Properties Could Adversely Affect Payments on Your Certificates

From time to time, there may be condemnations pending or threatened against one or more of the Properties. There can be no assurance that the proceeds payable in connection with a total condemnation of a Property will be sufficient to repay the Allocated Loan Amount with respect to the related Property or to restore the related Property. The occurrence of a partial condemnation may have a material adverse effect on the continued use of the affected Property or the Borrower’s ability to pay the principal of, and interest on, the Loan when due. Therefore, we cannot assure you that the occurrence of any condemnation will not have a negative impact upon the distributions on your Certificates (although the shortfalls related to such condemnations with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular).

Eminent Domain with Respect to the Properties Could Adversely Affect Payments on Your Certificates

From time to time, government authorities may exercise eminent domain to acquire the land where certain Properties are located. There can be no assurance that the “fair value” payable in connection with the exercise of eminent domain will be sufficient to repay the Allocated Loan Amount with respect to the related Property. Therefore, we cannot assure you that the occurrence of any exercise of eminent domain will not have a negative impact upon the distributions on your Certificates (although the shortfalls related to such condemnations with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular).

The Collateral that is Security for the Loan will be Limited

The Equity Owner Guaranty will be secured by a pledge of the Equity Collateral and the Loan will be secured by the Mortgages on the Borrower’s fee interests in the Properties, a security interest in certain personal property associated with each Property, including contracts, cash flow, other general intangibles, and a security interest in certain accounts, the rights of the Borrower under the Management Agreement (to the extent assignable) and certain other contracts.

The Loan, subject to certain limited exceptions set forth in the Loan Documents, will consist of obligations of the Borrower, whose only assets are the Properties and related assets. Although each Equity Owner will guaranty the Borrower’s obligations under the Loan and will pledge the Equity Collateral to secure the Equity Owner Guaranty, the Equity Owners do not have, and should not be expected to have, any significant assets other than the Equity Collateral. Accordingly, if funds generated by the operations of the Properties are not sufficient to pay debt service on the Loan or if the remaining principal cannot be paid on the Maturity Date, or upon any other event of default under the Loan Documents, recourse is effectively limited to the Properties or the indirect interest in the Properties that is represented by the Equity Collateral. The Borrower will not have, and should not be expected in the future to have, any significant assets other than the Properties and incidental personal property necessary for the ownership and operation of the Properties. If the Collateral securing the Loan and the Equity Owner Guaranty is insufficient to make payments on the Loan, the timing and amount of payments on the Loan and the Certificates will be adversely affected (although the shortfalls related to a default with respect to payments on the loan with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular). The Loan will not be insured or guaranteed by any governmental entity or private mortgage insurer.

Limitations on Real Estate Lenders Imposed by State Laws; Risks Associated with Foreclosure and Enforcement

State laws may interfere with the ability of the Special Servicer to accelerate the Loan upon a Loan Event of Default, and of the Servicer or the Special Servicer, as applicable, on behalf of the Trustee, to enforce the pledge of Equity Collateral, the Mortgages, the assignments of leases and rents and the other collateral documents. Such laws also may limit any deficiency judgment following a foreclosure to the excess of the outstanding debt over the fair market value of the property foreclosed upon, as opposed to the excess of such debt over the actual amounts recovered in such foreclosure or foreclosures. In addition, several jurisdictions (including the State of California) have laws that prohibit more than one “judicial action” to enforce a mortgage obligation, and some courts have construed the term “judicial action” broadly. Accordingly, the Trust and Servicing Agreement will require the Special Servicer to obtain advice of counsel prior to enforcing any of the Trust Fund’s rights under the Equity Owner Guaranty or the Loan that include Properties where the rule could be applicable. Because of various state laws governing foreclosure

or a power of sale and because, in general, foreclosure actions are brought in state court and the courts of one state cannot exercise jurisdiction over property in another state, it may be necessary during a Loan Event of Default to foreclose the Mortgages against the related Properties in states where such “one action” rules apply (and where non-judicial foreclosure is permitted) before foreclosing on properties located in states where judicial foreclosure is the only permitted method of foreclosure. A foreclosure upon the Equity Collateral may also risk construction as a “judicial action” that would limit the ability of the Servicer or Special Servicer to otherwise enforce the Mortgages on the Properties and the ability to exercise rights of ownership in the Borrower prior to foreclosure upon the Equity Collateral or the Properties may be limited or could expose the Servicer, the Special Servicer and the Trustee to liability if improperly exercised. Accordingly, the Trust and Servicing Agreement may permit the Special Servicer to obtain advice of counsel prior to enforcing any of the Trust’s rights under the Loan. See “*Description of the Loan*” and “*Certain Legal Aspects of the Loan*” in this information circular.

Unlike the typical loans backing CMBS, there are a large number of Properties that will secure the Loan and foreclosure of the Mortgages would be an expensive and lengthy process and could lead to a prolonged delay in recovery of amounts owed under the Loan if the Special Servicer elects to pursue foreclosure on some or all of the Mortgages instead of, or at the same time as, foreclosure on the Equity Collateral. Such delays are likely to be increased due to the fact that (i) the Properties are located in many states and (ii) a separate foreclosure action would need to be brought within each state. Separate actions may also be required within a particular state because certain Properties are located in different counties within that state. See “*Description of the Loan*” and “*Certain Legal Aspects of the Loan*” in this information circular. The liquidation value of the Properties may be adversely affected by risks generally incident to interests in real property and other factors which are beyond the control of the Servicer or the Special Servicer, including the risks of decreases in prevailing real property values in the local markets generally or the market for single-family rental properties specifically. Delays in the liquidation of the Loan may extend the final repayment of principal of the Loan. We cannot assure you that the Servicer or the Special Servicer, as applicable, would recover all amounts owed under the Loan upon a foreclosure and subsequent sale of the related Properties. In addition, if the Trust were to acquire one or more Properties pursuant to a foreclosure or deed in lieu of foreclosure, upon acquisition of those Properties, the Trust may in certain jurisdictions be required to pay state or local transfer or excise taxes upon liquidation of such Properties. Such state or local taxes may reduce net proceeds available for distribution to the Certificateholders (although the shortfalls related to such taxes with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular).

A foreclosure upon the pledges of the Borrower’s equity, whether through the arrangement of a public auction, a private sale or strict foreclosure or “deed in lieu” may be complex and difficult to effect. The Securities Act and related statutes and regulations may strictly limit the conduct of the Servicer or Special Servicer, as applicable, and might also limit the extent to which or the manner in which any subsequent transferee of any such equity interests could dispose of such interests. Similarly, there may be other legal restrictions or limitations affecting the Servicer or Special Servicer, as applicable, under “blue sky” or other state securities laws or similar laws analogous in purpose or effect. The Servicer or Special Servicer, as applicable, may, for example, be required to limit the purchasers to those who will agree, among other things, to acquire such equity interests for their own account, for investment, and not with a view to the distribution or resale thereof. Such requirements may be different from and potentially at odds with requirements under applicable state law, such as the Uniform Commercial Code for the State of New York, for any auction or sale to be “public” and “commercially reasonable” in order to obtain a favorable market price to the extent available under the circumstances. Though the Borrower will agree that the Lender may proceed without registering such equity interests under the federal securities laws and may approach and negotiate with a limited number of potential purchasers (including a single potential purchaser) to effect such sale, the Servicer or Special Servicer, as applicable, would need to determine at the time of enforcement whether such a course of action is advisable. If the Servicer or Special Servicer, as applicable, proceeds with a private sale, it may result in prices and other terms less favorable to the seller than if such sale were a public sale. The variability may be more significant due to the unusual nature of the assets and the limited number of investors that may be interested in the acquisition of a large portfolio of single-family rental properties, particularly since any sale of equity would be subject to all pre-existing liabilities of the Borrower. If the Special Servicer chose to credit bid the obligations under the Loan or otherwise pursue a strict foreclosure or deed in lieu of foreclosure, all such remedies would also require compliance with state and federal laws, such as the extinguishment of any deficiencies in payment following a strict foreclosure or deed in lieu of foreclosure. See “*Certain Legal Aspects of the Loan*” in this information circular.

State laws may interfere with the ability of the Special Servicer to accelerate the Loan upon a Loan Event of Default, and of the Special Servicer on behalf of the Trustee, to enforce the equity pledges and the other collateral agreements. Such laws also may limit any deficiency judgment following a foreclosure to the excess of the outstanding debt over the fair market value of the property foreclosed upon, as opposed to the actual amounts recovered in such foreclosure or foreclosures.

In addition, in Minnesota, in order to minimize mortgage recording tax, the amount of the mortgage lien encumbering the Properties located in Minnesota is less than the full amount of the Loan. Recovery under the Mortgages covering the Properties located in Minnesota is limited to 120% of the Allocated Loan Amount of such Properties. This would limit the extent to which proceeds from such Properties would be available to offset declines in value of the other Properties securing the Loan.

Assignment of Leases

The Loan will be secured by an assignment of leases and rents with respect to each Property, which will be included as part of the Mortgages, pursuant to which the Borrower will assign all of its right, title and interest under the leases of the related Property and the income derived therefrom as further security for the Loan, while retaining a license to collect rents for so long as there is no Loan Event of Default. In the event of a Loan Event of Default, upon the election of, and following notice from, the Servicer or Special Servicer, as applicable, the license terminates and the Servicer or Special Servicer, as applicable, is entitled to collect rents. In certain jurisdictions, such assignments may not be perfected as security interests prior to actual possession by the lender of the cash flow from the related mortgaged property. In some cases, applicable local law may require that the lender take possession of the mortgaged property and obtain a judicial appointment of a receiver before becoming entitled to collect the rents. Such requirements could delay the ability of the Servicer or Special Servicer, as applicable, on behalf of the Trust Fund, to collect rents from the Properties following a Loan Event of Default. In addition, if a Mortgage is subordinate to a lease, the Servicer on behalf of the Trustee and the Certificateholders will not (unless it has otherwise agreed with the tenant) possess the right to dispossess the tenant upon foreclosure of the applicable Property, and if the lease contains provisions inconsistent with the Loan Documents (e.g., provisions relating to application of insurance proceeds or condemnation awards), the provisions of the lease will take precedence over the provisions of the Loan Documents.

Interest-Only Loan; Balloon Payment

Monthly payments under the Loan will be interest-only, and there will be no regularly scheduled payments of principal required to be paid on the Loan prior to the Maturity Date. Loans with the full principal balance remaining on their stated maturity involve greater degrees of risk of non-payment at stated maturity than fully or partially amortizing loans. As a result, the ability of the Borrower to repay the Loan on the Maturity Date will largely depend upon its ability either to refinance the Loan or to sell, to the extent permitted under the Loan Documents, all or a portion of the Properties at a price sufficient to permit such repayment, and the ability of the Equity Owners to timely perform their guaranty obligations with respect to the Balloon Payment will depend on their ability to sell or finance their equity interests in the Borrower for proceeds sufficient for such timely performance. The ability of the Borrower or the Equity Owners, as the case may be, to accomplish such a transaction will be affected by a number of factors at the time of attempted refinancing or sale, including:

- the availability of, and competition for, credit for direct or indirect interests in residential real estate, including institutionally-owned portfolios of single-family rental properties and individually-owned single family residences;
- prevailing interest rates;
- the net cash flow generated by the Properties;
- the fair market value of the Properties;
- the Borrower's equity in the Properties;
- the Borrower's financial condition;
- the rental history of the Properties;
- the tax laws; and
- the prevailing general, local and regional economic conditions.

We cannot assure you that the Borrower will be able to generate sufficient cash from the sale or refinancing of the Properties to make the Balloon Payment on the Maturity Date or that the Equity Owners will be able to generate sufficient cash from a sale or financing of their equity interests in the Borrower to timely perform its guaranty obligations with respect to the Balloon Payment. Although a low interest rate environment at or near the Maturity

Date may facilitate such a transaction, the receipt and reinvestment by holders of the Certificates of the proceeds in such an environment may produce a lower return than that previously received in respect of the Loan. Conversely, a high interest rate environment may make such a transaction more difficult to accomplish, which, in turn, could cause delays or reductions in distributions to holders of the Certificates. The factors described above will also affect the ability of the Borrower to make any mandatory partial prepayments that are required if one or more of the Properties become Disqualified Properties, which prepayments could be substantial if concentrations of Properties become disqualified.

Whether or not losses are ultimately sustained, any delay in the collection of the Balloon Payment on the Maturity Date will extend the weighted average life of your Certificates (although the Class A Certificates will be entitled to receive the Class A Guaranteed Principal Distribution Amount on the Guaranty Principal Final Distribution Date as further described in this information circular).

The financial crisis and economic downturn have resulted in a substantial tightening of real estate lending standards and a substantial reduction in capital available for the financing of direct and indirect interests in real estate, including income-producing and residential real estate. In addition, the availability of financing for direct and indirect interests in portfolios of single-family rental homes, as well as individually-owned single-family rental homes, is currently limited. Any continuation or worsening of these circumstances may adversely affect the ability of the Borrower to make the Balloon Payment on the Maturity Date or the Equity Owners' ability to generate sufficient cash from a sale or financing of their equity interests in the Borrower to timely perform its guaranty obligations with respect to the Balloon Payment. No party to the Trust and Servicing Agreement will be obligated to refinance the Loan. See *"—Volatile Economy, Credit Crisis and Downturn in the Real Estate Market May Adversely Affect the Value and Liquidity of Your Investment"* in this information circular. We cannot assure you that the Borrower will be able to generate sufficient cash from the sale or refinancing of the Properties to make the Balloon Payment on the Loan. See *"—Market Values of the Properties May Be Significantly Less Than the Outstanding Principal Balance of the Loan; Market Values May Decline"* in this information circular.

Assets May Experience Delays in Liquidation and Liquidation Proceeds May Be Less Than the Unpaid Principal Balance of the Loan

Even if the Properties provide adequate security for the Loan (which may not be the case due to a troubled housing market or other causes), substantial delays could result in connection with the liquidation of the Properties if the Loan defaults. The large number of Properties may make it difficult, time-consuming or inefficient with respect to costs and expenses to sell the Properties individually rather than as a portfolio, but there can be no assurance that investor demand for portfolios of single-family residential properties will exist at the time of any default. Even if a sale of the Properties as a portfolio or in bulk sales may be achieved, such sales may be at depressed values and result in lower liquidation proceeds. Further, liquidation expenses such as legal fees, real estate taxes and maintenance and preservation expenses will reduce the portion of liquidation proceeds available for payment of principal of, and interest on, the Loan. In addition, as discussed under *"—Sales of Properties May Change Portfolio Characteristics; Property Releases and Substitutions May Be Adverse for Credit Characteristics, Yield and Weighted Average Life of Your Investment,"* the market for residential homes has not fully recovered and may continue to suffer additional declines due to an oversupply of homes for sale. If the Properties are liquidated for less than their respective Allocated Loan Amounts, under certain loss scenarios, net liquidation proceeds on the Properties may be insufficient to pay principal of, and interest on, the Loan. In addition, if the Properties fail to provide adequate security for the Loan, you will incur a loss on your investment (although such shortfalls with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular). See *"Certain Legal Aspects of the Loan"* in this information circular.

Market Values of the Properties May Be Significantly Less Than the Outstanding Principal Balance of the Loan; Market Values May Decline

The Aggregate Cut-off Date BPO Value exceeds the aggregate initial Certificate Balance of the Certificates by approximately 66.7%. However, the market values of the Properties may not be accurately reflected by the BPO Values (see *"—Limitations of Broker Price Opinions; Interior Condition Assumption; No Physical Inspections"* in this information circular), and there can be no assurances of the accuracy of the valuation given to any Property or that such values have not or may not in the future decrease significantly. As described in this information circular under *"Description of the Properties—Broker Price Opinions; Sample Reconciliation,"* a third party was engaged to review and reconcile a sample of the BPO Values used for purposes of determining the Allocated Loan Amount for each Property under the Loan. Those reconciliations were subject to certain assumptions and did not constitute appraisals of the Properties, and in each case are subject to the same considerations discussed in this information circular with respect to BPO Values. The BPO reconciliation process is subject to various limitations and has a limited purpose. Moreover, the market value of a Property may have changed since the time of the BPO or other events at the

Property may have occurred since the time of the BPO or the Property Cut-off Date in the case of a review of the leases, which could cause the market value of the Properties to be significantly less than the outstanding principal balance of the Loan. Neither the BPOs received for purposes of determining the Allocated Loan Amount with respect to each Property nor the lease reviews undertaken in connection with the origination of the Loan would not have identified such events.

Even assuming the accuracy of the BPO Values as of the Property Cut-off Date, the excess of the BPO Values over the principal balance of the Loan on the Closing Date may not be sufficient to ensure ultimate payment in full of the principal of, and interest on the Loan. The liquidation value of the Properties may be adversely affected by risks generally incident to interests in real property and other factors which are beyond the control of the Special Servicer, including the risks of decreases in prevailing real property values in the local market generally or the market for single-family residential properties specifically. In addition, delays and enforcement costs related to the liquidation of the Loan may be material and could adversely affect recovery on the Loan. For example, if the Trust were to acquire ownership of the Borrower pursuant to a foreclosure or deed in lieu of foreclosure, the Trust may be deemed in certain jurisdictions to have acquired the Properties and may be required to pay state or local transfer or excise taxes. Such state or local taxes may reduce net proceeds available for distribution to the Certificateholders (although the shortfalls related to such taxes with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular). See *"Description of the Loan"* and *"Certain Legal Aspects of the Loan"* in this information circular. We cannot assure you that the Special Servicer would recover all amounts owed under the Loan upon a foreclosure on the equity interest in the Borrower or any sale of the Properties.

The single-family residential market in the United States has been subject to extraordinary and unprecedented disruption and significant pressures continue to persist, including:

- a tightening of credit that has made it more difficult to finance a home purchase, combined with efforts by consumers generally to reduce their exposure to credit and a regulatory environment that creates uncertainty regarding long-term support for the mortgage market by the U.S. government;
- declining real estate values that have challenged the traditional notion that homeownership is a stable investment; and
- the high level of vacant housing comprising the real estate owned by banks, Fannie Mae and Freddie Mac, and other mortgage lenders or guarantors, and inventory held for sale by banks, Fannie Mae and Freddie Mac, and other mortgage lenders or guarantors.

Such macroeconomic and local economic factors may result in a decline in the values of the Properties individually or in the aggregate. In addition, other factors, such as a decrease in the amount of capital allocated to the single-family property sector by institutional investors and lenders generally, could cause the value of the Properties to decline. Depressed home prices in many of the jurisdictions where the Properties are located have recently been attracting investments from traditional sources, such as local investors, as well as from institutional investors and, as a result, home prices have begun to increase in some of these jurisdictions. However, there is no assurance that any investors will remain, retain, sustain or expand their investment activity in the single-family property sector or that such price levels are sustainable or that prices will not again decline, perhaps to levels worse than previously existed.

For the purposes of any bulk sale, refinancing or liquidation transaction with an institutional purchaser or lender, the market value of the portfolio of Properties or a sub-set thereof may be substantially less than the aggregate of the market values that the relevant Properties would have assuming they were sold off in individual transactions to non-institutional purchasers in local housing markets (that is, retail purchasers). In addition, market values may be affected by the property valuation methodologies used by prospective purchasers or lenders in considering a potential transaction. Those methodologies may differ substantially from the methodology used in the presentation of value estimates in this information circular. Multiple prospective purchasers or lenders considering the same transaction are unlikely to use a uniform methodology.

The Borrower Can Substitute Properties in Certain Circumstances So the Properties Securing the Loan May Change

Under the Loan Agreement, if, subject to certain conditions, the Borrower will be permitted to substitute a new property for an existing Property. If the Borrower elects to substitute a Property it will be required to meet the criteria set out in the Loan Agreement. However, there is no assurance that the replacement property, or the pool of Properties, will perform any better than would have been the case had such substitution not occurred. . See *"Description of the Loan—Prepayment"* and *"—Substitution of Properties"* in this information circular.

Some Provisions of the Loan May Be Challenged as Unenforceable

Prepayment Premiums, Fees and Charges. Under the laws of a number of states, the enforceability of any loan provisions that require payment of a prepayment premium, fee or charge upon an involuntary prepayment or following an acceleration of the Loan is unclear.

Debt Acceleration Clauses. The Loan Documents will contain a debt-acceleration clause that permits the Lender to accelerate the indebtedness evidenced thereby upon a Loan Event of Default. Courts generally will enforce clauses providing for acceleration in the event of a material payment default after the giving of appropriate notices but may refuse to permit the foreclosure of a mortgage when an acceleration of the indebtedness would be inequitable or unjust or the circumstances would render the acceleration unconscionable. Accordingly, the ability of the Servicer or Special Servicer, as applicable, to enforce remedies against the Borrower is subject to compliance with applicable laws affecting creditors' rights arising both at law and in equity and a broad range of issues, including, among other things:

- if the default is deemed to be immaterial;
- if the exercise of remedies would be inequitable or unjust;
- if the circumstances would render the acceleration unconscionable;
- the desire and capacity of the owners of the Borrower to negotiate, delay or impede such rights;
- requirements with respect to the rate and timing of sales of Properties and the amount of proceeds received; and
- the ability of the Borrower and its owners, including the Loan Sponsor, to obtain refinancing.

Limited Recourse

Payments under the Loan and the Certificates will not be insured or guaranteed by any governmental entity or mortgage insurer. Accordingly, the sources for repayment of your Certificates are limited to amounts due with respect to the Loan (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

The Borrower and each Equity Owner is a special purpose entity ("SPE") and will be limited in what it can own and in its activities as described in this information circular under "Special Purpose Entities." Upon the occurrence of a Loan Event of Default, recourse will generally only be had against the assets of the single purpose Equity Owners and the Borrower. The assets of each Equity Owner generally will be limited to the Equity Collateral, and the assets of the Borrower will be generally limited to the Properties (and any leases). Consequently, Certificateholders (except for Certificateholders of the Class A Certificates to the extent covered under the Fannie Mae Guaranty as further described in this information circular) must look solely to (i) the revenues from the operation of the Properties and (ii) proceeds from the refinancing or sale of the Properties (or Equity Collateral) for payment of amounts due on the Loan, including the liquidation proceeds of the Properties (or Equity Collateral) following a Loan Event of Default. Since revenues from the Properties generally will serve as the primary source for monthly payments due on the Loan, if revenue from the Properties is reduced or if expenses incurred in the operation of the Properties increase, the ability of the Borrower to make payments with respect to the Loan may be impaired. Similarly, the ability of the Borrower to sell or refinance the Properties and pay the Loan could be impaired by a decline in the value of such Properties.

The Loan will be non-recourse to the Loan Sponsor and all persons other than the Borrower and each Equity Owner, except that (a) the Loan Sponsor will provide a limited guaranty for (i) certain losses arising out of bad acts, Specified Liens and any Previously-Owned Properties Liabilities described under "Description of the Loan—Guaranties" in this information circular and (ii) the principal amount of the Loan and all other obligations under the Loan Agreement in the event of any of the bankruptcy events and certain other events involving the Loan Parties described under "Description of the Loan—Guaranties" in this information circular and (y) the Environmental Indemnitor will provide a limited guaranty for certain losses arising out of breaches of representations and covenants set forth in the Environmental Indemnity Agreement or arising out of other environmental matters. There can be no assurances that the Loan Sponsor or Environmental Indemnitor will at all times be able or willing to honor their respective obligations under their limited recourse guaranties. Although the Loan Agreement provides that the failure of the Loan Sponsor to maintain a minimum net assets requirement would constitute a Loan Event of Default, the Environmental Indemnitor is not subject to any such minimum net assets requirement. Moreover, the investments

and other activities of the Loan Sponsor and Environmental Indemnitor are entirely unrestricted and any financial and other information presented with respect to the Loan Sponsor or the Environmental Indemnitor in this information circular may change at any time. See “*Description of the Loan—Guaranties*” in this information circular.

Rental Revenues and the Return on Your Certificates Could Be Reduced by Shortfalls Due to the Servicemembers Civil Relief Act.

The Servicemembers Civil Relief Act, or “Relief Act,” provides relief to members of the United States military and their dependents who are tenants and moving for a permanent change in station or are deployed for more than 90 days after entering into a residential lease. The Relief Act provides generally that a tenant who is covered by the Relief Act may withdraw from their residential lease upon written notice, no earlier than 30 days after the date on which the next rental payment is due. Current or future military operations of the United States may result in an increase in the number of tenants who may be in active military service, and the activation of additional U.S. military reservists or members of the National Guard, which may in turn significantly increase the proportion of residential leases that are affected by application of the Relief Act. In addition, leases on certain of the Properties that have not been identified as such may already be subject to the Relief Act. The amounts available for payment to Certificateholders may be reduced by any reductions in the amount of rent collectible as a result of application of the Relief Act or similar state or local laws and none of the Servicer, the Certificate Register or any other party will be required to fund any shortfall caused thereby (although such shortfalls with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular).

The Relief Act also limits the ability of a property owner to evict covered tenants on a residential lease (below a certain threshold monthly rent amount that is adjusted annually for inflation), which may be delayed for up to three months, unless in the opinion of a court, a longer or shorter period of time is required. As a result, there may be delays in payment and shortfalls in rent that may adversely affect the ability of the Borrower to pay the principal of, and interest on, the Loan when due.

We do not know how many Properties have been or may be affected by the application of the Relief Act or similar legislation or regulations.

Special Purpose Entities

SPEs are generally used in commercial loan transactions to address certain requirements of institutional lenders and NRSROs. In order to reduce the possibility that an SPE will be the subject of bankruptcy proceedings, an SPE’s organizational documents and/or the applicable loan documentation include certain SPE covenants that are intended to limit the entity’s exposure to claims of outside creditors other than those contemplated by the loan transaction. The Loan Documents and governing organizational documents will require that the Borrower, the Borrower GP, the Equity Owner LP and the Equity Owner GP each maintain itself as a single purpose entity limited in its activities to the ownership, management and operation of the Properties or interests in the Borrower, any Borrower TRS, the Borrower GP or the Equity Owner LP, as applicable, and limit each of the Borrower, the Borrower GP, the Equity Owner LP and the Equity Owner GP in its ability to incur additional indebtedness or liability for the obligations of other entities. Each of the Borrower, the Borrower GP, the Equity Owner LP and the Equity Owner GP will be required to observe additional covenants and conditions that are typically required in order for them to be viewed under NRSRO criteria as “special purpose entities.” Single-purpose and special-purpose covenants and conditions are intended to lessen the possibility that the Borrower’s financial condition would be adversely impacted by factors unrelated to the Properties. However, any of the Borrower, the Borrower GP, the Equity Owner LP or the Equity Owner GP may not comply with such covenants. Such entities, even when structured as an SPE, as an owner of real estate or of any entity whose significant indirect assets are real estate, will be subject to certain potential liabilities and risks. In addition, the Borrower and each Equity Owner will be recycled special purpose entities, which may subject such entities to potential liabilities and risks related to previously owned properties and prior liabilities. While the Borrower will make representations in the Loan Agreement and organizational documents that it and the Borrower GP, the Equity Owner LP and the Equity Owner GP are each in compliance with such covenants as of the Closing Date, we cannot assure you that those entities have in fact complied or will comply with these special purpose requirements. Even if all or most of such restrictions have been complied with by the Borrower, the Borrower GP, the Equity Owner LP and the Equity Owner GP, we cannot assure you that such entities will not become subject to voluntary or involuntary bankruptcy proceedings or that a bankruptcy proceeding involving the Borrower or any of its affiliates will not have an adverse effect on the performance or value of your Certificates (except with respect to the Class A Certificates to the extent covered under the Fannie Mae Guaranty as further described in this information circular). See “*Certain Legal Aspects of the Loan—Bankruptcy Issues*” in this information circular.

Bankruptcy Considerations

The bankruptcy of the Loan Parties could interfere with and delay the ability of the Servicer or the Special Servicer, as applicable, to obtain payments on the Loan, to realize on the Properties and/or enforce a deficiency judgment against the Borrower. See “*Certain Legal Aspects of the Loan—Bankruptcy Issues*” in this information circular.

Although the organizational documents of the Loan Parties will contain provisions designed to mitigate the risk of a bankruptcy filing by the Loan Parties, risks associated with the Loan Parties’ or their affiliate’s bankruptcy cannot be eliminated. See “—*Special Purpose Entities*.” The organizational documents of the general partner of each Loan Party will also contain requirements that there be two independent directors whose vote is required before such Loan Party files a voluntary bankruptcy or insolvency petition or otherwise institutes insolvency proceedings. The independent directors may only be replaced by certain other independent persons. Although the requirement of having independent directors is designed to mitigate the risk of a voluntary bankruptcy filing by a solvent Loan Party, the independent directors may determine that a bankruptcy filing is an appropriate course of action to be taken by such Loan Party. Such determination might take into account the interests and financial condition of such Loan Party’s parent entities, the Loan Sponsor or the Loan Sponsor’s affiliates in addition to the interests and financial condition of such Loan Party, such that the financial distress of the Loan Sponsor or another affiliate of the Loan Party might increase the likelihood of a bankruptcy filing by such Loan Party. We cannot assure you that the Loan Parties will not file for bankruptcy protection, that creditors of a Loan Party will not initiate a bankruptcy or similar proceeding against such Loan Party or that, if initiated, a bankruptcy case of a Loan Party would be dismissed.

In the bankruptcy case of *In re General Growth Properties, Inc.*, for example, notwithstanding that the subsidiaries were special purpose entities with independent directors, numerous property-level, special purpose subsidiaries were filed for bankruptcy protection by their parent entity. Nonetheless, the United States Bankruptcy Court for the Southern District of New York denied various lenders’ motions to dismiss the special purpose entity subsidiaries’ cases as bad faith filings. In denying the motions, the bankruptcy court stated that the fundamental and bargained-for creditor protections embedded in the special purpose entity structures at the property level would remain in place during the pendency of the Chapter 11 cases. Those protections included adequate protection of the lenders’ interest in their collateral and protection against the substantive consolidation of the property-level debtors with any other entities.

The moving lenders argued that the 20 property-level bankruptcy filings were premature and improperly sought to restructure the debt of solvent entities for the benefit of equity holders. However, the Bankruptcy Code does not require that a voluntary debtor be insolvent or unable to pay its debts currently in order to be eligible for relief and generally a bankruptcy petition will not be dismissed for bad faith if the debtor has a legitimate rehabilitation objective. Accordingly, after finding that the relevant debtors were experiencing varying degrees of financial distress due to factors such as cross defaults, a need to refinance in the near term (*i.e.*, within one to four years), and other considerations, the bankruptcy court noted that it was not required to analyze in isolation each debtor’s basis for filing. In the court’s view, the critical issue was whether a parent company that had filed its bankruptcy case in good faith could include in the filing subsidiaries that were crucial to the parent’s reorganization. As demonstrated in the General Growth Properties bankruptcy case, although special purpose entities are designed to mitigate the bankruptcy risk of a borrower, special purpose entities can become debtors in bankruptcy under various circumstances. For more information regarding the Loan Sponsor, see “*Description of the Relevant Parties and the Manager—Description of the Loan Sponsor*” in this information circular.

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 the Loan Parties be consolidated with those of a bankrupt affiliate (*i.e.*, even a non-borrower) for the purposes of making distributions under a plan of reorganization or liquidation. Thus, property that is ostensibly the property of the Loan Parties may become subject to the bankruptcy case of an affiliate and the automatic stay applicable to such bankrupt affiliate may be extended to the Loan Parties.

On the Closing Date, opinions of counsel to the Borrower will be delivered concluding on the basis of a reasoned analysis of analogous case law that if the matter were properly presented to a court and the court correctly applied applicable law to the facts, it would not be an appropriate use of the powers or discretion of a bankruptcy court, in the event of the institution of voluntary or involuntary bankruptcy proceedings involving certain parent entities of the Loan Parties, to order substantive consolidation of the assets and liabilities of the Loan Parties with those of such parent entities. These opinions will be based on numerous assumptions regarding future actions of the Loan Parties and their affiliates. We cannot assure you that in the event of the bankruptcy of the applicable parent entities of the Loan Parties, the assets of the Loan Parties would not be treated as part of the bankruptcy estates of such parent entities. See “*Certain Legal Aspects of the Loan—Bankruptcy Issues*” in this information circular. In addition, in the event of the institution of voluntary or involuntary bankruptcy proceedings involving a Loan Party and certain of its affiliates,

we cannot assure you that a court would not consolidate the respective bankruptcy proceedings as an administrative matter which may have the same practical consequences as a substantive consolidation. See “—*Special Purpose Entities*” in this information circular.

The Performance of the Loan and the Properties Depends in Part on Who Controls the Borrower and the Properties

The operation and performance of the Loan will depend in part on the identity of the persons or entities that control the Borrower and the Properties. The Loan Documents allow in certain circumstances the transfer and/or pledge of controlling and non-controlling interests in the Borrower. The performance of the Loan may be adversely affected if control of the Borrower changes, which may occur, for example, by means of transfers of direct or indirect ownership interests in the Borrower. See “*Description of the Loan—Transfer Restrictions*” in this information circular.

Prospective Performance of the Loan Included in the Trust Should Be Evaluated Separately from the Performance of the Loans of Any of the Other Borrowers Owned by Invitation Homes, which may be included in other Single-Family Rental Trusts

While there may be certain common factors affecting the performance and value of income-producing single-family rental properties in general, each portfolio of single-family properties securing a loan will vary for a variety of reasons, including but not limited to geographic location, competition, age of the property, property condition, management and the related loan. Any loan backed by income-producing real property represents a separate and distinct credit exposure; and, as a result, any loan secured by single-family rental properties requires a unique underwriting analysis. Furthermore, economic and other conditions affecting real properties, whether worldwide, national, regional or local, vary over time. The performance of a loan originated and outstanding under a given set of economic conditions may vary significantly from the performance of an otherwise comparable mortgage loan and outstanding under a different set of economic conditions. Accordingly, investors should evaluate the Loan underlying the Certificates independently from the performance of loans (including the 2014-SFR1 Loan and 2013-SFR1 Loan) of borrowers owned by Invitation Homes underlying any other series of single-family rental certificates.

This information circular (including the annexes hereto) may present certain limited historical information, such as occupancy rates, turnover rates and renewal rents, with respect to the Invitation Homes single-family rental platform in the aggregate. Such platform-level information, though it may have been considered in the determination of underwritten cash flows, should not be construed as statements regarding past, present or future circumstances of the portfolio of Properties. The performance of the portfolio of Properties as composed from time to time may differ, and may differ substantially, from the historical experience of the Invitation Homes single-family rental platform in the aggregate.

Each of the Accommodation Loan Seller and the Depositor is Subject to Bankruptcy or Insolvency Laws That May Affect the Trust Fund’s Ownership of the Loan

In the event of the bankruptcy or insolvency of the Accommodation Loan Seller or the Depositor, it is possible the Trust’s right to payment from or ownership of the Loan could be challenged, and if such challenge were successful, delays or reductions in payments on your Certificates could occur (although the shortfalls related to such bankruptcies or insolvencies with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular). Even if the challenge is not successful, payments on the Certificates could be delayed while a court resolves the claim.

In addition, if the Accommodation Loan Seller or the Depositor were to become a debtor under Title 11 of the United States Code (as the same may be amended from time to time and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder, (the “Bankruptcy Code”)), and any comparable foreign laws relating to bankruptcy, insolvency or creditors’ rights, it is possible that a creditor or trustee in bankruptcy of the Accommodation Loan Seller or the Depositor, as applicable, as debtor-in-possession, may argue that the transfer of the Loan was a pledge of the Loan rather than a sale.

Title II of the Dodd-Frank Act contains an orderly liquidation authority (“OLA”) under which the FDIC in certain cases can be appointed as receiver of certain systemically important non-bank financial companies and their direct or indirect subsidiaries in certain cases. In January 2011, the acting general counsel of the FDIC issued an opinion (the “Acting General Counsel’s Opinion”) in which he expressed his view that, under then-existing regulations, the FDIC, as receiver under the OLA, will not, in the exercise of its OLA repudiation powers, recover as property of a financial company assets transferred by the financial company, provided that the transfer satisfies the conditions for the exclusion of assets from the financial company’s estate under the Bankruptcy Code. The Acting General Counsel’s Opinion further noted that, while the FDIC staff may be considering recommending further regulations under OLA, the

acting general counsel would recommend that such regulations incorporate a 90-day transition period for any provisions affecting the FDIC's statutory power to disaffirm or repudiate contracts, and until such time, the Acting General Counsel's Opinion would remain in effect. If, however, the FDIC were to disregard or differently interpret the Acting General Counsel's Opinion, delays or reductions in payments on the related Certificates could occur.

One or more opinions of counsel will be rendered on the Closing Date, based on certain facts and assumptions and subject to certain qualifications, to the effect that if the Accommodation Loan Seller or the Depositor were to become subject to receivership under the Federal Deposit Insurance Act (the "FDIA") (in the case of the Accommodation Loan Seller) or a debtor in a case under the Bankruptcy Code (in the case of the Depositor), a federal 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 (i) the Loan and payments thereunder and proceeds thereof are not property of the estate of the Accommodation Loan Seller or the Depositor, as the case may be, under the FDIA or Bankruptcy Code section 541, as applicable, and (ii) in the case of the Depositor, the automatic stay arising pursuant to Bankruptcy Code section 362 upon the commencement of a bankruptcy case involving the Depositor would not be applicable to payments on the Loan. However, legal opinions are not guaranties as to what any particular court would actually decide, but rather opinions as to the decision a court would reach if the issues were competently presented and the court followed existing precedent as to legal and equitable principles applicable in receivership or bankruptcy cases. We cannot assure you that in the event of the receivership of the Accommodation Loan Seller or the bankruptcy of the Depositor, as the case may be, the Loan would not be treated as part of the receivership estate of the Accommodation Loan Seller or the bankruptcy case of the Depositor, as the case may be.

Reliance on the Manager; Potential Conflicts of Interest

Each of the Properties will be managed by the Manager pursuant to the Management Agreement. See "*Description of the Management Agreement and the Assignment and Subordination of Management Agreement*" in this information circular. The effective management of the Properties will be a significant factor affecting the revenues, expenses and value of the Properties. The Manager will be responsible for responding to changes in demand for leases of the Properties in the local market, establishing levels of service fees, and ensuring that maintenance and capital improvements are carried out in a timely fashion. The day-to-day management of the Properties, including (i) soliciting and responding to tenants, (ii) recruiting, hiring, supervising and training all employees, (iii) overseeing and managing all day-to-day operations, (iv) obtaining, renewing and maintaining all licenses and permits necessary, (v) preparing and delivering the proposed budget, the reports and financial statements and such other information as required and (vi) conducting other operations from time to time as may be required, is also currently performed by the Manager. See "*—Property Management Is Integral to the Performance of the Loan*" in this information circular. There can be no assurances that the Manager will at all times be in a financial condition to continue to fulfill its management responsibilities under the Management Agreement throughout the terms of the Management Agreement.

The Loan Sponsor, the Borrower, the Depositor, the Environmental Indemnitor and the Manager are all affiliated with each other and the Securitization Sponsor and Document Defect Repurchase Guarantor is the same entity as the Loan Sponsor. Affiliates of the Borrower, the Depositor and the Manager also own or manage other properties, including properties in the same neighborhood or MSA that, in effect, will compete with the Properties for tenants. Accordingly, the Manager may experience conflicts of interest in the management of the Properties and other properties managed by the Manager on behalf of other entities that are part of Invitation Homes. None of these entities has any duty to favor the leasing of space at the Properties over leasing of space at other properties, which may adversely affect the performance of the Properties.

Potential Conflicts of Interest Between Various Certificateholders

The Special Servicer is given considerable latitude in determining whether and in what manner to liquidate or modify the Loan upon a Loan Event of Default. The Directing Certificateholder will have the right to replace the Special Servicer upon satisfaction of certain conditions set forth in the Trust and Servicing Agreement. At any given time, the Directing Certificateholder will be controlled by the Controlling Class, and such Certificateholders may have interests in conflict with those of other Certificateholders. In addition, the Directing Certificateholder will have the right to approve the determination of customarily acceptable costs with respect to insurance coverage and the right to advise the Special Servicer with respect to certain actions of the Special Servicer on and, in connection with such rights, may act solely in the interest of the Certificateholders of the Controlling Class, without any liability to any Certificateholder.

In addition, except as limited by certain conditions described under "*Description of the Trust and Servicing Agreement—The Directing Certificateholder*" in this information circular, the Special Servicer may be removed, with or without cause, by the Directing Certificateholder. See "*Description of the Trust and Servicing Agreement—*

Replacement of the Special Servicer Without Cause” in this information circular. Holders of Certificates in the Controlling Class, the Directing Certificateholder, any subsequent Directing Certificateholder or an affiliate of the foregoing may be currently or may become a rated special servicer in the future. The Directing Certificateholder would have the right to replace the Special Servicer with such affiliated special servicer upon satisfaction of certain conditions set forth in the Trust and Servicing Agreement. Under such circumstances, the Special Servicer may have interests that conflict with the interests of the other holders of the Certificates and/or the Trust.

Each Certificateholder (by its acceptance of its Certificates) will be deemed by the Trust and Servicing Agreement to have acknowledged and agreed that (i) the Directing Certificateholder and the holders of the Certificates in the Controlling Class may each have relationships and interests that conflict with those of Certificateholders of the other Classes of Certificates; (ii) the Directing Certificateholder and the holders of the Certificates in the Controlling Class may act solely in the interests of the Controlling Class; (iii) the Directing Certificateholder and the holders of the Certificates in the Controlling Class do not have any duties to the Trust or to the Certificateholders of any Class of Certificates; (iv) the Directing Certificateholder and the holders of the Certificates in the Controlling Class may take actions that favor interests of the Controlling Class over the interests of the Certificateholders of one or more other Classes of Certificates; (v) neither the Directing Certificateholder nor the holders of the Certificates in the Controlling Class will have any liability whatsoever to the Trust, the other parties to the Trust and Servicing Agreement, the Certificateholders or any other person (including any Loan Party) for having acted solely in the interests of the holders of the Certificates in the Controlling Class; and (vi) the Certificateholders may not take any action whatsoever against the Directing Certificateholder or the holders of the Certificates in the Controlling Class or any of the respective directors, officers, employees, agents or principals thereof as a result of the Directing Certificateholder or the holders of the Certificates in the Controlling Class having acted in accordance with the terms of and as permitted under the Trust and Servicing Agreement.

Reliance on the Loan Sponsor; Potential Conflicts of Interest

The Borrower, the Manager, the Depositor, the Environmental Indemnitor and the Loan Sponsor are under common control with one another. The Loan Sponsor is the same entity as the Securitization Sponsor and Document Defect Repurchase Guarantor. Any adverse circumstances relating to the Loan Sponsor or any of its subsidiaries and affecting one of the related properties could also affect the Properties of the Borrower. In particular, the bankruptcy or insolvency of the Loan Sponsor or any of its subsidiaries could have an adverse effect on the Manager and the operation of all of the properties owned by Invitation Homes including the Properties. For example, if a person that owns or controls several properties experiences financial difficulty at one property, it could defer maintenance at one or more other properties, in order to satisfy current expenses with respect to the property experiencing financial difficulty. Alternatively, such person could attempt to avert enforcement actions by filing a bankruptcy petition. The bankruptcy or insolvency of a person or its affiliate could have an adverse effect on the operation of all of the properties of that person and its affiliates. Any adverse developments with respect to the Loan Sponsor or its subsidiaries could adversely affect the Borrower, the Depositor, the Environmental Indemnitor and the Manager. In addition, because Loan Events of Default include a failure of the Loan Sponsor (or a replacement non-recourse carveout guarantor) to maintain a minimum level of net assets, a default may arise under the Loan for reasons that are not directly related to the performance of the Properties, the Borrower or the Manager.

There can be no assurances that the Loan Sponsor will at all times be able or willing to honor its obligations under its limited recourse guaranty or that the Environmental Indemnitor will at all times be able or willing to honor its obligation under its limited recourse guaranty. Although the failure of the Loan Sponsor to maintain net assets of not less than \$150,000,000 (exclusive of the direct or indirect interest held in Borrower) would constitute a Loan Event of Default, there is no such financial covenant relative to the Environmental Indemnitor. Moreover, the investments and other activities of the Loan Sponsor and the Environmental Indemnitor are entirely unrestricted and any financial and other information presented with respect to the Loan Sponsor or its affiliates in this information circular may change at any time. IH Pub Co only recently became a public company and no assurance can be given that the combined IH Pub Co will successfully transition to operating as a public company.

Invitation Homes owns, leases and manages a number of properties other than the Properties and may acquire additional properties in the future. Such other properties, similar to other third-party owned real estate, may compete with the Properties for existing and potential tenants. We cannot assure you that the activities of Invitation Homes with respect to such other properties will not adversely impact the performance of the Properties. Additionally, the Accommodation Loan Seller or affiliates of the Accommodation Loan Seller have made and will continue to make loans in the future to the other entities that are part of the Invitation Homes platform with such properties constituting security for such loans. See “*Description of the Relevant Parties and the Manager—Description of the Loan Sponsor*” in this information circular.

Potential Conflicts of Interest of the Servicer and the Special Servicer

The Trust and Servicing Agreement will provide that the Loan is required to be administered in accordance with the Accepted Servicing Practices without regard to ownership of any Certificate by the Servicer or Special Servicer or any of their respective affiliates. See *"Description of the Trust and Servicing Agreement—Servicing of the Loan—Responsibilities of the Servicer and the Special Servicer"* in this information circular.

Notwithstanding the foregoing, the Servicer, the Special Servicer or any of their respective affiliates may have interests when dealing with the Loan that are in conflict with those of holders of the Certificates, especially if the Servicer, the Special Servicer or any of their respective affiliates holds Certificates, or has financial interests in or other financial dealings with the Relevant Parties or the Loan Sponsor. Each of these relationships may create a conflict of interest. For instance, if the Special Servicer or its affiliate holds a subordinate Class of Certificates, including those of the Controlling Class, the Special Servicer might seek to reduce the potential for losses allocable to those Certificates from the Loan by deferring acceleration in hope of maximizing future proceeds. However, that action could result in less proceeds to the Trust than would be realized if earlier action had been taken. In addition, under certain circumstances the Servicer or the Special Servicer may be entitled to purchase the Loan and/or a Foreclosed Property from the Trust Fund as described in this information circular.

Each of the Servicer and the Special Servicer services and is expected to continue to service, in the ordinary course of its business, existing and new loans for third parties, which may include loans similar to the Loan or more traditional real estate loans. The real properties securing these loans may be in the same markets as, and compete with, certain of the Properties. Consequently, personnel of the Servicer or Special Servicer, as applicable, may perform services, on behalf of the Trust, with respect to the Loan at the same time as they are performing services, on behalf of other persons, with respect to other loans secured directly or indirectly by properties that, in effect, compete with the Properties. This may pose inherent conflicts for the Servicer or the Special Servicer. In these instances, the interests of the Servicer, the Special Servicer and their respective clients may differ from and compete with the interests of the Trust Fund, and their activities may adversely affect the amount and timing of payments on the Loan.

Other Conflicts

The Special Servicer may enter into one or more arrangements with the Directing Certificateholder or any other person (other than the Certificate Administrator) who can remove the Special Servicer, which has the right to remove the Special Servicer, and/or a Controlling Class Certificateholder to provide for a discount and/or revenue sharing with respect to certain Special Servicer compensation in consideration of or as a condition of, among other things, the Special Servicer's replacement as Special Servicer under the Trust and Servicing Agreement. The Directing Certificateholder, a Controlling Class Certificateholder and/or other persons or Certificateholders who have the right to remove the Special Servicer may further consider any such economic arrangements with the Special Servicer or a prospective replacement special servicer in entering into any decision to appoint or replace such party from time to time, and such considerations would not be required to take into account the best interests of any Certificateholders or group of Certificateholders.

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

Potential Conflicts of Interest of GRC

GRC was retained to provide BPOs and perform certain other diligence services; however, GRC or its affiliates may have interests when dealing with the Loan that are in conflict with those of holders of the Certificates, including having financial interests in or other financial dealings with the Borrower or the Loan Sponsor or the Accommodation Loan Seller or their respective affiliates. Each of these relationships may create a conflict of interest. GRC and its affiliates provide and are expected to continue to provide, in the ordinary course of business, BPOs, title review, lease review and other diligence services on existing and new loans by third parties extended to the Loan Sponsor or by the Accommodation Loan Seller to the Loan Sponsor or affiliates thereof. Retention by these parties of GRC or its affiliates on such other loans may pose inherent conflicts for GRC.

Potential Conflicts of Interest of the Placement Agents

The activities and interests of the Placement Agents and their respective affiliates (collectively, the "Placement Agent Entities") will not align with, and may in fact be directly contrary to, those of Certificateholders. The Placement Agent Entities are part of a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals. As such, the Placement Agent Entities actively make

markets in and trade financial instruments for their own account and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. The Placement Agent Entities' activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. The securities and instruments in which the Placement Agent Entities take positions, or expect to take positions, include loans similar to the Loan, securities and instruments similar to the Certificates and other securities and instruments. Market making is an activity whereby the Placement Agent Entities buy and sell on behalf of customers, or for their own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, you should expect that the Placement Agent Entities will take positions that are inconsistent with, or adverse to, the investment objectives of investors in 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 the Certificates.

If a Placement Agent Entity becomes a holder of any of the Certificates, through market-making activity or otherwise, any actions that it takes in its capacity as a Certificateholder, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other holders of the same class or other classes of the Certificates. To the extent a Placement Agent Entity makes a market in the Certificates (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Certificates. The price at which a Placement Agent Entity may be willing to purchase Certificates, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Certificates and significantly lower than the price at which it may be willing to sell Certificates. Such transactions may result in Placement Agent Entities and/or their clients having long or short positions in such instruments. Any such short positions will increase in value if the related securities or other instruments decrease in value. Further, Placement Agent Entities may (on their own behalf as principals or for their clients) enter into credit derivative or other derivative transactions with other parties pursuant to which they sell or buy credit protection with respect to one or more of the Certificates. The positions of the Placement Agent Entities or their clients in such derivative transactions may increase in value if there is a Loan Event of Default that causes a loss on the Certificates or if the Certificates otherwise decrease in value.

In conducting such activities, no Placement Agent Entity (including the related Placement Agent) has any obligation to take into account the interests of the Certificateholders or any possible effect that such activities could have on them. The Placement Agent Entities and clients acting through them may execute such transactions, modify or terminate such derivative positions and otherwise act with respect to such transactions, and may exercise or enforce, or refrain from exercising or enforcing, any or all of their rights and powers in connection therewith, without regard to whether any such action might have an adverse effect on the Certificates or the Certificateholders.

In addition, the Placement Agent Entities will have no obligation to monitor the performance of the Certificates or the actions of the Servicer, the Special Servicer, the Certificate Administrator or the Trustee and will have no obligation or authority to advise the Servicer, the Special Servicer, the Certificate Administrator or the Trustee or to direct their actions.

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 related to any of the Placement Agents may have ongoing relationships with, render services to, and engage in transactions with the Borrower, the Loan Sponsor and their respective affiliates (which may include investments in debt or equity securities of the Loan Sponsor or any of its affiliates), which relationships and transactions may create conflicts of interest between a Placement Agent and its respective affiliates, on the one hand, and the Trust, on the other hand. Affiliates of the Placement Agents (including, with respect to WFS, the Accommodation Loan Seller) have made, and may continue to make, loans secured by single family rental properties and other property types to affiliates of the Loan Sponsor. WFS is an affiliate of the Accommodation Loan Seller. See "*Summary of Information Circular—Certain Affiliations*" in this information circular for a description of certain affiliations and relationships between the Placement Agent Entities and other participants in this offering.

In addition, the Placement Agent Entities may provide loans and other financing, as well as arrange direct and/or indirect financing on an agent and/or principal basis, to other property owners that own, lease or manage a number of

single-family rental properties and/or multi-family residential properties (including incidentally in respect of defaulted mortgage loans), and the Placement Agent Entities may from time to time own residential properties acquired in respect of defaulted residential mortgage loans and/or multi-family residential mortgage loans, or pools of such properties managed for liquidation as proceeds of defaulted mortgage assets. Such other properties, similar to other third-party owned real estate, may compete with the Properties, and vice versa, in various respects. The activities of the Placement Agent Entities may involve properties that are in the same markets as the Properties underlying the Certificates. We cannot assure you that the activities of the Placement Agent Entities with respect to such other loans and financing or other properties will not adversely impact the performance of the Properties, the Loan or the Certificates (although the shortfalls related to such activities with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular).

Potential Conflicts of Interest of the Accommodation Loan Seller

The Accommodation Loan Seller or its affiliates may provide loans and other financings to property owners that own, lease or manage a number of residential properties, and affiliates of the Accommodation Loan Seller may directly own, lease or manage a number of residential properties (whether acquired through foreclosures or in their capacities as trustees representing secured parties in connections with foreclosures or otherwise). Such other properties, similar to other third-party owned real estate, may compete with the Properties for existing and potential tenants. The activities of the Accommodation Loan Seller or its affiliates may involve properties that are in the same markets as the Properties underlying the Certificates. We cannot assure you that the activities of the Accommodation Loan Seller and its affiliates with respect to such other loans and financing or other properties will not adversely impact the performance of the Properties. The Accommodation Loan Seller or one or more of its affiliates also maintains ordinary banking relationships with the Loan Sponsor and its affiliates. Additionally, the Accommodation Loan Seller has made and may continue to make loans secured by single family rental properties and other property types in the future to affiliates of the Loan Sponsor.

The Accommodation Loan Seller is also party to certain loss sharing and guaranty fee sharing arrangements with Fannie Mae with respect to the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates, Fannie Mae Grantor Trust 2017-T1, Class A Certificates.

Limitations with Respect to Representations and Warranties of the Accommodation Loan Seller and Delivery Obligations with Respect to the Depositor

The loan purchase and sale agreement dated as of the Cut-off Date between the Accommodation Loan Seller and the Depositor (the "Loan Purchase Agreement") will contain limited representations and warranties of the Accommodation Loan Seller. If there is a material breach of any representation or warranty made by the Accommodation Loan Seller relating to the Loan as described above, and such breach materially and adversely affects the value of the Loan or the interest of the Trust (or the Certificateholders) therein or causes the Loan to be other than a "qualified mortgage" (within the meaning of Section 860G(a)(3) of the Code, without regard to the rule of Treasury Regulations Section 1.860G-2(f)(2) which causes a defective mortgage loan to be treated as a "qualified mortgage") (a "Material Breach"), the Accommodation Loan Seller will be required to repurchase the Loan at the Repurchase Price set forth in "Description of the Loan Purchase Agreement" in this information circular if the Material Breach cannot be cured or may elect to make an indemnification payment in lieu of such repurchase.

Additionally, the Trust and Servicing Agreement will contain certain document delivery obligations by the Depositor with respect to the Loan Documents as described in "Description of Trust and Servicing Agreement—Assignment of the Loan" in this information circular. If any Loan Document required to be delivered to the Certificate Administrator is not delivered as and when required, is not properly executed or is defective (any of the foregoing, a "Defect"), and the Defect materially and adversely affects the value of the Loan or the interest of the Trust (or the Certificateholders) therein or causes the Loan to be other than a "qualified mortgage" (within the meaning of Section 860G(a)(3) of the Code, without regard to the rule of Treasury Regulations Section 1.860G-2(f)(2) which causes a defective mortgage loan to be treated as a "qualified mortgage") (a "Material Document Defect"), the Depositor will be required to repurchase the Loan at the Repurchase Price set forth in "Description of Trust and Servicing Agreement—Assignment of the Loan" in this information circular if the Material Document Defect cannot be cured or may elect to make an indemnification payment in lieu of such repurchase. The Document Defect Repurchase Guarantor will guaranty those repurchase obligations of the Depositor.

The Repurchase Price will become part of the amounts to be distributed to holders of Certificates as described in "Description of the Certificates—Payment on the Certificates" in this information circular. Any such repurchase will have substantially the same effect as if the Loan had been prepaid by the Borrower and without payment of a prepayment penalty or yield maintenance, which may adversely affect the yield to maturity of certain Classes of Certificates.

If the Accommodation Loan Seller or the Depositor defaults on its respective obligation to repurchase the Loan, apart from the Document Defect Repurchase Guarantor's guarantee of the Depositor's obligation, no other person or party including any other transaction party will be obligated to repurchase the Loan, and we cannot assure you that the Accommodation Loan Seller or the Depositor (or the Document Defect Repurchase Guarantor as the guarantor of the Depositor's repurchase obligations) will fulfill its respective obligations. In addition, the Accommodation Loan Seller and the Depositor (and the Document Defect Repurchase Guarantor) may have various legal defenses available to them in connection with a repurchase or substitution obligation including a statute of limitations defense with respect to any claim based on a breach of mortgage loan representations and warranties. Under New York law, parties have six years from the date a representation or warranty is made to assert a claim related to a breach of representation or warranty. After such time, no remedy will be available against a representing party in connection with a breach of representation or warranty.

Other than the limited representations or warranties made by the Accommodation Loan Seller set forth in this information circular under the heading "*Description of the Loan Purchase Agreement*" no other person or party including any other transaction party will make any representations or warranties with respect to the Loan or with respect to any characteristics or attributes of the Loan and the Accommodation Loan Seller will not be making any representations or warranties with respect to the Properties. It is possible that the Loan may contain defects that are not covered by the representations and warranties of the Accommodation Loan Seller or by the delivery obligations of the Depositor under the Trust and Servicing Agreement, in which event no claim could be made against the Accommodation Loan Seller or the Depositor (or the Document Defect Repurchase Guarantor), as applicable.

In general, the descriptions of the Loan Agreement and the Loan Purchase Agreement have been included to provide you with information concerning the terms of those agreements, including the representations and warranties made with respect to the Loan and the Properties. These representations and warranties are included principally for the purpose of allocating risk among the parties to those agreements rather than to establish matters of fact. Accordingly, these representations and warranties should not be read as characterizations of the current state of facts, but instead should be read in conjunction with the information provided elsewhere in this information circular.

Fannie Mae

Fannie Mae will guarantee distributions on the Class A Certificates with respect to interest and principal to the extent described in this information circular. As conservator, the Federal Housing Finance Agency ("FHFA") succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any officer or director of Fannie Mae with respect to the company and its assets. The conservatorship has no specified termination date and there continues to be uncertainty regarding the future of Fannie Mae, including how long it will continue to be in existence.

The previous presidential administration endorsed the wind down of Fannie Mae and Freddie Mac through a responsible transition and the enactment of comprehensive housing finance reform legislation. The current presidential administration (the "Administration") has not articulated a formal position on housing finance reform or the future of the GSEs; however, the Treasury Secretary indicated in his confirmation hearing that he is focused on housing finance reform and a solution to the current status of Fannie Mae and Freddie Mac.

Last year, the U.S. Congress ("Congress") continued to consider legislation that could materially affect Fannie Mae's business if enacted. Fannie Mae expects that Congress will continue to consider legislation that could result in significant changes in our structure and role in the future, including proposals that would result in Fannie Mae's liquidation or dissolution. Congress or FHFA may also consider legislation or regulation aimed at increasing the competition Fannie Mae faces, reducing its market share, expanding its obligations to provide funds to Treasury or constraining its business operations. Fannie Mae cannot predict the prospects for the enactment, timing or final content of housing finance reform legislation or other legislation related to its activities.

FHFA must place Fannie Mae into receivership if the Director of FHFA makes a written determination that its assets are less than its obligations or if it has not been paying its debts, in either case, for a period of 60 days after the deadline for filing with the SEC its annual report on Form 10-K or quarterly report on Form 10-Q, as applicable. If Fannie Mae was placed into receivership, or if it emerged from conservatorship and was then again placed into conservatorship, the receiver or conservator, as applicable, would have the right to repudiate the Fannie Mae Guaranty. FHFA has not to date repudiated any of Fannie Mae's existing guaranties.

If FHFA were to become Fannie Mae's receiver, it could exercise certain powers that could adversely affect the Class A Certificates.

In its capacity as receiver, FHFA would have the right to transfer or sell any asset or liability of Fannie Mae, including the Guarantor's obligation to make payments on the Class A Certificates, without any approval, assignment

or consent of any party. If FHFA, as receiver, were to transfer such obligation to another party, holders of the Class A Certificates would have to rely on that party for satisfaction of the obligation and would be exposed to the credit risk of that party.

During a receivership, certain rights of holders of the Class A Certificates 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 Fannie Mae is a party, or obtain possession of or exercise control over any property of Fannie Mae, or affect any contractual rights of Fannie Mae, without the approval of FHFA as receiver, for a period of 90 days following the appointment of FHFA as receiver.

Additional information regarding the conservatorship and Fannie Mae is available in the annual reports on Form 10-K, quarterly reports on Form 10-Q and other reports filed with the SEC by Fannie Mae.

Legal and Regulatory Provisions Affecting Investors Could Adversely Affect the Liquidity of the Certificates and/or Increased Regulatory Capital Requirements

Except as regards to the status of the Certificates under the Secondary Mortgage Market Enhancement Act of 1984 (“SMMEA”), we make no representations 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 real estate-related securitization securities similar to the Certificates, 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:

- The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), enacted in the United States requires that federal banking regulators amend their regulations to exclude reliance on credit ratings, including the use of such ratings to determine the permissibility of, and capital charges imposed on, investments by banking institutions. Such regulations, including those that have been proposed to implement the more recent Basel internal ratings based and advanced measures approaches, may result in greater capital charges to financial institutions that own asset-backed or mortgage-backed securities, or otherwise adversely affect the attractiveness of investments in asset-backed and mortgage-backed securities for regulatory purposes. The Dodd-Frank Act also created the Consumer Financial Protection Bureau (“CFPB”), a new agency responsible for administering and enforcing the laws and regulations for consumer financial products and services. The CFPB has broad authority, with certain exceptions, to regulate consumer financial products and no assurance can be given if and when the CFPB will regulate the single-family rental market and how that will impact the Borrower, the Manager and their respective affiliates as well as single-family rental securitizations.
- In December 2013, the banking regulators and other agencies principally responsible for banking and financial market regulation in the United States implemented the final rule under the so-called “Volcker Rule” under the Dodd-Frank Act, which in general prohibits “banking entities” (as defined therein) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring certain hedge funds, private equity funds (broadly defined to include any entity that would be an investment company under the Investment Company Act but for the exemptions provided in Section 3(c)(1) or 3(c)(7) of the Investment Company Act) and certain similar funds and (iii) entering into certain relationships with such funds. Conformance with the Volcker Rule and its implementing regulations was required by July 21, 2015. Although the Issuing Entity relies upon an exemption in Section 3(c)(5) of the Investment Company Act for an exemption from being an investment company under the Investment Company Act, the general effects of the final rules implementing the Volcker Rule remain uncertain. Any prospective investor in the Certificates, including a U.S. or foreign bank or an affiliate or subsidiary thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule and regulatory implementation.
- The Financial Accounting Standards Board has adopted changes to the accounting standards for structured products. These changes, and any future changes, may affect the accounting for entities such as the Trust Fund, could under certain circumstances require an investor or its owner generally to consolidate the assets of the Trust Fund in its financial statements and record third parties’ investments in the Trust Fund 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 the Certificates for financial reporting purposes.

- For purposes of SMMEA, no Class of the Certificates will constitute “mortgage related securities.”

In addition, in Europe, the United States and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitization exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities.

In particular, investors in the Certificates who are credit institutions or investment firms regulated in a Member State of the European Economic Area (“EEA”) or consolidated affiliates thereof should be aware of Part 5 (Articles 404-410) of the European Union Capital Requirements Regulation (EU) No. 575/2013 (“CRR”), as supplemented by Commission Delegated Regulation (EU) No 625/2014 of 13 March 2014 (as amended by Commission Delegated Regulation (EU) 2015/1798 of July 2, 2015) and Commission Implementing Regulation (EU) No 602/2014 of 4 June 2014. Article 405 of the CRR restricts such credit institutions and investment firms, together with consolidated group affiliates thereof (each, a “CRR Investor”), from investing in securitizations unless the originator, sponsor or original lender in respect of the relevant securitization has explicitly disclosed to the CRR Investor that it will retain, on an ongoing basis, a material net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 405 of the CRR. Article 406 of the CRR requires a CRR Investor to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, its investment in the securitization and the exposures underlying the securitization, and that procedures are established for monitoring the performance of the underlying exposures on an ongoing basis. Failure by a CRR Investor to comply with one or more of the requirements set out in the CRR may result in the imposition of a penal capital charge on such CRR Investor’s investment.

Prospective investors should also be aware that on September 30, 2015, the European Commission published a legislative proposal for an harmonized EU regulatory framework for securitization (the “Securitization Regulation”) that, if finalized and adopted as proposed, would repeal the current EU Securitization Retention Requirements and replace them with a single regime that would apply to Affected Investors as well as management companies and funds regulated under the EU Directive 2009/65/EC on Undertakings for Collective Investment in Transferable Securities and EEA regulated institutions for occupational retirement provision as defined in the EU Directive 2003/41/EC. Until the proposed Securitization Regulation is considered and adopted by the European Parliament and Council, it is not possible to tell what effect the proposed Securitization Regulation would have in relation to investments in the Principal Balance Certificates offered by this information circular. Investors should be aware that there are material differences between the current risk retention and due diligence requirements and the proposed Securitization Regulation. The Securitization Regulation may also enter into force in a form that differs from the published proposals and drafts. Prospective investors are themselves responsible for monitoring and assessing changes to the EU Securitization Retention Requirements.

None of the Securitization Sponsor, Loan Sponsor and Document Defect Repurchase Guarantor or any other party to the transaction intends to retain a material net economic interest in the transaction in accordance with the EU Securitization Retention Requirements or take any other action which may be required by EEA-regulated investors for the purposes of their compliance with the EU Securitization Retention Requirements. Consequently, the Certificates may not be a suitable investment for EEA-credit institutions, investment firms or the other types of EEA-regulated investors mentioned above. As a result, the price and liquidity of the Certificates in the secondary market may be adversely affected. EEA-regulated investors are encouraged to consult with their own investment and legal advisors regarding the suitability of the Certificates for investment. None of the Issuing Entity, the Depositor, the Placement Agents, Securitization Sponsor, Loan Sponsor and Document Defect Repurchase Guarantor or any other party to the Transaction makes any representation to any prospective investor or purchaser of the Certificates regarding the regulatory treatment of their investment in the Certificates on the Closing Date or at any time in the future.

Accordingly, all prospective investors whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult 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. See “*Legal Investment*” in this information circular.

To implement the credit risk retention requirements of Section 15G of the Exchange Act as added by Section 941 of the Dodd-Frank Act, in October 2014 the Federal Deposit Insurance Company, the Federal Housing Finance Agency, the Office of the Comptroller of the Currency of the Department of the Treasury, the U.S. Securities and Exchange Commission, the Board of Governors of the Federal Reserve System and the U.S. Department of Housing and Urban Development jointly adopted final rules (the “Risk Retention Rules”) requiring a “sponsor” of a securitization transaction (or majority-owned affiliate of the sponsor) to retain a portion of the credit risk of the asset-

backed securities transaction (the “Required Credit Risk”), as more fully described below. The Securitization Sponsor intends to satisfy its credit risk retention requirements through the purchase and retention by it or a “majority-owned affiliate” of an “eligible horizontal residual interest” (in each case as defined in the Risk Retention Rules) with a fair value equal to not less than 5% of the aggregate fair value of the Certificates (other than the Class R Certificates) as determined as of the Closing Date using a fair value measurement framework under GAAP. The “eligible horizontal residual interest” will consist of the Class B Certificates (the “EHRI”). Under the Risk Retention Agreement executed by IH OP on the Closing Date (the “Risk Retention Agreement”), IH OP or its majority-owned affiliate will be required to retain the EHRI in accordance with the Risk Retention Rules.

The Risk Retention Rules impose limitations on the ability of the entity retaining the Required Credit Risk to dispose of, or hedge, the Required Credit Risk until latest of (i) the date on which the total unpaid principal balance of the securitized assets that collateralize the securitization transaction has been reduced to 33 percent of the total unpaid principal balance of the securitized assets as of the closing of the securitization transaction; (ii) the date on which the total unpaid principal obligations under the ABS interests issued in the securitization transaction has been reduced to 33 percent of the total unpaid principal obligations of the ABS interests at closing of the securitization transaction; or (iii) two years after the date of the closing of the securitization transaction, (the “Sunset Date”). See “*Credit Risk Retention*” in this information circular.

Credit Support to the Class A Certificates is Limited

The credit support provided to the Class A Certificates by the Class B Certificates is limited. If losses on the Loan exhaust the credit support, if any, provided to the Class A by the Class B Certificates, holders of the Class A Certificates will generally be required to bear all or a portion of the additional losses. We cannot assure you that this will not occur. In addition, the credit support provided to the Class A Certificates by the subordination of the Class B Certificates will be subject to the conditions and limitations described in this information circular and may not cover all potential losses or risks.

Your Lack of Control Over the Trust Can Adversely Impact Your Investment

Except as described below, investors in the Certificates (other than the Controlling Class Certificateholders) do not have the right to make decisions with respect to the administration of the Trust. These decisions are generally made, subject to the express terms of the Trust and Servicing Agreement, by the Servicer, the Special Servicer, the Trustee or the Certificate Administrator. Any decision made by any of those parties in respect of the Trust in accordance with the terms of the Trust and Servicing Agreement, even if it determines that decision to be in your best interests, may be contrary to the decision that you would have made and may negatively affect your interests.

The Directing Certificateholder will have the right to replace the Special Servicer with or without cause. In addition, the Directing Certificateholder will have certain consent and/or consultation rights under the Trust and Servicing Agreement, as described in this information circular. See “*Description of the Trust and Servicing Agreement—The Directing Certificateholder*” in this information circular.

In certain limited circumstances, Certificateholders have the right to vote on matters affecting the Trust. In some cases these votes are by Certificateholders taken as a whole and in others the vote is by Class. In all cases, voting is based on the outstanding Certificate Balance, but in certain cases, including with respect to the termination of the Special Servicer, as such Certificate Balances may be reduced by the allocation of Calculated Portfolio Value Reduction Amounts. In other words, even if the outstanding Certificate Balance of your Certificates has not in fact been reduced by payment of principal or allocation of Realized Losses, your entitlement to vote may be reduced by Calculated Portfolio Value Reduction Amounts allocated to your Certificates. These limitations on voting resulting from Calculated Portfolio Value Reduction Amounts could adversely affect your ability to protect your interests with respect to matters voted on by Certificateholders. See “*Description of the Certificates—Calculated Portfolio Value Reductions*,” “*—Voting Rights*,” “*Description of the Trust and Servicing Agreement—Replacement of the Special Servicer Without Cause*,” “*—The Directing Certificateholder*” in this information circular.

Commencing Legal Proceedings Against Parties to the Trust and Servicing Agreement May Be Difficult

The Trustee may not be required to commence legal proceedings against third parties at the direction of any Certificateholders unless, among other conditions, at least 25% of the voting rights (determined without notionally reducing the principal balances of the Certificates by any Calculated Portfolio Value 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 unless the Trustee has refused to institute proceedings after the conditions described in the preceding sentence and certain other conditions have been satisfied. These provisions may limit your personal ability to enforce the provisions of the Trust and Servicing Agreement.

Effect of Borrower Defaults; Risks Relating to Interest on Advances and Special Servicing Compensation

The aggregate amount of distributions and the yield on the Certificates, as well as the weighted average lives of the Certificates, will be affected by the rate and the timing of delinquencies and defaults on the Loan and the severity of any losses resulting from such delinquencies and defaults. If a purchaser of a Certificate calculates its anticipated yield based on an assumed rate of default and amount of losses on the Loan that is lower than the default rate and amount of losses actually experienced and such losses are allocable to such Class of Certificates (except with respect to the Class A Certificates to the extent covered by the Fannie Mae Guaranty as further described in this information circular) because such Class is subordinated to other Classes, such purchaser's actual yield to maturity will be lower than that so calculated and could, under certain scenarios, be negative. The timing of any loss upon liquidation of the Equity Collateral of the Borrower or the Properties will also affect the actual yield to maturity of the Certificates to which all or a portion of such loss is allocable (except with respect to the Class A Certificates to the extent covered by the Fannie Mae Guaranty as further described in this information circular), even if the rate of default and severity of loss are consistent with a purchaser's expectations. In general, the earlier a loss borne by a purchaser occurs, the greater is the effect on such purchaser's yield to maturity.

As described in this information circular, the Servicer and/or the Trustee, as applicable, will be entitled to receive interest on unreimbursed Advances, including Monthly Payment Advances. See "*Description of the Trust and Servicing Agreement—Advances*" in this information circular. The right to receive such interest is prior to the rights of Certificateholders to receive distributions on the Certificates and, unless reimbursed by the Borrower or otherwise collected on the Loan, may result in losses being allocated to the Certificates (except with respect to the Class A Certificates to the extent covered under the Fannie Mae Guaranty as further described in this information circular) that would not otherwise have resulted without the accrual of such interest. See "*Description of the Certificates—Payment on the Certificates*" in this information circular. In addition, the Special Servicer is entitled to compensation for special servicing activities, which, if not paid by the Borrower or otherwise collected on the Loan pursuant to the terms of the Loan Documents, may result in losses being allocated to Certificates that would not otherwise have resulted. See "*Description of the Trust and Servicing Agreement—Servicing of the Loan—Servicing Fee and Special Servicing Fee*" in this information circular.

Regardless of whether a loss ultimately results, delinquency on the Loan may significantly delay the receipt of payments by the holder of a Certificate, to the extent that Monthly Payment Advances, the allocations of Realized Losses or the subordination of another Class of Certificates, if applicable, do not fully offset the effects of any such delinquency (except with respect to the Class A Certificates to the extent covered under the Fannie Mae Guaranty as further described in this information circular).

In the case of the Class A Certificates to the extent covered by the Fannie Mae Guaranty, amounts that would otherwise constitute losses with respect to the Class A Certificates will be distributed as principal. To the extent these distributions are received earlier than anticipated with respect to the Class A Certificates, your yield may differ relative to the yield if no losses were suffered under the Loan. See "*—Special Prepayment and Yield Considerations*" in this information circular.

Special Prepayment and Yield Considerations

The yield to maturity on the Certificates will be sensitive to, among other things, the rate, timing and amount of principal payments (including prepayments and unscheduled collections of principal due to casualty, condemnation, default and liquidation) on, and the principal portion of payments in connection with a repurchase of the Loan. We make no representation as to the anticipated rate, timing or amount of payments (including partial prepayment, prepayment in whole, and unscheduled collections of principal due to casualty, condemnation, default and liquidation) on the Loan (in whole or part) or as to the anticipated yield to maturity of any Certificate.

In addition, it is important to note that previously issued CMBS have experienced greater losses than expected, and in certain circumstances significantly greater losses, as a result of defaults and liquidations of the mortgage loans that back those CMBS. We cannot assure you that the losses actually incurred with respect to the Loan that backs the Certificates will not similarly exceed any assumed or expected losses (except with respect to the Class A Certificates to the extent covered under the Fannie Mae Guaranty as further described in this information circular). See "*Yield, Prepayment and Maturity Considerations*" in this information circular.

Although the Loan will have prepayment protection in the form of a yield maintenance premium for voluntary prepayments until the Yield Maintenance End Date (other than payments arising from a casualty or condemnation or mandatory prepayments required in certain circumstances if a Property becomes a Disqualified Property), we cannot assure you that involuntary prepayments will not occur at any time. The Borrower will be freely entitled to voluntarily prepay the Loan in whole or in part at any time on or after the Yield Maintenance End Date without the payment of

any yield maintenance charge or prepayment premium. Any yield maintenance premiums will be allocated between the Guarantor and the Principal Balance Certificates as described herein, and such allocation will not necessarily compensate the holders of the Certificates for the lost yield resulting from the related prepayment. In addition, the Loan will provide for mandatory prepayments in certain circumstances such as casualty and condemnation or mandatory prepayments required in certain circumstances if a Property becomes a Disqualified Property (including (i) with respect to Properties to which a Specified Lien has not been released prior to the one year anniversary of the Closing Date and (ii) as a result of the Borrower's own action or inaction which may cause a Property to become a Disqualified Property (other than an action the Borrower intends to result in a Lien or transfer)) without a payment of any yield maintenance premium or higher release amount. Any principal prepayments of the Loan will be required to be allocated to the Certificates in Sequential Order until the principal balance of each Certificate has been reduced to zero.

The Loan Purchase Agreement will contain limited representations and warranties of the Accommodation Loan Seller as described under "*Description of the Loan Purchase Agreement*" in this information circular and the Trust and Servicing Agreement will impose certain document delivery requirements on the Depositor as described under "*Description of the Trust and Servicing Agreement—Assignment of the Loan*" in this information circular. In the event there is a Material Breach of any representation or warranty, the Accommodation Loan Seller may be required, or in the event there is a Material Document Defect, the Depositor or the Document Defect Repurchase Guarantor may be required, to repurchase the Loan or, at its election, make an indemnification payment in lieu of such repurchase, as described under "*Description of the Loan Purchase Agreement*" and "*Description of the Trust and Servicing Agreement—Assignment of the Loan*" in this information circular. The Repurchase Price or indemnification payment, as applicable, will become part of the amounts to be distributed to holders of Certificates as described in "*Description of the Certificates—Payment on the Certificates*" in this information circular.

In general, if a Certificate is purchased at a premium and principal distributions on that Certificate occur at a rate faster than anticipated at the time of purchase, the purchaser's actual yield to maturity may be lower than that assumed at the time of purchase. Similarly, if a Certificate is purchased at a discount and principal distributions on that Certificate occur at a rate slower than that assumed at the time of purchase, the purchaser's actual yield to maturity may be lower than assumed at the time of purchase.

The investment performance of the Certificates may vary materially and adversely from the investment expectations of purchasers due to rates of partial prepayment, prepayment in whole or defaults and/or severity of losses on the Loan that are higher or lower than anticipated by purchasers. The actual yield to the holder of a Certificate may not be equal to the yield anticipated at the time of purchase of the Certificate or, notwithstanding that the actual yield is equal to the yield anticipated at that time, the expected weighted average life of the Certificate may not be realized. In deciding whether to purchase any Certificates, you should make an independent decision as to the appropriate prepayment, default and other assumptions to be used. See "*Yield, Prepayment and Maturity Considerations*" in this information circular.

In the case of the Class A Certificates to the extent covered by the Fannie Mae Guaranty, amounts that would otherwise constitute losses with respect to the Class A Certificates will be distributed as principal. To the extent these distributions are received earlier than anticipated with respect to the Class A Certificates, your yield may differ relative to the yield if no losses were suffered under the Loan.

Variability of Average Life May Affect the Yield on your Certificates

The payment experience on the Loan will affect the actual distribution experience on and the weighted average life of the corresponding Class of Certificates.

Principal payments (including unscheduled payments) applied towards the Loan will tend to shorten the weighted average lives of the Classes of Certificates in Sequential Order. Depending on the ability and the length of time needed to exercise remedies, as well as the Special Servicer's selection of remedies, a default on the Loan may lengthen the weighted average lives of one or more Classes of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates). Since any principal payments on the Loan will be applied to reduce the Certificate Balance of the Classes of Certificates in Sequential Order unless such amounts are used to reimburse the Servicer, the Special Servicer, the Certificate Administrator or the Trustee for expenses or other costs in the manner described under "*Description of the Loan—General*" in this information circular, the amount of principal payments on the Loan and the timing of their receipt will affect the weighted average lives of such Classes of Certificates in varying degrees.

Any changes in the weighted average lives of your Certificates may adversely affect your yield (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates). Prepayments resulting in a

shortening of weighted average lives of your Certificates may be made at a time of low interest rates when you may be unable to reinvest the resulting payment of principal on your Certificates at a rate comparable to the effective yield anticipated by you in making your investment in the Certificates, while delays and extensions resulting in a lengthening of those weighted average lives (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates) may occur at a time of high interest rates when you may have been able to reinvest principal payments that would otherwise have been received by you at higher rates.

In addition, the extent to which prepayments on the Loan ultimately affect the average life of the Certificates will depend on the terms of the Certificates, more particularly:

- A Class of Certificates that entitles the holders of those Certificates to a disproportionately larger share of the prepayments on the Loan increases the “call risk” or the likelihood of early retirement of that class if the rate of prepayment is relatively fast; and
- A Class of Certificates that entitles the holders of the Certificates to a disproportionately smaller share of the prepayments on the Loan increases the likelihood of “extension risk” or an extended average life of that class if the rate of prepayment is relatively slow.

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

As described above, in the case of the Class A Certificates, losses suffered on the Loan will, assuming no default by the Guarantor, result in distributions of principal on the Class A Certificates as described under “*Description of the Certificates—Payment on the Certificates*” in this information circular, which will have a similar effect on the yield of the Class A Certificates as a prepayment on the Loan.

Although Components of the Loan will have prepayment protection in the form of a yield maintenance payments until the Yield Maintenance End Date for voluntary prepayments (other than payments arising from a casualty or condemnation or mandatory prepayments required in certain circumstances if a Property becomes a Disqualified Property) we cannot assure you that involuntary prepayments will not occur at any time. The Borrower will be freely entitled to voluntarily prepay the Loan in whole or in part at any time on or after the Yield Maintenance End Date without the payment of any yield maintenance charge or prepayment premium.

We are not aware of any relevant publicly available or authoritative statistics with respect to the historical prepayment experiences of loans secured by a portfolio of single-family rental properties or commercial real estate loans which may be viewed in some respect as a similar type of investment. However, the rate at which voluntary prepayments occur on any loan will be affected by a variety of factors, including:

- the terms of the Loan;
- the Yield Maintenance End Date and the extent to which the loan terms may be practically enforced;
- the lender's ability to enforce yield maintenance premiums;
- the level of prevailing interest rates;
- the availability of credit;
- the occurrence of casualties or natural disasters;
- the strategic or other sales of properties; and
- economic, demographic, tax, legal or other factors.

Under the Loan Agreement, if a Property becomes a Disqualified Property (including with respect to Properties to which a Specified Lien has not been released prior to the one year anniversary of the Closing Date), subject to certain conditions, the Borrower will be required to elect to either transfer for an amount equal to the applicable release amount, substitute a new property or fund the Eligibility Reserve Account in an amount equal to the Allocated Loan Amount with respect to the Property. If the Borrower elects to transfer the Property for the applicable release amount, unless the Property became disqualified due to certain voluntary acts of a Loan Party, no yield maintenance will be due with respect to the prepayment with respect to the Loan. See “*Description of the Loan—Prepayment*” in this information circular.

Provisions requiring yield maintenance premiums may not be enforceable in some states and under federal bankruptcy law. Those provisions also may be interpreted as constituting the collection of interest for usury purposes. Accordingly, we cannot assure you that the obligation to pay a yield maintenance premium will be enforceable. Also, we cannot assure you that the Borrower's assets and proceeds will be sufficient to pay any yield maintenance premium.

Any changes in weighted average life of a Class of Certificates may adversely affect the yield to holders of such Class of Certificates. Prepayments resulting in a shortening of such weighted average life may be made at a time of low interest rates when a Certificateholder may be unable to reinvest the resulting payments of principal on its Certificates at a rate comparable to the rate borne by such Certificates. Delays and extensions resulting in a lengthening of such weighted average life (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates) may occur at a time of high interest rates when a Certificateholder may have been able to reinvest at higher rates principal distributions that would otherwise have been received by it.

The Limited Nature of Ongoing Information May Make It Difficult for You To Resell Your Certificates.

The primary source of ongoing information regarding the Certificates, including information regarding the status of the Loan, will be the periodic reports delivered to you. See *"Description of the Trust and Servicing Agreement—Reports to Certificateholders"* in this information circular. We cannot assure you that any additional ongoing information regarding the Certificates will be available through any other source. The limited nature of the available information in respect of the Certificates may adversely affect their liquidity, even if a secondary market for the Certificates does develop.

We are not aware of any source through which pricing information regarding the Certificates will be generally available on an ongoing basis or on any particular date. Additionally, because the Certificates represent a beneficial interest in a type of loan that has not been securitized often before, there may be few or no directly comparable securities in the market by which to benchmark the Certificates.

As described above, in the case of the Class A Certificates, losses suffered on the Loan will, assuming no default by the Guarantor, result in distributions of principal on the Class A Certificates as described under *"Description of the Certificates—Payment on the Certificates"* in this information circular, which will have a similar effect on the yield of the Class A Certificates as a prepayment on the Loan.

Certificates Will Not Be Rated

The Certificates will not be rated on the Closing Date by any rating agency or nationally recognized statistical rating organization ("NRSRO") (unless an NRSRO issues an unsolicited rating), and the Depositor does not intend to obtain a rating for the Certificates at any time in the future, which may adversely affect the ability of an investor to purchase or retain, or otherwise impact the liquidity, market value and regulatory characteristics of, that Class. We cannot assure you as to whether an NRSRO will rate any Class of Certificates, or if it were to rate any Class of Certificates, what rating would be assigned by it. Neither the Depositor nor any other person or entity will have any duty to notify you if an NRSRO issues, or delivers notice of its intention to issue, unsolicited ratings on one or more Classes of Certificates after the date of this information circular.

Risks Relating to Book-Entry Registration

Your Certificates (other than Certificates issued to Institutional Accredited Investors that are not QIBs) will be initially represented by one or more Certificates registered in the name of Cede & Co., as the nominee for DTC, and will not be registered in your name. As a result, you will not be recognized as a Certificateholder, or holder of record of your Certificates.

Since transactions in the classes of book-entry certificates of any series generally can be effected only through DTC and its participating organizations:

- the liquidity of book-entry Certificates in any secondary trading market that may develop may be limited because investors may be unwilling to purchase Certificates for which they cannot obtain physical Certificates;
- your ability to pledge Certificates to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of the Certificates, may be limited due to lack of a physical security representing the Certificates;

- your access to information regarding the Certificates may be limited since conveyance of notices and other communications by DTC to its participating organizations, and directly and indirectly through those participating organizations to you, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect at that time; and
- you may experience some delay in receiving distributions of interest and principal on your Certificates because distributions will be made by the Certificate Administrator to DTC and DTC will then be required to credit those distributions to the accounts of its participating organizations and only then will they be credited to your account either directly or indirectly through DTC's participating organizations.

See “*Description of the Certificates—Delivery, Form, Transfer and Denomination—Book-Entry Registration*” in this information circular.

Accounting Standards or Changes Thereto Could Affect You

We make no representation or warranty regarding any accounting implications related to the Certificates. The Financial Accounting Standards Board has in effect various accounting standards for structured products. These standards and any changes in these standards may impact the accounting for entities such as the Trust Fund and could require the Issuing Entity to be consolidated in an investor's financial statements. Each investor in the Certificates should consult its accounting advisor to determine the impact that these accounting standards or changes therein might have on such investor in connection with an investment in the Certificates.

REMIC Status

Under the Code, if during any taxable year, an entity intended to qualify as a real estate mortgage investment conduit (“REMIC”) fails to satisfy one or more of the REMIC requirements, then such entity will not be treated as a REMIC for that taxable year and any taxable year thereafter. In that event, the Trust could be taxable as a corporation and one or more of the Certificates could be treated as stock in the corporation rather than as debt instruments. The Code authorizes the IRS to grant relief if REMIC disqualification occurs inadvertently and steps are taken to correct the conditions that caused disqualification within a reasonable time after the discovery of the disqualification. The relief may take the form of either allowing the entity to continue as a REMIC after it again qualifies as a REMIC or by ignoring the cessation of REMIC status entirely. Any relief may, however, 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 during which it failed to meet the REMIC requirements. The Treasury Department and the IRS are authorized to issue regulations under these relief provisions but no regulations have been proposed.

Bipartisan Budget Act of 2015

On November 2, 2015, President Obama signed into law the Bipartisan Budget Act of 2015 (the “2015 Budget Act”), which includes new audit rules affecting entities treated as partnerships, their partners and the persons that are authorized to represent entities treated as partnerships in IRS audits and related procedures. Under the 2015 Budget Act, these rules will also apply to REMICs, the holders of their residual interests and the trustees authorized to represent REMICs in IRS audits and related procedures (“tax matters persons” or “TMPs”). These new audit rules are scheduled to become effective for taxable years beginning with 2018 and will apply to both new and existing REMICs.

In addition to other changes, under the 2015 Budget Act, (1) unless a REMIC elects otherwise, taxes arising from IRS audit adjustments are required to be paid by the REMIC rather than by its residual interest holders, (2) a REMIC appoints one person to act as its sole representative in connection with IRS audits and related procedures and that representative's actions, including agreeing to adjustments to REMIC taxable income, will be binding on residual interest holders more so than a tax matters person's actions under the current rules and (3) if the IRS makes an adjustment to a REMIC's taxable year, the holders of residual interests for the audited taxable year may have to take the adjustment into account for the taxable year in which the adjustment is made rather than for the audited taxable year.

The Certificate Administrator will have the authority to utilize, and will be directed to utilize, any exceptions available under the new provisions (including any changes) and IRS regulations so that holders of the Class R Certificates, to the fullest extent possible, rather than the Trust REMIC itself, will be liable for any taxes arising from audit adjustments to the Trust REMIC's taxable income. It is unclear how any such exceptions may affect the procedural rules available to challenge any audit adjustment that would otherwise be available in the absence of any such exceptions. Investors should discuss with their own tax advisors the possible effect of the new rules on them.

Changes in Tax Law; No Gross Up in Respect of the Certificates

Although no withholding tax is currently imposed on the interest or principal payments made to Certificateholders that provide the appropriate forms and documentation to the Trustee and with respect to whom interest on the Certificate is “portfolio interest,” there is no assurance that, as a result of any change in any applicable law, treaty, rule or regulation, or interpretation of any applicable law, treaty, rule or regulation, the payments on the Certificates in respect of the Loan would not in the future become subject to withholding taxes. To the extent that any withholding tax is imposed on payments of interest or other payments on any Certificates, neither the Borrower nor the Trust Fund have an obligation to make any “gross-up” payments to Certificateholders in respect of such taxes and such withholding tax would therefore result in a shortfall to affected Certificateholders (although the shortfalls related to such changes in tax law with respect to the Class A Certificates may be covered under the Fannie Mae Guaranty as further described in this information circular).

Certain Federal Tax Considerations Regarding Original Issue Discount

Certain Classes of the Certificates may be issued with original issue discount for federal income tax purposes, which generally will result in recognition of taxable income in advance of the receipt of cash attributable to that income. Investors must have sufficient sources of cash to pay any federal, state or local income taxes with regard to the original issue discount. See “*Certain Federal Income Tax Considerations—Tax Treatment of Offered Certificates—Interest Income and OID*” in this information circular.

Tax Consequences Related to Foreclosure

Any income from any Property acquired by the Trust on foreclosure may be subject to entity level taxes (that is, taxes at the Trust level) unless certain conditions are satisfied. Specifically, income from the operation or management of such Property may be subject to federal tax at the highest marginal corporate tax rate (currently 35%) if the Property is operated or managed other than as residential rental property. Similarly, gain from the sale of the Property may be subject to federal tax at the highest marginal corporate tax rate if the Property is characterized as primarily held for sale to customers in the ordinary course of a trade or business. In addition, income from the operation or management of a Property, whether or not the Property is operated or managed as a residential rental property, and income from the sale of a Property, whether or not the Property is characterized as primarily held for sale to customers in the ordinary course of a trade or business, may be subject to state and local taxes. Income subject to such taxes may be permitted, however, if it is determined that the benefit to Certificateholders is greater than under other methods of operating, managing or selling the Property.

In addition, income from the operation and management of any Property acquired by the Trust on foreclosure or gain from the sale of the Property may be subject to a 100% federal tax if the Property ceases to qualify as “foreclosure property” for REMIC purposes. In addition to other circumstances, a Property will cease to be foreclosure property if (i) construction work is performed on the Property (other than repair or maintenance), unless the construction was more than 10% completed when the Note defaulted or when default on the Note became imminent, (ii) income from the Property fails to qualify as “rents from real property” or (iii) the Property is managed or operated in a trade or business, unless such management or operation is provided by an independent contractor (in which case the Property will not cease to be foreclosure property but its income may be subject to the entity level taxes described in the paragraph above). Income from a Property will fail to qualify as “rents from real property” if it is based on the net profits of a tenant, or allocable to a service that is not customary in the area for the type of Property involved, unless such service is provided by an independent contractor. In addition, income from the operation or management of a Property and income from the sale of a Property, whether or not the Property qualifies as “foreclosure property” for REMIC purposes, may be subject to state and local taxes.

Changes in REMIC Restrictions on Loan Modifications May Impact an Investment in the Certificates

Ordinarily, a REMIC that modifies a mortgage loan jeopardizes its tax status as a REMIC and risks having a 100% penalty tax being imposed on any income from the mortgage loan. A REMIC may avoid such consequences, however, if the mortgage loan is in default, the default of the mortgage loan is “reasonably foreseeable” or other special circumstances apply.

Revenue Procedure 2009-45, issued by the IRS, eases the tax requirements for a servicer to modify a commercial or multi-family mortgage loan held in a REMIC by interpreting the circumstances under which a default is “reasonably foreseeable” to include those where the servicer reasonably believes that there is a “significant risk of default” with respect to the mortgage loan upon maturity of the loan or at an earlier date, and that by making such modification the risk of default is substantially reduced. Accordingly, if the Servicer or the Special Servicer determined that the Note was at significant risk of default and permitted one or more modifications otherwise

consistent with the terms of the Trust and Servicing Agreement, any such modification may impact the timing and ultimate recovery on the Note, and likewise on one or more Classes of Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

In addition, the IRS has issued final regulations under the REMIC provisions of the Code that allow a servicer to modify terms of REMIC-held mortgage loans that relate to changes in collateral, credit enhancement and recourse features, provided that after the modification the mortgage loan remains “principally secured by an interest in real property” (that is, as long as the loan continues to satisfy the “REMIC LTV Test”). In general, a mortgage loan meets the REMIC LTV Test if the loan-to-value ratio is no greater than 125%. One of the modifications covered by the final regulations is a release of a lien on one or more of the mortgaged properties securing a REMIC-held mortgage loan. Following such a release, however, it may be difficult to demonstrate that a mortgage loan still meets the REMIC LTV Test. To provide relief for taxpayers, the IRS has issued Revenue Procedure 2010-30, which describes circumstances in which the IRS will not challenge whether a mortgage loan satisfies the REMIC LTV Test following a lien release. The lien releases covered by Revenue Procedure 2010-30 are “grandfathered transactions” and transactions in which the release is part of a “qualified pay-down transaction.” If the value of the Properties were to decline, the need to comply with the rules of Revenue Procedure 2010-30 could restrict the Special Servicer’s actions in negotiating the terms of a workout or in allowing minor lien releases for cases in which the Note could fail the REMIC LTV Test following the release. This could impact the timing and ultimate recovery on the Note, and likewise on one or more Classes of Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates). No assurance can be made that the Servicer or the Special Servicer will be able to service the Loan in a manner such that the Loan continues to satisfy the REMIC LTV Test.

You should consider the possible impact on your investment of any existing REMIC restrictions as well as any potential changes to the REMIC rules.

State and Local Tax Considerations

In addition to the federal income tax consequences described under the heading “*Certain Federal Income Tax Considerations*” in this information circular, potential purchasers should consider the state and local income tax consequences of the acquisition, ownership and disposition of the Certificates. State income tax laws may differ substantially from the corresponding federal tax law, and this information circular does not purport to describe any aspects of the income tax laws of the states or localities in which the Properties are located or of any other applicable state or locality.

It is possible that one or more jurisdictions may (i) attempt to tax nonresident holders of Certificates solely by reason of the location in that jurisdiction of the Depositor, the Trustee, the Certificate Administrator, the Borrower or the Properties or on some other basis, (ii) require nonresident holders of Certificates to file returns in such jurisdiction or (iii) attempt to impose penalties for failure to file such returns; and it is possible that any such jurisdiction will ultimately succeed in collecting such taxes or penalties from nonresident holders of Certificates. We cannot assure you that holders of Certificates will not be subject to tax in any particular state or local taxing jurisdiction.

If any tax or penalty is successfully asserted by any state or local taxing jurisdiction, none of the Depositor, the Borrower, the Trustee, the Certificate Administrator, the Servicer, the Special Servicer or the Placement Agents will be obligated to indemnify or otherwise to reimburse the holders of Certificates therefor.

Potential purchasers should consult their own tax advisors with respect to the various state and local tax consequences of an investment in the Certificates.

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.

DESCRIPTION OF THE RELEVANT PARTIES AND THE MANAGER

The following description is based on information provided by the Relevant Parties and the Manager and none of the Accommodation Loan Seller, the Depositor, the Placement Agents or any of their respective affiliates has independently confirmed its accuracy or completeness.

General

For the organizational structure of the Borrower and certain of its affiliates see “*Transaction Structure Summary*” in this information circular.

Description of the Loan Sponsor

The “Loan Sponsor” refers to the entity that will act as loan sponsor under the Loan documents, including as the party to the Sponsor Guaranty. Invitation Homes Operating Partnership LP (“IH OP”) will also be the Securitization Sponsor and Document Defect Repurchase Guarantor.

On February 6, 2017, Invitation Homes Inc. (“IH Pub Co”) closed its initial public offering. IH OP is the wholly-owned operating partnership of IH Pub Co. In connection with the initial public offering (the “IPO transaction”), the holding entities (the “IH Holding Entities”) that constitute the Invitation Homes platform became wholly-owned subsidiaries of IH OP. Invitation Homes is a national platform focused on acquiring, renovating, maintaining and managing single-family residential properties and leasing them to residents. References to “Invitation Homes” in this information circular, refer to IH OP and its wholly-owned subsidiaries, including the IH Holding Entities and their various subsidiaries.

Invitation Homes’ corporate headquarters are located in Dallas, Texas and its regional offices are located in 13 markets and 9 states. Those markets are: Southern California; Northern California; Seattle, Washington; Phoenix, Arizona; Las Vegas, Nevada; South Florida; Tampa, Florida; Orlando, Florida; Jacksonville, Florida; Atlanta, Georgia; Charlotte, North Carolina; Chicago, Illinois and Minneapolis, Minnesota.

As of December 31, 2016, THR had approximately 884 total employees focused in five areas: acquisitions, renovation, property management operations, property management maintenance and administration & executive management. As of December 31, 2016, the employees in these areas numbered approximately 27 (acquisition), 282 (property management operations), 445 (renovations and property management maintenance) and 130 (administration & executive management). In each market, THR seeks to maintain an employee base that covers its four areas of operational focus – acquisitions, renovation, property management operations and property management maintenance. The activities of THR as manager for the Invitation Homes properties are more particularly described below under “—*Description of the Property Manager*” in this information circular.

As of December 31, 2016, IH Holding Entities owned 48,298 single single-family rental properties, and had an additional 63 properties in escrow that were expected to be acquired, subject to customary closing conditions.

None of IH Pub Co or the Loan Sponsor will insure or guarantee the Loan (apart from the limited obligations of the Loan Sponsor under the Sponsor Guaranty) or any distributions with respect to the Certificates. In addition, none of the Securitization Sponsor or any of its affiliates will insure or guarantee distributions on the Certificates. The Certificateholders will have no rights or remedies against the Securitization Sponsor for any losses or other claims in connection with the Certificates. The Trust will have no rights or remedies against the Loan Sponsor in connection with the Loan except to the extent specifically provided in the Loan Documents as described under “*Description of the Loan—Guaranties*” in this information circular. Subject to certain exceptions, the failure of the Loan Sponsor (or any qualified successor that executes a replacement guaranty) to maintain net assets of \$150 million would constitute a Loan Event of Default. However, there can be no assurance that the Loan Sponsor will at all times be able or willing to prevent the taking of prohibited actions covered by the Sponsor Guaranty or in a financial condition to honor any obligations under the Sponsor Guaranty if such prohibited actions are taken and losses result under the Loan. See “*Risk Factors—Limited Recourse*” in this information circular. The Loan Sponsor will be the same entity as the Securitization Sponsor and Document Defect Repurchase Guarantor.

The Class B Certificates are not being offered to investors by this information circular. On the Closing Date, the Securitization Sponsor (or a wholly-owned Single-Purpose Subsidiary) will purchase the Class B Certificates to comply with the Risk Retention Rules. The fair value of the Class B Certificates will be at least equal to 5% of the aggregate fair value of the Class A and Class B Certificates. The Securitization Sponsor will undertake, directly or through a majority-owned affiliate, to retain and not to hedge, short or sell direct or indirect ownership of the Class B Certificates except to the extent otherwise permitted under the Risk Retention Rules.

Description of the Environmental Indemnitor

Invitation Homes L.P. (“IH LP” or the “Environmental Indemnitor”) will execute a limited recourse guaranty pursuant to which the Environmental Indemnitor will guarantee all liabilities of the Borrower arising under the Environmental Indemnity Agreement described under “*Description of the Loan—Environmental Indemnity*” in this information circular. IH LP is a wholly-owned subsidiary of IH OP and the parent company of THR Property Management L.P.

Description of the Property Manager

THR Property Management L.P., a Delaware limited partnership (“THR”) is the property manager with respect to each of the Properties (in such capacity, the “Manager”). THR is an indirect, wholly-owned subsidiary of IH OP and was formed in July 2012. THR provides property management services for all properties owned by IH OP (including the Borrower’s affiliates (the “Initial IH Owners”) that acquired the Properties between April 2012 and April 2013). THR generally performs acquisition, renovation oversight, leasing and property management services for the IH OP.

We provide a general description of the general administrative structure and operating practices of THR with respect to Invitation Homes in effect as of the date of this offering. The administrative structure and operational practices may be changed at any time. In addition, if THR had to be replaced as the Manager, the property management of the Properties could differ from the summary below.

Home Acquisitions

Invitation Homes generally purchases single-family properties at auction for cash, through negotiated sales of homes acquired through REO and short sale processes, in single asset property acquisitions and less frequently, in bulk acquisitions. Invitation Homes purchases properties with the intent to refurbish, lease and operate the homes as rental properties. In determining whether to pursue an acquisition of a property, Invitation Homes analyzes 64 factors, including neighborhood desirability, proximity to employment centers, schools, transportation corridors, community amenities, construction type and required ongoing capital needs, among others. Invitation Homes targets submarkets and neighborhoods in undersupplied high-growth markets, and seeks to leverage its in-house acquisition and operations teams’ local market expertise to acquire homes in in-fill locations that it believes will experience above average rental rate growth and home price appreciation. Invitation Homes’ in-house acquisition teams comprise 21 dedicated professionals located in its 13 markets and six professionals located at its corporate headquarters in Dallas, Texas, who provide strategic direction and overall oversight.

Property Renovation

Invitation Homes has an in-house team of dedicated personnel located in its markets who oversee the upfront property renovation process and the ongoing maintenance of its properties. This team works in collaboration with the in-house acquisitions and property management teams to maximize the total return of the upfront investment and minimize ongoing maintenance costs. To this end, Invitation Homes evaluates: the structural needs of a property (e.g., examining roofs, HVAC systems and siding); other maintenance-reducing improvements and repairs (e.g., installing durable hard-surface flooring, removing carpet from high-traffic areas, and testing plumbing and pipes both in the home and out to the street); and the level of fit and finish required to maintain consistency with Invitation Homes’ brand standards and maximize rental demand (e.g., selecting cabinet and countertop finishes and appliances designed to improve resident demand).

In general, before a home is acquired or when an acquired home first becomes vacant, the in-house teams begin the renovation process by preparing a detailed renovation budget and scope of work based on an assessment of each property’s major systems and structural features. These include HVAC, roofs, pools, and plumbing and electrical systems. In addition, Invitation Homes also evaluates other features of the homes’ fit and finish, including appliances, landscaping, decks and/or patios and fixtures. During the initial assessment Invitation Homes also determines the potential for, and potential return on, any value-additive upgrades that may reduce future operating costs or enhance rental demand and, by extension, the ability to realize more attractive rental rates, occupancy or turnover rates.

Through local oversight by in-house personnel of the entire process of renovating the homes, Invitation Homes seeks to drive cost efficiencies. Each property’s detailed budget and scope of work prepared by the in-house team of renovation professionals is reviewed and vetted by the in-house asset management and operations teams, and in the case of work Invitation Homes contracts directly, presented for bid to one or more of pre-approved vendor partners in each of its markets. In the case of work for which Invitation Homes relies upon general contractors, Invitation Homes sets prices based on the scope of work involved. By establishing and enforcing best practices and quality

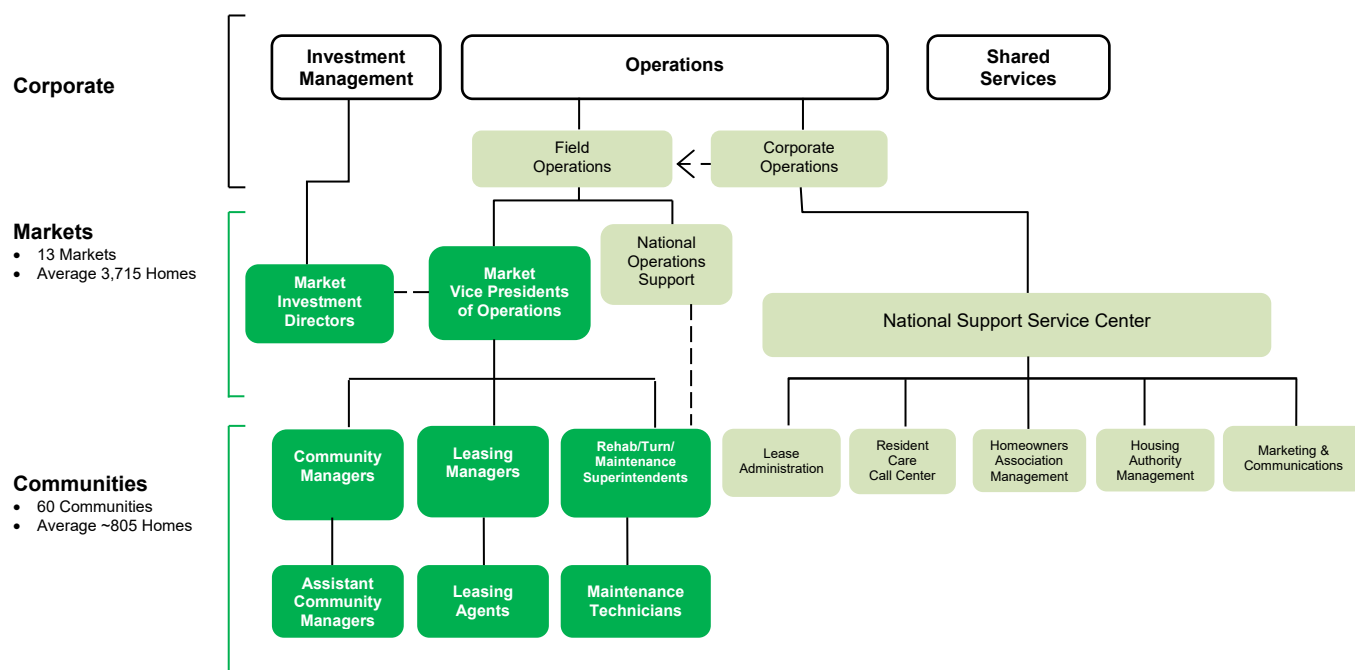
consistency, and through a constant process of evaluating and grading its vendor partners, Invitation Homes seeks to reduce the costs of both materials and labor. For example, Invitation Homes has negotiated discounts and extended warranties for products that regularly used during the renovation process, including appliances, HVAC systems and components, carpet and flooring, and paint, among others. Invitation Homes also seeks to reduce general contractor fees by working directly with vendors. The approach is geared towards a larger proportion of the upfront renovation expenditures going toward actual investment in properties as well as lower overall expenditures than outsourcing all elements of vendor selection and oversight to third party general contractors.

Property Operations

Property operations encompasses the local market management and execution of marketing, leasing, resident relations, and maintenance functions. As of December 31, 2016, Invitation Homes has an in-house property operations team of 754 dedicated personnel, 700 of whom are located in Invitation Homes' markets, responsible for property operations functions. Invitation Homes has developed and employs a scalable, vertically integrated, resident-centric property management platform. All of Invitation Homes' property management functions have been internally managed since Invitation Homes was founded in 2012, and it has developed an extensive in-house property management infrastructure, including systems, dedicated in-market personnel and local offices in each of its markets. All in-house, local market personnel are supported by the centralized national infrastructure, facilitating deployment of best practices and standardization where appropriate.

Invitation Homes organizes its in-house property management personnel and operating structure according to a "Community Model" whereby Vice Presidents of Operations in each of its markets are responsible for the operations of local leasing management, property management and maintenance teams.

Illustrative "Community Model" Structure



Note: All figures approximate as of December 2016.

Marketing and Leasing of Homes

Invitation Homes' in-house personnel are responsible for establishing rental rates, marketing and leasing properties and collecting and processing rent. Invitation Homes establishes rental rates based on a dynamic, rules-based pricing tool that is informed by local market conditions, including a competitive analysis of market rents for institutional single-family rental properties, growth in single-family and multifamily market rents since a specific home's last lease commenced, the size, fit and finish, and location of the home, the number of applications received and/or showings a property has experienced since becoming available and the number of days a home has been

available on the market, as well as qualitative factors, such as neighborhood characteristics, community amenities and proximity to employment centers, desirable schools, transportation corridors and local services.

Invitation Homes typically begins pre-marketing properties 30 to 60 days in advance of their becoming vacant to maintain high occupancy rates and reduce vacancy losses. Invitation Homes advertises available properties through multiple channels, including its website, RENTCafé, internet listing services (such as Zillow, Trulia and HotPads) syndicated through RENTCafé, MLS, yard signs, social media and local brokers. Invitation Homes also offers customer referral programs. Invitation Homes owns internal brokerages to serve each state in which it operates and utilizes leasing agents. In some markets, Invitation Homes uses a network of local real estate agents to show homes to prospective residents and offers those agents limited co-broker fees.

Prospective residents may submit an application through the Invitation Homes website, the RENTCafé platform or in person. In order to maintain brand consistency and better track compliance with leasing requirements, Invitation Homes utilizes a standardized online application, national lease agreement, move-in and move-out documents, resident communications and other ancillary documents. Invitation Homes evaluates prospective residents in a standardized manner through the use of a third party resident screening vendor partner. Invitation Homes' resident screening process includes obtaining appropriate identification, a thorough evaluation of credit history and household income, a review of the applicant's rental history, and a background check for criminal activity. Although Invitation Homes generally requires a minimum income to rent ratio, many additional factors are also taken into consideration during the resident evaluation process, including eviction history, criminal history and rental and other payment history.

Invitation Homes generally tries to respond to any potential resident notifications of interest within the same day, and is generally able to complete its application and evaluation process the same day the prospective resident submits a rental application. When renewing existing resident leases Invitation Homes generally updates the lease to utilize the current standardized lease form, which may update the lease terms to include the offering of new add-on products or services (such as renters' insurance) or notify residents of new regulations or fees (such as a monthly pet fee).

A majority of rent is collected electronically via Automated Clearing House transfer or direct debit to a resident's checking account via a secure resident portal on its website. An auto-pay feature is offered to facilitate rent payment. Residents' charges and payment history are available online through Invitation Homes' resident portal.

Resident delinquency is tracked daily through Invitation Homes' general ledger, and late fees are assessed according to the terms of the lease (typically between the third and fifth calendar day of the month). Statutes vary by state, but late notices and notices to "pay or quit" are typically sent between the fifth and tenth calendar day of the month.

Resident Relations and Property Maintenance

Invitation Homes in-house personnel in each of market are responsible for property repairs and maintenance and resident relations. Invitation Homes has a 24/7 emergency line to handle after hours maintenance issues on an expedited basis as needed, and residents can also contact Invitation Homes through the online resident portal, call centers or local property management office. Invitation Homes seeks to conduct routine repairs and maintenance in a timely manner as appropriate by appointment at the resident's convenience. Invitation Homes seeks to utilize quality materials to minimize the recurrence of maintenance requests and maximize long-term rental income and cash flows from its portfolio.

Invitation Homes typically utilizes in-house maintenance personnel in each market to provide ordinary course, "handyman" services, and outsource more complex or extensive repairs, such as roofing, HVAC, and plumbing and electrical work to vetted, pre-approved third party vendor partners. A majority of maintenance calls are addressed by the in-house maintenance technicians, but in cases where more complex or extensive repairs are outsourced, the in-house maintenance personnel provide oversight. In addition, in-house property management personnel conduct periodic visits to properties to help foster positive, long-term relationships with Invitation Homes' residents, track and report maintenance needs effectively, conduct preventative maintenance, and ensure compliance with lease terms, local laws, and HOA rules and regulations.

In addition to a regularly scheduled 45-day post move-in maintenance visit, in-house property maintenance personnel in each market also conduct preventative maintenance visits, which are scheduled approximately every six months. During preventative maintenance visits, in-house property maintenance personnel inspect the home's systems, paying particular attention to potential safety hazards as well as potential causes of damage that could cause Invitation Homes to incur significant maintenance costs if left unaddressed. Examples of areas of focus for

preventative maintenance visits include smoke and radon detectors, air filters, hot water heaters, toilet valves, under-sink plumbing and garbage disposals, among others.

Invitation Homes also conducts pre move-out inspections 15 to 30 days prior to scheduled resident move-outs. These inspections allow Invitation Homes to notify residents of any repairs they may need to undertake prior to moving out of the property, such as carpet cleaning or landscaping maintenance, in order to avoid forfeiture of part or all of their security deposit. In addition, these inspections allow the in-house property maintenance personnel to begin preparing a scope of work and budget for the turnover work between residents to prepare properties to be re-leased to a new resident. These inspections also increase the ability to pre-market properties.

Regardless of the purpose or timing of the visit, Invitation Homes' in-house property maintenance personnel are required to conduct a general property condition assessment ("GPCA") every time they visit a property. The GPCA requires the in-house property maintenance personnel to assess and document interior and exterior condition, whether the resident is adhering to the terms of their lease, as well as any potential safety hazards or potential causes of damage that could cause Invitation Homes to incur significant maintenance costs if left unaddressed.

Description of the Borrower and the Equity Owners

2017-1 IH Borrower L.P. (the "Borrower") will be organized as a Delaware limited partnership. The registered office of the Borrower is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware (New Castle County). The Borrower will not have any significant assets other than the Properties (and any leases), its rights in the equity of any Borrower TRS, and incidental personal property necessary for the ownership and operation of the Properties and in its capacity as borrower under the Loan Agreement. The Borrower will be a recycled special purpose entity that will have previously owned properties other than the Properties and will have had liabilities other than the Loan.

2017-1 IH Equity Owner L.P. ("Equity Owner LP") will be organized as a Delaware limited partnership and will own 99% of the partnership interests in the Borrower and 100% of the limited liability company interests in Borrower GP. Equity Owner LP will be a bankruptcy-remote entity formed for the sole purpose of holding limited partnership interests in the Borrower and limited liability company interests in Borrower GP, executing the Equity Owner Guaranty and the Equity Owner Security Agreement, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing. Equity Owner will not own any asset or property other than its 99% limited partnership interests in the Borrower and its limited liability company interests in Borrower GP. The sole general partner of Equity Owner LP will be 2017-1 IH Equity Owner G.P. LLC, which will be organized as a Delaware limited liability company ("Equity Owner GP").

2017-1 IH Borrower G.P. LLC ("Borrower GP" and, together with Equity Owner LP, the "Equity Owners") will be organized as a Delaware limited liability company and will be the general partner of, and own 1% of the partnership interests in the Borrower. Borrower GP will be a bankruptcy-remote entity formed for the sole purpose of holding the general partnership interest in the Borrower, executing the Borrower GP Guaranty and the Borrower GP Security Agreement, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing. Borrower GP will not own any asset or property other than its general partnership interest in the Borrower. The Loan Sponsor, the Equity Owners, Equity Owner GP and the Borrower are referred to as the "Relevant Parties" and each, as a "Relevant Party." Each Equity Owner will be a recycled special purpose entity that will have had liabilities other than the Loan.

DESCRIPTION OF THE PROPERTIES

General

Portions of the information set forth in this section are based upon information provided by the Borrower and the other Relevant Parties. None of the Depositor, the Accommodation Loan Seller, the Trustee, the Certificate Administrator, the Servicer, the Special Servicer, the Placement Agents or any of their respective affiliates have made or will make any representation as to the accuracy or completeness of this information.

The Properties are 7,204 single-family residential properties located in twenty-nine (29) MSAs in ten (10) states in the United States. As of the date hereof, the substantial majority of the Properties (as well as certain other properties that will not be collateral for the Loan) secure an existing loan of the Borrower (the "2014-SFR1 Loan") that serves as the primary asset backing the Invitation Homes 2014-SFR1 Single Family Rental Pass-Through Certificates issued by the Invitation Homes 2014-SFR1 Trust. A portion of the net proceeds from the offering of the Certificates will be used to repay the 2014-SFR1 Loan and to obtain a release of the Properties and the other properties securing the 2014-SFR1 Loan on the Closing Date. The remaining Properties (and other properties that

will not be collateral for the Loan) secured an existing loan of a different wholly-owned subsidiary of IH (the “2013-SFR1 Loan”) that served as the primary asset backing the Invitation Homes 2013-SFR1 Single Family Rental Pass-Through Certificates issued by the Invitation Homes 2013-SFR1 Trust and were released from the 2013-SFR1 Loan prior to the date hereof or were owned by other affiliates of the Borrower.

The information presented in this information circular on the Properties is presented as of the Property Cut-off Date and reflects the expected composition of the portfolio as of the Closing Date. The information does not take into account changes in the Properties that the Borrower will own on the Closing Date due to any variance in the Cut-off Date Loan Balance. Additionally, one or more Properties could be substituted for other properties if such Property (or Properties, as applicable) for some reason did not satisfy the terms of the Loan Documents. Therefore, the actual Properties owned by the Borrower on the Closing Date could vary from those shown in this information circular. Any variance between the characteristics of the information in this information circular and the actual characteristics of the Properties is not expected to be material. For purposes of the statistical information presented herein, dollar amounts are rounded.

The Properties are predominantly three or more bedroom residential properties, with two or more bathrooms. The average estimated square footage of the Properties is approximately 1,749 square feet based on the information obtained by the Borrower from listing services, brokers or county records at the time the Properties were acquired. The Borrower did not obtain a separate survey or other measurement of the Properties after acquisition and none was undertaken in connection with this offering. In addition, as of the Property Cut-off Date, 196 of the Properties representing 2.5% of the Cut-off Date Loan Balance have tenancies that depend on rent subsidies under various government-funded programs, such as Section 8 Tenant-Based Assistance Rental Certificate Program of the United States Department of Housing and Urban Development.

Under the terms of the Loan Agreement, the Borrower will represent and warrant that as of Property Cut-off Date, each Property other than a Vacant Property was leased pursuant to an Eligible Lease (which includes Properties that are leased Month-to-Month) and each such Lease was in full force and effect and was not in default in any material respect. As used herein, the following terms have the meaning set forth below:

“Eligible Lease” means, as of any date of determination, a Lease for a Property that satisfies all of the following:

- (a) the Lease reflects customary market standard terms;
- (b) the Lease is entered into on an arm’s-length basis without payment support by the Borrower or its affiliates (provided, that any incentives offered to Tenants will not be deemed to constitute such payment support);
- (c) the Lease had, as of its commencement date, a lease term (*i.e.*, the initial lease term and each renewal term) of at least 6 months;
- (d) the Lease is to a bona fide third-party lessee provided that no more than 25 Leases outstanding at any one time may be with employees of the Loan Sponsor or its affiliates;
- (e) the Lease is in compliance with all legal requirements in all material respects; and
- (f) the Lease does not contain any purchase option or lease to own provision unless expressly approved in writing by Lender.

The Borrower will also represent and warrant that the leasing of such Properties has complied in all material respects with the Borrower’s internal leasing guidelines.

A “Lease” means a bona fide written lease, sublease, letting, license, concession or other agreement pursuant to which any person is granted a possessory interest in, or right to use or occupy all or any portion of any space in any Property by or on behalf of the Borrower (or, with respect to any Vacant Properties on the Closing Date, prior to such Closing Date, by or on behalf of any affiliate of the Borrower), and (a) every modification, amendment or other agreement relating to such lease, sublease or other agreement entered into in connection with such lease, sublease or other agreement, and (b) every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the Tenant.

As of the Property Cut-off Date, 230 Properties representing approximately 3.3% of the Cut-off Date Loan Balance were vacant (each, a “Vacant Property”) and did not have an Eligible Lease in place.

Under the terms of the Loan Documents, as of the Closing Date, the Borrower will represent and warrant that if the Property is a Vacant Property, it was previously subject to an Eligible Lease and if the Property is then subject to an Eligible Lease, or if the Property is a Vacant Property previously subject to an Eligible Lease, at the commencement of such Eligible Lease, such Property satisfied the Renovation Standards and all renovations thereto were conducted in accordance with applicable legal requirements, in all material respects. As used herein, “Renovation Standards” means the maintenance, repairs, improvements and installations that are necessary for a property to conform to applicable material legal requirements and not deviate materially from local rental market standards for the area in which such Property is located. The renovation done on the Properties varied, but, generally, the renovation consisted of paint, flooring, carpeting, cabinetry, appliances, blinds and landscaping. In some cases, more extensive renovations were required, for example, replacement of the heating and ventilation system or plumbing. With respect to the all (7,204) Properties to be owned by the Borrower, the Loan Sponsor has spent a total of \$145,049,408 in aggregate renovation costs for an average of \$20,135 per Property.

THR also performs ongoing maintenance in response to tenant requests. As described under “*Description of the Relevant Parties and the Manager—Description of the Loan Sponsor*” in this information circular, generally when a property becomes vacant, THR assesses the condition of the interior and exterior of the home using a standard checklist to document the condition and outline necessary improvements to make the home ready for marketing and re-leasing. Similar to the renovation process, THR will then coordinate with contractors and vendors to perform the work the scope established.

As described in this information circular under “*Description of the Management Agreement and the Assignment and Subordination of Management Agreement—Management Agreement—Management Services*,” under the Management Agreement, the Manager has broad discretion with respect to the management of the Properties provided that the Manager acts in accordance with the Operation Standards. Subject to the requirements of the Management Agreement, the specifics of the maintenance undertaken by the Manager may change for a variety of reasons, including efforts to improve efficiency, changes in local laws or in response to market developments, and may not conform to the procedures generally described above.

In addition to renovation and maintenance with respect to the Properties, THR, as property manager, also managed the leasing of the Properties to the current tenants and had broad discretion with respect to the selection of the tenants (or in the case of the Properties that are vacant as of the Property Cut-off Date, the prior tenants) and the lease terms. THR, as Manager, will have the same rights and obligations under the Management Agreement and will determine all requirements with respect to leasing of the Properties, including without limitation screening and selection of tenants for the Properties and the terms of the Leases.

As of the Property Cut-off Date, 6,974 Properties representing approximately 96.7% of the Cut-off Date Loan Balance were leased (including 116 Properties representing approximately 1.7% of the Cut-off Date Loan Balance leased on a month-to-month basis). In each case, these Leases will expire prior to the Maturity Date of the Loan and in some cases will expire prior to the Closing Date. In addition, as of the Property Cut-off Date, 230 Properties representing approximately 3.3% of the Cut-off Date Loan Balance were Vacant Properties and may become subject to leases. In either case, the information regarding leases with respect to the Properties will be different from what is presented in this information circular which is presented as of the Property Cut-off Date. In this respect, investors should understand that an investment in the Certificates is highly dependent on the efficient operation of the Properties by the Manager (without taking into consideration the Fannie Mae Guaranty with respect to the Class A Certificates). See “*Risk Factors—Short-Term Leases May Expose the Borrower to Additional Risks*” in this information circular.

Broker Price Opinions; Sample Reconciliation

GRC obtained through third-party vendors, broker price opinions with respect to each Property within three months of the Property Cut-off Date. As used in this information circular, a “BPO” or “Broker Price Opinion” means a broker opinion of value obtained from an independent vendor based on an exterior review of the Property on an “as-is” basis. A BPO generally represents the opinion of a licensed real estate broker, agent or other real estate professional, as to the value of the property based on comparable sales, the local real estate market and, possibly, an exterior review of a property. Providers of BPOs are not licensed appraisers and do not evaluate the condition of the interior or other factors not easily viewed from outside of the property. Such exterior valuations may not be sufficient to determine whether a tenant or owner has failed to keep up regular maintenance on the property, routine or otherwise, or even damaged the related property. Furthermore, providers of the BPOs for the Properties were instructed to assume that interiors had been remodeled to a standard comparable in overall quality to available homes for rent at the Invitation Homes website (the contents of which are not incorporated by reference herein or otherwise as a part of this information circular). As described under “*Risk Factors—Limitations of Broker Price Opinions; Interior Condition Assumption; No Physical Inspections*” in this information circular, BPOs are inherently

subjective, and variances may occur between such valuations for a variety of reasons. The BPO Values presented in this information circular are the BPO Values used for determining the allocated loan amount for each Property under the Loan and are presented on an “as-is” basis (made subject to the assumptions on condition and validation and reconciliation by GRC) and are not intended to be a representation as to the past, present or future market values of any of the Properties. The current market value of the Properties could be lower than indicated by the BPOs. Investors are encouraged to make their own determination as to the valuation of Properties and the related financial information presented in this information circular, such as Cut-off Date Loan to BPO Value Ratio and LTV Ratio at Maturity which are based on the BPO Values. See “*Risk Factors—Limitations of Broker Price Opinions; Interior Condition Assumption; No Physical Inspections*” in this information circular.

A third party was engaged to review and reconcile the BPO Values used for used for determining the Allocated Loan Amount for each Property under the Loan with respect to 883 randomly selected properties in the initial pool of the properties considered for inclusion in this transaction. As part of the review, the third party reviewed the subject of the related BPO, the comparable properties selected in determining the BPO Value and provided an opinion of value as of the date of its report (each, a “Reconciled Value”). From that pool, 114 of the properties included in the sample were not included as Properties in this transaction (other than for reasons relating to the BPO reconciliation process).

The results of the reconciliation process were that the aggregate Reconciled Value of the sampled assets was greater than the Aggregate Cut-off Date BPO Value of the sampled assets by \$493,986 or 0.282% of the Aggregate Cut-off Date BPO Value of the sampled assets). The distribution of the BPO Value and the Reconciled Value differences is shown below:

	Count – Initial Sample	Count – Final Pool
Reconciled Value: ≥15.00% higher	18	16
Reconciled Value: 10.00 – 14.99% higher	29	27
Reconciled Value: 5.00 – 9.99% higher	54	51
Reconciled Value: 0.01 – 4.99% higher	71	67
No Difference	504	453
Reconciled Value: 0.01 – 5.00% lower.....	91	82
Reconciled Value: 5.01 – 10.00% lower.....	63	46
Reconciled Value: 10.01 – 15.00% lower.....	30	21
Reconciled Value: >15.00% lower	23	6
Total	883	769

Like the BPOs, the Reconciled Values were subject to certain assumptions and did not constitute an appraisal of the Property, and in each case are subject to the same considerations discussed in this information circular with respect to BPO Values. The BPO Values used throughout this information circular are the BPO Values used in connection with the offering of the Certificates.

No Physical Inspections

Although the Borrower will make certain representations and warranties regarding the state of the Properties and environmental matters as set forth in Annex E hereto, no site assessments, engineering reports or environmental assessments, surveys or interior inspections were obtained with respect to the Properties. See “*Risk Factors—Limitations of Broker Price Opinions; Interior Condition Assumption; No Physical Inspections*” and “*—Certain Environmental Matters*” in this information circular.

Loan Closing Process

As of the date hereof, the substantial majority of the Properties (as well as certain other properties that will not be collateral for the Loan) secure the Borrower’s existing 2014-SFR1 Loan that serves as the primary asset backing the Invitation Homes 2014-SFR1 Single Family Rental Pass-Through Certificates issued by the Invitation Homes 2014-SFR1 Trust. The remaining Properties (and other properties that will not be collateral for the Loan) secured the 2013-SFR1 Loan that served as the primary asset backing the Invitation Homes 2013-SFR1 Single Family Rental Pass-Through Certificates issued by the Invitation Homes 2013-SFR1 Trust or are owned by other affiliates of the Borrower.

A portion of the net proceeds from the offering of the Certificates will be used to repay the 2014-SFR1 Loan and to obtain a release of the Properties and the other properties securing the 2014-SFR1 Loan on the Closing Date. The remaining net proceeds may be used for making distributions to the Borrower’s direct and indirect equity holders and

may be applied to partially repay the loan that serves as the primary asset backing the Invitation Homes 2014-SFR2 Single Family Rental Pass-Through Certificates issued by the Invitation Homes 2014-SFR2 Trust.

As part of the Loan closing, the Borrower will be required to deliver to a title insurance company, acting as escrow agent for the Loan closing (as title insurance company, the “Title Company” and as escrow agent, the “Loan Closing Escrow Agent”), among other things, a deed for each Property other than those that previously secured the 2014-SFR1 Loan in the name of the Borrower (each, a “Deed”), and a Mortgage for each Property from the Borrower in favor of the Lender (together, the “Mortgage Documents”). Additionally, a Qualified Title Insurance Company will be required to commit to issue, upon the funding of the Loan, an owner’s title insurance policy and a lender’s title insurance policy in respect of each Property in each case providing coverage in the amount of the Allocated Loan Amount for such Property. Each of the Mortgages will be a “blanket mortgage” covering groups of Properties that are located in a particular county. Each Mortgage Document will be prepared based on the pre-negotiated form and the Title Company will have attached the applicable legal descriptions to each document. Promptly following the closing of the Loan and the issuance of the Certificates, the Loan Closing Escrow Agent will record the Deeds and Mortgage Documents in the applicable counties and deliver the recorded documents to the Custodian.

In connection with the closing of the Loan and the issuance of the Certificates, one or more third-party vendors were engaged to perform the following procedures:

- **Deeds:** For all Properties, a third-party vendor will review the deed for each such Property to verify that (a) the legal description matches the legal description in the related title commitment and (b) such deed purports to convey title to the Property to the Borrower (with vesting in the correct name of the Borrower or 2014-1 IH Borrower L.P., which is the name of the Borrower prior to the closing of the Loan).
- **Title Insurance:** For all Properties, a third-party vendor will review a commitment for an owner’s title insurance policy and a lender’s title insurance policy for each Property to (a) verify that the legal description matches the legal description in the related vesting deed, (b) identify all monetary liens listed in the commitment (i) for purposes of removal of such monetary liens as exceptions on the title policy or commitment on or before the Closing Date (except for liens for taxes not yet due and delinquent) or (ii) for purposes of obtaining affirmative coverage regarding the monetary liens in the owner’s title insurance policy or lender’s title insurance policy, as applicable, issued on the Closing Date, and (c) determine whether any non-monetary encumbrances listed in the commitment would reasonably be expected to have a material adverse effect on the value, use, occupation, leasing or marketability of such Property or result in any material liability to, claim against or obligation of the Lender or material liability or obligation on the part of the Borrower or any related party and to coordinate with the title company to have any such encumbrances removed as exceptions on the title policy or commitment.
- **Mortgage Documents:** For all Properties, a third-party vendor will review the applicable Mortgage Document to verify that (a) Property specific information contained in such Mortgage Document is correct and (b) the legal description in such Mortgage Document matches the legal description in the applicable vesting deed.
- **Leases:** For all Properties, a third-party vendor was engaged to review the related Lease to compare the lease amount in such Lease with lease amounts provided by the Borrower in its data file.
- **Purchase Documentation:** For all Properties, a third-party vendor was engaged to review the purchase documentation provided by the Borrower in order to compare the acquisition amounts provided in the properties schedule against the purchase documentation.
- **The Accommodation Lender and the Guarantor** conducted drive-by exterior reviews with respect to Properties representing approximately 5% of the Cut-off Date Loan Balance.

No other party, including the Accommodation Loan Seller or the Depositor, other than the Borrower, performed a review with respect to these matters in connection with the origination of the Loan or the issuance of the Certificates.

Additional Information Regarding the Loan and the Properties

Certain characteristics of the Loan and Properties, unless otherwise indicated, are set forth on the tables in this information circular and Annex A-1 to this information circular which is incorporated herein. The information with respect to the Loan is set forth as of the Cut-off Date and the information with respect to the Properties is set forth as of the Property Cut-off Date. The statistics and other data in such tables were derived from information provided by the Borrower and the Manager which information may have been obtained without independent verification. None of

the Depositor, the Borrower or any of their respective affiliates has independently confirmed the accuracy or completeness of such information.

The information presented in this information circular on the Properties is presented as of the Property Cut-off Date and reflects the expected composition of the portfolio as of the Closing Date. The information does not take into account changes in the Properties that the Borrower will own on the Closing Date due to any variance in the Cut-off Date Loan Balance. Additionally, one or more Properties could be substituted for other properties if such Property (or Properties, as applicable) for some reason did not satisfy the terms of the Loan Documents. Therefore, the actual Properties owned by the Borrower on the Closing Date could vary from those shown in this information circular. Any variance between the characteristics of the information in this information circular and the actual characteristics of the Properties is not expected to be material. For purposes of the statistical information presented herein, dollar amounts are rounded. For purposes of this information circular:

(a) "Acquisition Basis (Pre-Rehab)" means, with respect to a Property, the sum of (a) the Purchase Price and (b) the Closing Costs.

(b) "Acquisition Month and Year" means, with respect to a Property, the month and year in which the Initial IH Owner acquired the Property.

(c) "Additional Capex (Post-Initial Rehab)" means with respect to a Property any expenditures with respect to such Property during the period after the initial leasing of the Property by the Initial IH Owner to and including the Property Cut-off Date, which were capitalized pursuant to the Loan Sponsor's capitalization policy (which expenditures are not included in Total Upfront Renovation Costs or Other Allocated Costs).

(d) "Allocated Original Balance" or "Allocated Cut-off Date Balance" means, with respect to a Property, the portion of the Cut-off Date Loan Balance allocated to such Property as of Cut-off Date, which is calculated by multiplying the BPO Value of the Property by the Cut-off Date Loan to BPO Value Ratio. The Allocated Original Balance and Allocated Cut-off Date Balance are the same.

(e) "Annual Debt Service" means, with respect to the Loan, the sum of the monthly debt service payments for the first 12 full Loan Interest Accrual Periods plus the amount of the Certificate Administrator Fee and the Trustee Fee payable by the Borrower in each such Loan Interest Accrual Period as Borrower Reimbursable Trust Fund Expenses under the Loan, assuming the Regular Component Interest Rate of each Component is as set forth herein.

(f) "BPO Value" means, with respect to a Property, the value of the Property in the Broker Price Opinion for such Property at the BPO Value as-of Date based on an exterior review of the Property on an "as-is" basis assuming the interior of the Property was remodeled to a standard comparable in overall quality to properties available for rent on the Invitation Homes website.

(g) "BPO Value as-of Date" means, with respect to a Property, the date of the BPO obtained by GRC.

(h) "Closest MSA" means, with respect to a Property, the MSA in which the Property is located or if the Property is not located in an MSA, the closest MSA to such Property.

(i) "Closing Costs" means, with respect to a Property, the costs of closing the acquisition of the Property, including broker commissions, title, escrow, and other closing costs and the amount of taxes, HOA dues, fees and assessments and mechanic's liens paid by the Initial IH Owner in connection with the acquisition to clear the Property of liens with respect to such items.

(j) "Cut-off Date Loan to BPO Value Ratio" or "Cut-off Date Loan LTV Ratio" means, with respect to the Loan, (a) the Cut-off Date Loan Balance divided by (b) the Aggregate Cut-off Date BPO Value.

(k) "Date of Lease Expiration" means, with respect to a Property subject to an Eligible Lease as of the Property Cut-off Date, the date on which the Lease expires or in the case of a Property that is Month-to-Month, expired.

(l) "First Full Monthly Debt Service" means, with respect to the Loan, the monthly debt service payment plus the amount of the Certificate Administrator Fee and the Trustee Fee payable by the Borrower as Borrower Reimbursable Trust Fund Expenses under the Loan Agreement for the first full Loan Interest Accrual Period after the Closing Date, assuming the Regular Component Interest Rate of the Component is as set forth herein.

(m) "Lease Start Date" means, with respect to a Property subject to an Eligible Lease as of the Property Cut-off Date, the date the tenant was entitled to move in and was contractually obligated to start paying rent.

(n) "LTV Ratio at Maturity" means, with respect to the Loan, (a) the Cut-off Date Loan Balance of the Loan divided by (b) the Aggregate Cut-off Date BPO Value.

(o) "Maturity Date" means, for the purposes of the following tables and Annex A-1, the Stated Maturity Date of the Loan, without giving effect to any accelerations.

(p) "Month-to-Month" means, with respect to a Property, the Property is subject to an Eligible Lease for which the original term expired but which has been extended on a month-to-month basis.

(q) "Original Length of Lease (months)" means, with respect to a Property subject to an Eligible Lease as of the Property Cut-off Date (other than Properties that are Month-to-Month), the period from the Lease Start Date to the Date of Lease Expiration.

(r) "Other Allocated Costs" means, with respect to each Property, the insurance, property taxes, HOA Fees, interest and other capitalized costs with respect to such Property prior to completion of the initial renovation of the Property prior to the initial leasing of the Property by the IH Initial Owner, the initial financing fees and costs that the Initial IH Owner allocated to such Property, which is a fixed charge equal to (1) approximately 10.42% of the Purchase Price of the Property for Properties acquired between April 2012 and April 2013 and (2) approximately 6.64% of the Purchase Price of the Property for Properties acquired between September 2013 and February 2015, in each case to cover overhead of the Manager with respect to such Property from acquisition through December 31, 2016.

(s) "Purchase Price" means, with respect to a Property, the price at which the Initial IH Owner acquired the Property, not including Closing Costs.

(t) "Remaining Lease Term (months)" means, with respect to a Property subject to an Eligible Lease as of the Property Cut-off Date (other than Properties that are Month-to-Month), the number of months from the Property Cut-off Date to the Date of Lease Expiration.

(u) "Rented" means, with respect to a Property, whether the Property has been leased under an Eligible Lease (which includes Properties that are Month-to-Month) as of the Property Cut-off Date.

(v) "Servicing Fee Rate and CREFC® License Fee Rate" means the sum of the Servicing Fee Rate and the CREFC® License Fee Rate.

(w) "Total Cost Basis (Post-Rehab)" means, with respect to a Property, the sum of (a) the Acquisition Basis (Pre-Rehab), (b) the Total Upfront Renovation Costs, (c) the Other Allocated Costs and (d) Additional CapEx (Post-Initial Rehab).

(x) "Total Upfront Renovation Costs" means, with respect to a Property, the actual cost of the Initial IH Owner for the renovation of the Property prior to the initial leasing of the Property by the Initial IH Owner.

(y) Underwritten Information

As discussed under "*Risk Factors—Limited Operating History Employing a Business Model with a Limited Track Record*" the Borrower has limited historical information with respect to the maintaining, managing and renting the particular homes which comprise the Properties and there is limited performance history on tenant turnover, delinquencies in rental payments, tolerance for rent increases, wear and tear from occupancy and other operating metrics on the Properties following the stabilization of the Properties. As a result, the financial information presented in Annex A-1 with respect to the Underwritten Annual Net Operating Income and Underwritten Annual Net Cash Flow are underwritten numbers based on a variety of assumptions with limited historical numbers for purposes of determining the appropriate amounts. The assumptions used in calculating the Total Annual Underwritten Gross Income, the Underwritten Monthly Rent, the Underwritten Annual Vacancy, the Underwritten Annual HOA Fees, the Underwritten Annual Property Management Fee, the Underwritten Annual CapEx Reserve, the Underwritten Annual Insurance, the Underwritten Annual Real Estate Taxes, the Underwritten Annual Repairs and Maintenance, the Underwritten Annual Turnover Costs and the Underwritten Annual Marketing and Leasing Costs were developed by the Accommodation Loan Seller and the Guarantor based on Invitation Homes' operating experience with respect to the Properties, various assumptions regarding expenses with respect to the Properties and market data for similarly situated properties owned by other large institutional operators of

single-family rental properties, which is limited. As a result, the information presented in Annex A-1 reflects adjustments to the Loan Sponsor's historical information. In any event, operation of institutionally owned single family rentals is a relatively new business model and is entirely unproven. See *"Risk Factors—Single-Family Rental on an Institutional Scale is Relatively New and Unproven," "—Limited Operating History Employing a Business Model with a Limited Track Record," "—Vacancy and Turnover Rates Are Subject to a High Degree of Uncertainty" and "—Capital Expenditures and Operating Expenses Are Subject to a High Degree of Uncertainty"* in this information circular. The selected historical information used for purposes of determining the underwritten information was derived by the Borrower from audited and/or unaudited financial statements, which have not been verified by the Placement Agents, the Accommodation Loan Seller, the Guarantor or any other person. In addition, the underwriting analysis of the Loan as described herein may not (and likely will not) conform to an analysis of the same properties by other persons or entities. This differs from many CMBS transactions, where historical information is available to the lender and investors when considering the assumptions taken with respect to the underwritten financial information. Investors should carefully consider an investment in the Offered Certificates in light of the limitations on the information presented in this information circular.

- (i) "Total Annual Underwritten Expenses" means, the sum of (a) the Underwritten Annual Real Estate Taxes, (b) Underwritten Annual Property Management Fee, (c) Underwritten Annual HOA Fees, (d) Underwritten Annual Insurance, (e) Underwritten Annual Repairs and Maintenance, (f) Underwritten Annual Turnover Costs, (g) Underwritten Annual Property Level G&A and (h) Underwritten Annual Marketing and Leasing Costs.
- (ii) "Total Annual Underwritten Gross Income" means, with respect to a Property, the sum of (a) Underwritten Annual Rent and (b) Underwritten Annual Other Income, as adjusted by the Underwritten Annual Vacancy.
- (iii) "Underwritten Annual CapEx Reserve" means, with respect to a Property, the reserve for capital expenditures for the Property for major repairs (not covered by Underwritten Annual Repairs and Maintenance or Underwritten Annual Turnover Costs).
- (iv) "Underwritten Annual Insurance" means, with respect to a Property, the most recent annual insurance payment due with respect to the Property, multiplied by 105%.
- (v) "Underwritten Annual Real Estate Taxes" means, with respect to a Property, the most recent annual tax payment due with respect to the Property to pay all state and local real estate taxes, if available, and otherwise, the estimated annual tax payment due based on assessed values and local real estate tax rates, multiplied by 104%.
- (vi) "Underwritten Annual Rent" means, with respect to a Property, 12 times the Underwritten Monthly Rent.
- (vii) "Underwritten Monthly Rent" means, with respect to (a) a Property subject to an Eligible Lease as of the Property Cut-off Date, the monthly rent payment that the tenant is contractually obligated to pay under the Lease (including Properties that are Month-to-Month) and, where applicable, administrative fees and taxes payable by the Tenant under the Lease and (b) a Property that is Vacant as of the Property Cut-off Date, the rental rate at which the last tenant leased the Property.
- (viii) "Underwritten Annual HOA Fees" means, with respect to a Property, the underwritten annual HOA Fee with respect to the Property based primarily on market data for similarly situated properties.
- (ix) "Underwritten Annual Marketing and Leasing Costs" means, with respect to a Property, the annual marketing and leasing costs for the Property not covered by the Management Fee based primarily on market data for similarly situated and similarly owned properties.
- (x) "Underwritten Annual Net Cash Flow" or "Underwritten Annual NCF" means, with respect to a Property, the Underwritten Annual Net Operating Income decreased by the Underwritten Annual CapEx Reserve. Underwritten Annual Net Cash Flow does not reflect interest expense and non-cash items such as depreciation and amortization.

- (xi) "Underwritten Annual Net Operating Income" or "Underwritten Annual NOI" means, for the Loan, an estimate of cash flow available for debt service in a projected year of stable operations. It is the estimated Total Annual Underwritten Gross Income less the Total Annual Underwritten Expenses.

The Underwritten Annual Net Operating Income for the Properties is calculated on the basis of numerous assumptions and subjective judgments, which, if ultimately proven erroneous, could cause the actual net operating income for the Properties to differ materially from the Underwritten Annual Net Operating Income set forth in this information circular. Certain of such assumptions and subjective judgments relate to future events, conditions and circumstances, including future expense levels, future increases in rents over current rental rates, future vacancy rates, the re-leasing of vacant space, including Properties that are Vacant Properties as of the Property Cut-off Date, and the continued leasing of occupied space, which will be affected by a variety of complex factors over which none of the Depositor, the Servicer or the Special Servicer have control. In determining Total Annual Underwritten Gross Income (including Underwritten Monthly Rent), the Accommodation Loan Seller and the Guarantor use unaudited financial information provided by the Borrower. From that information, the Accommodation Loan Seller and the Guarantor calculated stabilized estimates of cash flow that took into consideration market rents and market vacancy data for similarly situated and similarly owned properties. Among other things, Underwritten Annual Net Operating Income assumes that each Property (including Properties that are Vacant Properties as of the Property Cut-off Date) is leased subject to the estimated Underwritten Annual Vacancy. With respect to each of the elements of the Total Annual Underwritten Expenses, the Accommodation Loan Seller and the Guarantor primarily relied on historical information of the Loan Sponsor with respect to the elements of Total Annual Underwritten Expenses and assumptions based on the performance of similar rental properties owned by similar large, institutional operators of single family rental properties, to the limited extent available.

- (xii) "Underwritten Annual Other Income" means, with respect to a Property, any other actual net cash flow from the Property, such as fees for pets or cleaning, other than the Underwritten Monthly Rent.
- (xiii) "Underwritten Annual Property Level G&A" means, with respect to a Property, the underwritten annual general and administrative expense with respect to the Property based primarily on historic information and market data for similarly situated and similarly owned properties.
- (xiv) "Underwritten Annual Property Management Fee" means, with respect to a Property, the annual management fee for the Property equal to 6.0% of the Total Annual Underwritten Gross Income.
- (xv) "Underwritten Annual Repairs and Maintenance" means, with respect to a Property, the annual cost for repairs and maintenance with respect to a Property based primarily on market data and does not include Underwritten Annual Turnover Costs or Underwritten Annual CapEx Reserve.
- (xvi) "Underwritten Annual Turnover Costs" means, with respect to a Property, the annual costs for turnover at the Property based on the estimated turnover of the Property are generally based on historical performance for the Properties and similar rental properties to the limited extent available.
- (xvii) "Underwritten Annual Vacancy" means, with respect to a Property, the sum of (a) 5.5% annual vacancy rate for the Property which was determined primarily based on historical information provided by the Loan Sponsor and market data for similarly situated and similarly owned properties plus (b) an assumed rate of 0.04% for the bad debt and concessions. The bad debt loss estimate was based on the Loan Sponsor's forecasted (generally based on limited historical experience and on the Loan Sponsor's market-based expectations) bad debt rate for the Property based on where it is located and historical concessions, as adjusted by the Accommodation Loan Seller and the Guarantor to take into account market data for similarly situated and similarly owned properties.
- (xviii) "U/W NCF DSCR," "Underwritten NCF DSCR" or "Underwritten NCF Debt Service Coverage Ratio" means with respect to the Loan, (a) the Underwritten Annual Net Cash Flow, divided by (b) the Annual Debt Service. In general, debt service coverage ratios are used by income property lenders to measure the ratio of (a) cash currently generated by a property that is available for debt service to (b) required debt service payments. However, debt service coverage ratios only measure the current, or recent, ability of properties to service mortgage debt. If a property does not possess a stable operating expectancy, a debt service coverage ratio may not be a reliable indicator of a property's ability to service and/or amortize the mortgage debt over the entire remaining loan term.

The Underwritten NCF DSCR is presented in this information circular for illustrative purposes only and, as discussed above, is limited in its usefulness in assessing the current, or predicting the future, ability of Properties to generate sufficient cash flow to repay the Loan. Accordingly, no assurance can be given, and no representation is made, that the Underwritten NCF DSCR accurately reflects that ability. The U/W NCF DSCR presented in this information circular is based on the Annual Debt Service (which does not include any amortization of principal) that will be due under the Loan. The Loan Debt Service Coverage Ratio, by contrast, is calculated using the Loan Underwritten Debt Service Amount (Assumed Amortization), assuming a thirty-year level-pay amortization schedule (which may be reset under certain circumstances). The Loan Debt Service Coverage Ratio is used for purposes of calculating the Low DSCR Trigger and determining if the Borrower may obtain a release of Properties or substitute Properties.

- (xix) “U/W NOI DSCR” or “Underwritten NOI DSCR” means, with respect to the Loan, (a) the Underwritten Annual Net Operating Income divided by (b) the Annual Debt Service. The Underwritten NOI DSCR is presented in this information circular for illustrative purposes only and, as discussed above, is limited in its usefulness in assessing the current, or predicting the future, ability of the Properties to generate sufficient cash flow to repay the Loan. Accordingly, no assurance can be given, and no representation is made, that the Underwritten NOI DSCR accurately reflects that ability. See the definition of “U/W NCF DSCR” in this information circular for more information regarding the evaluation of debt service coverage ratios.

Certain summary information with respect to the Loan and the underwritten information used in calculating the amounts presented in Annex A-1 are set forth below:

Underwritten Cash Flows	Total (\$)	Average per Property (\$)
Underwritten Annual Rent	132,990,817	18,461
Underwritten Annual Other Income	7,096,484	985
Underwritten Annual Vacancy	(7,793,413)	(1,082)
Total Annual Underwritten Gross Income	132,293,887	18,364
Underwritten Annual Real Estate Taxes.....	(19,021,784)	(2,640)
Underwritten Annual Property Management Fee	(7,937,633)	(1,102)
Underwritten Annual HOA Fees	(2,249,701)	(312)
Underwritten Annual Insurance	(2,861,673)	(397)
Underwritten Annual Repairs and Maintenance	(5,155,990)	(716)
Underwritten Annual Turnover Costs	(3,065,421)	(426)
Underwritten Annual Marketing and Leasing Costs.....	(4,162,338)	(578)
Underwritten Annual Property Level G&A	(791,481)	(110)
Total Annual Underwritten Expenses	(45,246,021)	(6,281)
Underwritten Annual Net Operating Income	87,047,867	12,083
Underwritten Annual CapEx Reserve.....	(5,403,000)	(750)
Underwritten Annual Net Cash Flow	81,644,867	11,333

Property Information

Allocated Loan Amounts

Allocated Loan Amounts (\$)	Number of Properties	Aggregate BPO Value (\$)	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post-Rehab)	Aggregate Undewritten Annual Net Cash Flow (\$)	% by Underwritten Annual Net Cash Flow	Average Underwritten Monthly Rent (\$)	Average Remaining Lease Term (mos) ⁽¹⁾
52,139.99 - 75,000.00	131	\$15,395,414	0.9%	\$13,351,202	1.0%	\$1,036,868	1.3%	\$1,069	6
75,000.01 - 85,000.00	283	\$38,167,500	2.3%	\$31,822,017	2.4%	\$2,429,563	3.0%	\$1,127	7
85,000.01 - 95,000.00	596	\$89,938,150	5.4%	\$72,330,228	5.5%	\$5,225,027	6.4%	\$1,164	7
95,000.01 - 105,000.00	860	\$143,884,750	8.6%	\$115,465,482	8.7%	\$7,945,006	9.7%	\$1,226	6
105,000.01 - 115,000.00	748	\$137,439,399	8.2%	\$110,237,285	8.3%	\$7,321,799	9.0%	\$1,315	7
115,000.01 - 125,000.00	615	\$122,730,376	7.4%	\$98,651,339	7.5%	\$6,324,966	7.7%	\$1,404	7
125,000.01 - 135,000.00	698	\$151,416,700	9.1%	\$119,792,342	9.1%	\$7,476,877	9.2%	\$1,472	7
135,000.01 - 145,000.00	515	\$120,505,258	7.2%	\$95,942,233	7.3%	\$5,891,559	7.2%	\$1,567	7
145,000.01 - 155,000.00	460	\$114,913,623	6.9%	\$91,070,928	6.9%	\$5,483,231	6.7%	\$1,644	7
155,000.01 - 165,000.00	433	\$115,490,200	6.9%	\$90,884,564	6.9%	\$5,394,422	6.6%	\$1,707	7
165,000.01 - 175,000.00	363	\$103,184,337	6.2%	\$81,155,012	6.1%	\$4,733,217	5.8%	\$1,784	8
175,000.01 - 185,000.00	272	\$81,604,200	4.9%	\$64,967,374	4.9%	\$3,728,458	4.6%	\$1,867	7
185,000.01 - 195,000.00	309	\$97,887,500	5.9%	\$75,934,946	5.7%	\$4,349,042	5.3%	\$1,910	7
195,000.01 - 205,000.00	247	\$82,382,100	4.9%	\$63,609,595	4.8%	\$3,583,241	4.4%	\$1,982	8
205,000.01 - 215,000.00	195	\$68,162,300	4.1%	\$54,164,010	4.1%	\$2,973,158	3.6%	\$2,089	8
215,000.01 - 225,000.00	205	\$75,177,350	4.5%	\$58,580,943	4.4%	\$3,190,091	3.9%	\$2,137	8
225,000.01 - 235,000.00	121	\$46,493,200	2.8%	\$36,745,236	2.8%	\$1,971,406	2.4%	\$2,226	7
235,000.01 - 245,000.00	90	\$35,968,400	2.2%	\$28,923,727	2.2%	\$1,506,963	1.8%	\$2,301	7
245,000.01 - 248,999.94	63	\$25,925,800	1.6%	\$19,072,507	1.4%	\$1,079,973	1.3%	\$2,233	8
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7
Minimum:	\$52,139.99								
Maximum:	\$248,999.94								
Average:	\$138,811.73								
Total:	\$999,999,713.00								

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

Property Information

BPO Values of the Properties

BPO Value (\$)	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Undewritten Annual Net Cash Flow	% by Undewritten Annual Net Cash Flow	Average Undewritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
86,900.00 - 100,000.00	9	\$873,414	0.1%	\$803,436	0.1%	\$61,589	0.1%	\$1,019	7
100,000.01 - 125,000.00	122	\$14,522,000	0.9%	\$12,547,766	0.9%	\$975,279	1.2%	\$1,072	6
125,000.01 - 150,000.00	595	\$84,145,200	5.0%	\$69,309,679	5.2%	\$5,144,817	6.3%	\$1,142	7
150,000.01 - 175,000.00	1,144	\$187,845,200	11.3%	\$150,308,047	11.4%	\$10,454,778	12.8%	\$1,213	7
175,000.01 - 200,000.00	1,158	\$218,156,176	13.1%	\$174,977,690	13.2%	\$11,465,909	14.0%	\$1,336	7
200,000.01 - 225,000.00	903	\$193,430,299	11.6%	\$153,703,276	11.6%	\$9,657,734	11.8%	\$1,471	7
225,000.01 - 250,000.00	804	\$191,869,208	11.5%	\$152,432,000	11.5%	\$9,333,817	11.4%	\$1,588	7
250,000.01 - 275,000.00	604	\$159,039,873	9.5%	\$125,465,726	9.5%	\$7,435,395	9.1%	\$1,698	7
275,000.01 - 300,000.00	538	\$155,207,837	9.3%	\$122,714,308	9.3%	\$7,120,877	8.7%	\$1,807	7
300,000.01 - 350,000.00	787	\$256,366,400	15.4%	\$199,983,189	15.1%	\$11,322,927	13.9%	\$1,960	7
350,000.01 - 375,000.00	266	\$96,823,550	5.8%	\$75,714,384	5.7%	\$4,113,403	5.0%	\$2,126	8
375,000.01 - 400,000.00	189	\$73,563,100	4.4%	\$58,534,180	4.4%	\$3,114,075	3.8%	\$2,250	8
400,000.01 - 415,000.00	85	\$34,824,300	2.1%	\$26,207,290	2.0%	\$1,444,268	1.8%	\$2,258	8
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7
Minimum:		\$86,900.00							
Maximum:		\$415,000.00							
Average:		\$231,352.94							
Total:		\$1,666,666,557.00							

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

Property Information

Total Cost Basis (Post-Rehabilitation) of the Properties

Total Cost Basis (Post-Rehab) (\$)	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Undewritten Annual Net Cash Flow	% by Undewritten Annual Net Cash Flow	Average Underwritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
70,895.11 - 120,000.00	876	\$130,446,014	7.8%	\$93,782,689	7.1%	\$7,477,572	9.2%	\$1,096	6
120,000.01 - 140,000.00	1,001	\$169,420,100	10.2%	\$130,225,368	9.8%	\$9,184,264	11.2%	\$1,208	7
140,000.01 - 160,000.00	1,105	\$210,938,949	12.7%	\$165,813,739	12.5%	\$11,025,106	13.5%	\$1,334	7
160,000.01 - 180,000.00	989	\$212,332,726	12.7%	\$167,881,896	12.7%	\$10,542,018	12.9%	\$1,460	7
180,000.01 - 200,000.00	811	\$194,238,042	11.7%	\$153,799,546	11.6%	\$9,354,769	11.5%	\$1,584	7
200,000.01 - 220,000.00	632	\$167,920,158	10.1%	\$132,669,053	10.0%	\$7,833,187	9.6%	\$1,715	7
220,000.01 - 240,000.00	541	\$158,149,700	9.5%	\$124,352,886	9.4%	\$7,250,644	8.9%	\$1,820	8
240,000.01 - 260,000.00	405	\$127,717,118	7.7%	\$100,860,254	7.6%	\$5,726,943	7.0%	\$1,939	8
260,000.01 - 280,000.00	318	\$106,329,700	6.4%	\$85,662,177	6.5%	\$4,748,098	5.8%	\$2,024	7
280,000.01 - 445,499.14	526	\$189,174,050	11.4%	\$167,653,362	12.7%	\$8,502,267	10.4%	\$2,305	7
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7
Minimum:	\$70,895.11								
Maximum:	\$445,499.14								
Average:	\$183,606.46								
Total:	\$1,322,700,970.93								

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

Property Information

Total Upfront Renovation Costs of the Properties

Total Upfront Renovation Costs (\$)	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Undrawn Annual Net Cash Flow	% by Undrawn Annual Net Cash Flow	Average Underwritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
43.78 - 5,000.00	316	\$64,054,173	3.8%	\$51,448,081	3.9%	\$3,284,272	4.0%	\$1,418	7
5,000.01 - 10,000.00	1,139	\$239,405,258	14.4%	\$188,314,051	14.2%	\$12,028,375	14.7%	\$1,413	7
10,000.01 - 15,000.00	1,548	\$332,460,664	19.9%	\$264,512,388	20.0%	\$16,599,054	20.3%	\$1,457	6
15,000.01 - 20,000.00	1,314	\$296,894,718	17.8%	\$235,230,727	17.8%	\$14,552,476	17.8%	\$1,518	7
20,000.01 - 25,000.00	899	\$209,508,176	12.6%	\$166,523,836	12.6%	\$10,233,347	12.5%	\$1,561	7
25,000.01 - 30,000.00	638	\$158,388,800	9.5%	\$124,897,578	9.4%	\$7,615,818	9.3%	\$1,632	7
30,000.01 - 35,000.00	469	\$119,525,050	7.2%	\$94,476,466	7.1%	\$5,676,627	7.0%	\$1,640	7
35,000.01 - 40,000.00	303	\$83,054,718	5.0%	\$65,469,314	4.9%	\$3,852,173	4.7%	\$1,746	7
40,000.01 - 45,000.00	231	\$62,580,800	3.8%	\$49,960,804	3.8%	\$3,032,300	3.7%	\$1,743	7
45,000.01 - 50,000.00	142	\$40,636,400	2.4%	\$32,759,590	2.5%	\$1,878,142	2.3%	\$1,787	8
50,000.01 - 55,000.00	71	\$20,429,800	1.2%	\$16,659,674	1.3%	\$982,427	1.2%	\$1,838	8
55,000.01 - 60,000.00	53	\$15,296,300	0.9%	\$12,001,377	0.9%	\$729,486	0.9%	\$1,762	7
60,000.01 - 65,000.00	32	\$9,037,500	0.5%	\$7,534,087	0.6%	\$459,786	0.6%	\$1,849	8
65,000.01 - 70,000.00	18	\$5,368,500	0.3%	\$4,391,517	0.3%	\$259,818	0.3%	\$1,846	8
70,000.01 - 75,000.00	15	\$4,742,900	0.3%	\$3,883,810	0.3%	\$215,299	0.3%	\$1,865	9
75,000.01 - 80,000.00	5	\$1,640,000	0.1%	\$1,359,206	0.1%	\$74,320	0.1%	\$1,871	4
80,000.01 - 85,000.00	5	\$1,522,800	0.1%	\$1,338,273	0.1%	\$67,669	0.1%	\$1,696	11
85,000.01 - 90,000.00	2	\$715,000	0.0% ⁽²⁾	\$572,847	0.0% ⁽²⁾	\$32,482	0.0% ⁽²⁾	\$2,263	11
90,000.01 - 95,000.00	1	\$400,000	0.0% ⁽²⁾	\$332,233	0.0% ⁽²⁾	\$11,997	0.0% ⁽²⁾	\$2,110	19
95,000.01 - 100,000.00	1	\$330,000	0.0% ⁽²⁾	\$316,507	0.0% ⁽²⁾	\$12,674	0.0% ⁽²⁾	\$2,135	15
115,000.01 - 120,000.00	1	\$305,000	0.0% ⁽²⁾	\$274,987	0.0% ⁽²⁾	\$18,292	0.0% ⁽²⁾	\$2,250	7
130,000.01 - 130,966.20	1	\$370,000	0.0% ⁽²⁾	\$443,618	0.0% ⁽²⁾	\$28,031	0.0% ⁽²⁾	\$2,710	3
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7
Minimum:		\$43.78							
Maximum:		\$130,966.20							
Average:		\$20,134.57							
Total:		\$145,049,407.95							

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

(2) Number denotes a percentage of less than 0.05% but greater than 0.00%

Property Information

Underwritten Monthly Rent of the Properties

Underwritten Monthly Rent(\$)	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Underwritten Annual Net Cash Flow	% by Underwritten Annual Net Cash Flow	Average Underwritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
Vacant	230	\$54,443,177	3.3%	\$44,048,856	3.3%	\$2,544,043	3.1%	\$1,595	N/A
Month-to Month	116	\$28,359,600	1.7%	\$22,854,242	1.7%	\$1,472,837	1.8%	\$1,568	N/A
794.38 - 1,000.00	289	\$42,818,914	2.6%	\$31,769,714	2.4%	\$2,310,265	2.8%	\$946	5
1,000.01 - 1,100.00	442	\$70,559,200	4.2%	\$52,582,055	4.0%	\$3,734,473	4.6%	\$1,054	6
1,100.01 - 1,200.00	629	\$104,805,550	6.3%	\$80,059,791	6.1%	\$5,734,986	7.0%	\$1,152	7
1,200.01 - 1,300.00	765	\$138,634,349	8.3%	\$108,004,006	8.2%	\$7,326,414	9.0%	\$1,254	7
1,300.01 - 1,400.00	824	\$161,540,126	9.7%	\$127,617,130	9.6%	\$8,241,702	10.1%	\$1,353	7
1,400.01 - 1,500.00	736	\$157,813,050	9.5%	\$124,527,927	9.4%	\$7,829,106	9.6%	\$1,452	7
1,500.01 - 1,600.00	590	\$138,214,800	8.3%	\$109,311,338	8.3%	\$6,680,937	8.2%	\$1,553	7
1,600.01 - 1,700.00	536	\$136,801,323	8.2%	\$106,998,256	8.1%	\$6,337,840	7.8%	\$1,653	7
1,700.01 - 1,800.00	471	\$131,291,900	7.9%	\$101,229,100	7.7%	\$6,043,401	7.4%	\$1,754	8
1,800.01 - 1,900.00	404	\$117,885,550	7.1%	\$92,737,116	7.0%	\$5,436,852	6.7%	\$1,855	7
1,900.01 - 2,000.00	336	\$104,471,600	6.3%	\$82,494,546	6.2%	\$4,757,584	5.8%	\$1,954	8
2,000.01 - 2,100.00	237	\$74,751,518	4.5%	\$60,158,718	4.5%	\$3,461,409	4.2%	\$2,054	8
2,100.01 - 2,200.00	177	\$57,569,100	3.5%	\$48,019,312	3.6%	\$2,709,991	3.3%	\$2,153	8
2,200.01 - 2,300.00	155	\$51,550,900	3.1%	\$43,867,861	3.3%	\$2,451,867	3.0%	\$2,255	8
2,300.01 - 2,400.00	94	\$32,082,800	1.9%	\$27,904,015	2.1%	\$1,534,682	1.9%	\$2,355	7
2,400.01 - 2,500.00	55	\$19,546,900	1.2%	\$17,450,950	1.3%	\$913,162	1.1%	\$2,460	8
2,500.01 - 2,600.00	44	\$15,716,900	0.9%	\$14,292,264	1.1%	\$739,361	0.9%	\$2,555	8
2,600.01 - 2,700.00	29	\$10,843,000	0.7%	\$10,280,092	0.8%	\$502,998	0.6%	\$2,677	8
2,700.01 - 2,800.00	19	\$6,969,900	0.4%	\$6,784,596	0.5%	\$359,373	0.4%	\$2,752	7
2,800.01 - 2,900.00	14	\$5,345,500	0.3%	\$5,100,481	0.4%	\$275,381	0.3%	\$2,847	6
2,900.01 - 3,000.00	6	\$2,319,000	0.1%	\$2,285,676	0.2%	\$112,515	0.1%	\$2,947	5
3,000.01 - 3,100.00	5	\$1,944,900	0.1%	\$1,930,091	0.1%	\$114,081	0.1%	\$3,064	5
3,100.01 - 3,140.00	1	\$387,000	0.0% ⁽²⁾	\$392,837	0.0% ⁽²⁾	\$19,606	0.0% ⁽²⁾	\$3,140	6
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7
Minimum ⁽¹⁾ :		\$794.38							
Maximum ⁽¹⁾ :		\$3,140.00							
Average ⁽¹⁾ :		\$1,538.39							
Total:		\$11,082,568.06							

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

(2) Number denotes a percentage of less than 0.05% but greater than 0.00%

Property Information

Underwritten Annual Net Cash Flow of the Properties

Underwritten Annual Net Cash Flow (\$)	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Underwritten Annual Net Cash Flow	% by Underwritten Annual Net Cash Flow	Average Underwritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
4,140.83 - 5,000.00	19	\$2,635,200	0.2%	\$2,152,437	0.2%	\$88,496	0.1%	\$1,116	7
5,000.01 - 6,000.00	63	\$9,744,700	0.6%	\$7,750,301	0.6%	\$356,298	0.4%	\$1,175	7
6,000.01 - 7,000.00	201	\$33,097,200	2.0%	\$26,126,796	2.0%	\$1,316,741	1.6%	\$1,203	7
7,000.01 - 8,000.00	494	\$83,772,100	5.0%	\$66,130,770	5.0%	\$3,739,113	4.6%	\$1,210	7
8,000.01 - 9,000.00	809	\$141,473,664	8.5%	\$111,117,852	8.4%	\$6,906,267	8.5%	\$1,222	7
9,000.01 - 10,000.00	1,037	\$198,943,150	11.9%	\$157,254,903	11.9%	\$9,869,260	12.1%	\$1,327	7
10,000.01 - 10,500.00	619	\$125,118,000	7.5%	\$98,937,282	7.5%	\$6,341,349	7.8%	\$1,385	7
10,500.01 - 11,000.00	552	\$117,892,857	7.1%	\$93,384,666	7.1%	\$5,937,925	7.3%	\$1,448	7
11,000.01 - 11,500.00	494	\$114,778,800	6.9%	\$89,990,490	6.8%	\$5,555,527	6.8%	\$1,535	7
11,500.01 - 12,000.00	403	\$97,197,769	5.8%	\$76,152,829	5.8%	\$4,734,043	5.8%	\$1,554	7
12,000.01 - 12,500.00	347	\$86,324,099	5.2%	\$68,006,535	5.1%	\$4,247,056	5.2%	\$1,622	7
12,500.01 - 13,000.00	338	\$90,142,450	5.4%	\$70,857,660	5.4%	\$4,312,093	5.3%	\$1,713	7
13,000.01 - 13,500.00	286	\$76,377,900	4.6%	\$60,665,149	4.6%	\$3,782,917	4.6%	\$1,724	7
13,500.01 - 14,000.00	243	\$69,561,818	4.2%	\$54,522,916	4.1%	\$3,342,855	4.1%	\$1,804	7
14,000.01 - 14,500.00	207	\$63,691,400	3.8%	\$49,325,725	3.7%	\$2,948,979	3.6%	\$1,868	7
14,500.01 - 15,000.00	204	\$61,591,350	3.7%	\$48,490,908	3.7%	\$3,007,402	3.7%	\$1,886	7
15,000.01 - 15,500.00	162	\$49,831,700	3.0%	\$39,884,885	3.0%	\$2,469,487	3.0%	\$1,952	7
15,500.01 - 16,000.00	160	\$50,619,900	3.0%	\$40,666,012	3.1%	\$2,518,576	3.1%	\$1,984	7
16,000.01 - 16,500.00	109	\$35,916,100	2.2%	\$29,404,356	2.2%	\$1,768,995	2.2%	\$2,095	8
16,500.01 - 17,000.00	100	\$34,253,700	2.1%	\$26,945,478	2.0%	\$1,674,339	2.1%	\$2,135	8
17,000.01 - 17,500.00	91	\$30,640,300	1.8%	\$25,318,085	1.9%	\$1,567,241	1.9%	\$2,193	8
17,500.01 - 18,000.00	58	\$20,397,600	1.2%	\$16,703,236	1.3%	\$1,029,749	1.3%	\$2,212	7
18,000.01 - 18,500.00	55	\$18,751,200	1.1%	\$16,407,382	1.2%	\$1,004,122	1.2%	\$2,312	8
18,500.01 - 19,000.00	37	\$13,376,600	0.8%	\$11,365,991	0.9%	\$692,451	0.8%	\$2,365	8
19,000.01 - 19,500.00	30	\$10,736,900	0.6%	\$9,309,428	0.7%	\$577,996	0.7%	\$2,440	7
19,500.01 - 20,000.00	26	\$9,328,400	0.6%	\$8,042,441	0.6%	\$513,201	0.6%	\$2,404	8
20,000.01 - 22,000.00	40	\$13,903,700	0.8%	\$11,840,720	0.9%	\$828,730	1.0%	\$2,404	9
22,000.01 - 35,292.29	20	\$6,568,000	0.4%	\$5,945,735	0.4%	\$513,660	0.6%	\$2,383	7
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7
Minimum:		\$4,140.83							
Maximum:		\$35,292.29							
Average:		\$11,333.27							
Total:		\$81,644,866.96							

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

Property Information

Acquisition Month and Year of the Properties

Acquisition Month and Year	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Undrawn Annual Net Cash Flow	% by Undrawn Annual Net Cash Flow	Average Underwritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
2012-04	78	\$19,540,800	1.2%	\$13,928,977	1.1%	\$940,603	1.2%	\$1,490	8
2012-05	190	\$46,772,600	2.8%	\$33,684,885	2.5%	\$2,258,297	2.8%	\$1,471	7
2012-06	248	\$57,639,599	3.5%	\$42,665,131	3.2%	\$2,829,291	3.5%	\$1,390	8
2012-07	305	\$70,752,118	4.2%	\$52,215,911	3.9%	\$3,422,616	4.2%	\$1,392	7
2012-08	424	\$95,047,100	5.7%	\$71,426,235	5.4%	\$4,664,251	5.7%	\$1,398	6
2012-09	581	\$128,050,700	7.7%	\$98,425,371	7.4%	\$6,346,502	7.8%	\$1,429	6
2012-10	783	\$180,989,450	10.9%	\$139,506,086	10.5%	\$8,802,721	10.8%	\$1,524	6
2012-11	989	\$222,360,799	13.3%	\$173,224,909	13.1%	\$10,741,043	13.2%	\$1,516	6
2012-12	1,062	\$244,388,950	14.7%	\$194,117,717	14.7%	\$11,541,041	14.1%	\$1,535	7
2013-01	880	\$205,334,923	12.3%	\$165,307,549	12.5%	\$9,874,967	12.1%	\$1,579	7
2013-02	639	\$154,992,650	9.3%	\$125,875,905	9.5%	\$7,432,892	9.1%	\$1,614	7
2013-03	412	\$98,444,877	5.9%	\$80,764,149	6.1%	\$4,699,405	5.8%	\$1,620	8
2013-04	17	\$4,861,000	0.3%	\$4,129,468	0.3%	\$224,287	0.3%	\$1,944	8
2013-09	29	\$5,609,700	0.3%	\$4,706,060	0.4%	\$321,386	0.4%	\$1,505	7
2013-10	75	\$16,732,514	1.0%	\$15,191,548	1.1%	\$958,508	1.2%	\$1,685	6
2013-11	92	\$21,518,200	1.3%	\$20,245,903	1.5%	\$1,228,446	1.5%	\$1,800	6
2013-12	103	\$24,364,900	1.5%	\$23,041,661	1.7%	\$1,353,100	1.7%	\$1,798	5
2014-01	101	\$22,277,977	1.3%	\$20,603,735	1.6%	\$1,266,260	1.6%	\$1,702	6
2014-02	88	\$20,772,600	1.2%	\$19,374,064	1.5%	\$1,184,150	1.5%	\$1,807	7
2014-03	60	\$14,580,200	0.9%	\$13,689,467	1.0%	\$883,769	1.1%	\$1,842	8
2014-04	25	\$6,397,500	0.4%	\$5,879,239	0.4%	\$368,264	0.5%	\$1,977	7
2014-05	13	\$3,017,500	0.2%	\$2,649,574	0.2%	\$181,984	0.2%	\$1,786	8
2014-06	5	\$1,027,900	0.1%	\$881,875	0.1%	\$60,116	0.1%	\$1,669	8
2014-08	1	\$170,000	0.0% ⁽²⁾	\$157,152	0.0% ⁽²⁾	\$10,336	0.0% ⁽²⁾	\$1,360	10
2014-09	1	\$160,000	0.0% ⁽²⁾	\$161,272	0.0% ⁽²⁾	\$7,856	0.0% ⁽²⁾	\$1,400	4
2014-10	1	\$350,000	0.0% ⁽²⁾	\$335,692	0.0% ⁽²⁾	\$17,299	0.0% ⁽²⁾	\$2,325	1
2014-12	1	\$215,000	0.0% ⁽²⁾	\$170,836	0.0% ⁽²⁾	\$10,338	0.0% ⁽²⁾	\$1,470	2
2015-02	1	\$297,000	0.0% ⁽²⁾	\$340,601	0.0% ⁽²⁾	\$15,141	0.0% ⁽²⁾	\$2,285	7
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

(2) Number denotes a percentage of less than 0.05% but greater than 0.00%

Property Information

Lease Start Date of the Properties

Lease Start Date	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Undeveloped Annual Net Cash Flow	% by Undeveloped Annual Net Cash Flow	Average Underwritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
Vacant	230	\$54,443,177	3.3%	\$44,048,856	3.3%	\$2,544,043	3.1%	\$1,595	N/A
Month-to Month	116	\$28,359,600	1.7%	\$22,854,242	1.7%	\$1,472,837	1.8%	\$1,568	N/A
2014-01	2	\$542,000	0.0% ⁽²⁾	\$397,492	0.0% ⁽²⁾	\$20,262	0.0% ⁽²⁾	\$1,298	0
2014-05	2	\$447,000	0.0% ⁽²⁾	\$348,697	0.0% ⁽²⁾	\$22,648	0.0% ⁽²⁾	\$1,759	4
2014-06	3	\$701,000	0.0% ⁽²⁾	\$623,205	0.0% ⁽²⁾	\$43,127	0.1%	\$2,102	5
2014-07	3	\$671,000	0.0% ⁽²⁾	\$584,996	0.0% ⁽²⁾	\$43,706	0.1%	\$1,954	6
2014-09	1	\$220,000	0.0% ⁽²⁾	\$135,640	0.0% ⁽²⁾	\$14,349	0.0% ⁽²⁾	\$1,730	8
2015-01	37	\$8,962,200	0.5%	\$6,770,793	0.5%	\$413,709	0.5%	\$1,450	1
2015-02	71	\$16,805,300	1.0%	\$12,908,851	1.0%	\$814,204	1.0%	\$1,477	2
2015-03	108	\$27,516,850	1.7%	\$21,070,414	1.6%	\$1,256,083	1.5%	\$1,517	2
2015-04	104	\$24,393,200	1.5%	\$18,553,298	1.4%	\$1,143,710	1.4%	\$1,445	3
2015-05	139	\$34,415,900	2.1%	\$27,388,868	2.1%	\$1,642,749	2.0%	\$1,560	4
2015-06	132	\$30,901,100	1.9%	\$25,025,253	1.9%	\$1,571,976	1.9%	\$1,557	5
2015-07	115	\$28,311,900	1.7%	\$22,940,802	1.7%	\$1,413,935	1.7%	\$1,630	6
2015-08	84	\$20,835,200	1.3%	\$16,120,544	1.2%	\$984,772	1.2%	\$1,581	7
2015-09	69	\$17,142,000	1.0%	\$13,499,725	1.0%	\$863,744	1.1%	\$1,644	8
2015-10	74	\$18,864,700	1.1%	\$15,109,132	1.1%	\$908,551	1.1%	\$1,674	9
2015-11	42	\$10,284,400	0.6%	\$8,186,795	0.6%	\$474,487	0.6%	\$1,558	10
2015-12	51	\$14,182,100	0.9%	\$10,990,217	0.8%	\$646,502	0.8%	\$1,726	9
2016-01	295	\$69,788,800	4.2%	\$54,306,715	4.1%	\$3,234,800	4.0%	\$1,478	2
2016-02	441	\$101,341,314	6.1%	\$77,985,451	5.9%	\$4,741,820	5.8%	\$1,459	3
2016-03	499	\$111,408,499	6.7%	\$87,422,222	6.6%	\$5,344,113	6.5%	\$1,458	4
2016-04	633	\$138,555,777	8.3%	\$108,580,756	8.2%	\$6,843,128	8.4%	\$1,448	5
2016-05	691	\$153,350,550	9.2%	\$122,611,511	9.3%	\$7,669,973	9.4%	\$1,507	6
2016-06	663	\$151,201,849	9.1%	\$121,544,205	9.2%	\$7,593,762	9.3%	\$1,570	7
2016-07	618	\$143,105,823	8.6%	\$115,521,668	8.7%	\$7,237,190	8.9%	\$1,597	7
2016-08	524	\$120,118,100	7.2%	\$96,640,198	7.3%	\$6,030,882	7.4%	\$1,590	9
2016-09	447	\$102,073,900	6.1%	\$82,329,339	6.2%	\$5,092,833	6.2%	\$1,588	9
2016-10	371	\$87,563,318	5.3%	\$70,707,096	5.3%	\$4,264,355	5.2%	\$1,584	11
2016-11	309	\$74,616,700	4.5%	\$58,877,618	4.5%	\$3,569,423	4.4%	\$1,574	12
2016-12	330	\$75,543,300	4.5%	\$58,616,371	4.4%	\$3,727,193	4.6%	\$1,510	13
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

(2) Number denotes a percentage of less than 0.05% but greater than 0.00%

Property Information

Date of Lease Expiration of the Properties

Date of Lease Expiration	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Undrawn Annual Net Cash Flow	% by Undrawn Annual Net Cash Flow	Average Underwritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
Vacant	230	\$54,443,177	3.3%	\$44,048,856	3.3%	\$2,544,043	3.1%	\$1,595	N/A
Month-to Month	116	\$28,359,600	1.7%	\$22,854,242	1.7%	\$1,472,837	1.8%	\$1,568	N/A
2016-12	59	\$12,408,000	0.7%	\$9,517,940	0.7%	\$595,673	0.7%	\$1,287	0
2017-01	396	\$93,168,814	5.6%	\$72,006,619	5.4%	\$4,402,934	5.4%	\$1,476	1
2017-02	465	\$107,045,450	6.4%	\$83,377,200	6.3%	\$5,102,064	6.2%	\$1,478	2
2017-03	651	\$145,592,449	8.7%	\$113,391,994	8.6%	\$7,082,951	8.7%	\$1,445	3
2017-04	660	\$147,778,277	8.9%	\$116,499,577	8.8%	\$7,301,635	8.9%	\$1,481	4
2017-05	751	\$170,638,550	10.2%	\$136,153,280	10.3%	\$8,525,602	10.4%	\$1,528	5
2017-06	673	\$154,600,799	9.3%	\$124,239,674	9.4%	\$7,750,402	9.5%	\$1,570	6
2017-07	619	\$142,086,023	8.5%	\$115,122,533	8.7%	\$7,237,487	8.9%	\$1,590	7
2017-08	486	\$112,061,700	6.7%	\$90,113,028	6.8%	\$5,597,077	6.9%	\$1,604	8
2017-09	384	\$89,451,100	5.4%	\$71,783,244	5.4%	\$4,388,222	5.4%	\$1,593	9
2017-10	400	\$93,033,818	5.6%	\$74,634,004	5.6%	\$4,595,454	5.6%	\$1,562	10
2017-11	282	\$66,733,100	4.0%	\$52,979,975	4.0%	\$3,190,631	3.9%	\$1,539	11
2017-12	229	\$54,231,000	3.3%	\$41,843,528	3.2%	\$2,654,083	3.3%	\$1,553	12
2018-01	61	\$15,795,600	0.9%	\$12,513,678	0.9%	\$732,229	0.9%	\$1,653	13
2018-02	87	\$21,244,950	1.3%	\$16,409,359	1.2%	\$957,467	1.2%	\$1,551	14
2018-03	97	\$22,591,400	1.4%	\$18,256,895	1.4%	\$1,053,317	1.3%	\$1,535	15
2018-04	112	\$25,433,100	1.5%	\$19,851,336	1.5%	\$1,242,014	1.5%	\$1,485	16
2018-05	94	\$21,967,950	1.3%	\$17,653,322	1.3%	\$1,081,329	1.3%	\$1,571	17
2018-06	90	\$21,299,200	1.3%	\$17,340,529	1.3%	\$1,060,474	1.3%	\$1,605	18
2018-07	60	\$15,381,800	0.9%	\$12,040,313	0.9%	\$741,452	0.9%	\$1,718	19
2018-08	50	\$12,344,600	0.7%	\$9,845,664	0.7%	\$576,468	0.7%	\$1,633	20
2018-09	36	\$9,003,700	0.5%	\$6,906,028	0.5%	\$415,461	0.5%	\$1,635	21
2018-10	50	\$13,096,300	0.8%	\$10,286,145	0.8%	\$571,564	0.7%	\$1,618	22
2018-11	34	\$9,179,100	0.6%	\$7,001,917	0.5%	\$406,904	0.5%	\$1,688	23
2018-12	32	\$7,697,000	0.5%	\$6,030,089	0.5%	\$365,092	0.4%	\$1,513	24
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

Property Information

Original Length of Lease (Months) of Properties

Original Length of Lease (months)	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Undrawn Annual Net Cash Flow	% by Undrawn Annual Net Cash Flow	Average Underwritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
Vacant	230	\$54,443,177	3.3%	\$44,048,856	3.3%	\$2,544,043	3.1%	\$1,595	N/A
Month-to Month	116	\$28,359,600	1.7%	\$22,854,242	1.7%	\$1,472,837	1.8%	\$1,568	N/A
6	81	\$19,848,500	1.2%	\$15,495,319	1.2%	\$1,026,859	1.3%	\$1,589	3
7	33	\$8,211,700	0.5%	\$6,978,107	0.5%	\$422,293	0.5%	\$1,773	3
8	15	\$3,389,900	0.2%	\$2,679,513	0.2%	\$173,844	0.2%	\$1,518	3
9	12	\$3,119,900	0.2%	\$2,488,964	0.2%	\$168,649	0.2%	\$1,794	5
10	8	\$2,135,000	0.1%	\$1,792,129	0.1%	\$106,635	0.1%	\$1,840	6
11	7	\$1,244,900	0.1%	\$985,603	0.1%	\$58,316	0.1%	\$1,313	6
12	4,801	\$1,082,170,430	64.9%	\$859,284,232	65.0%	\$53,558,443	65.6%	\$1,518	6
13	25	\$5,282,800	0.3%	\$4,061,274	0.3%	\$249,101	0.3%	\$1,436	5
14	13	\$3,674,400	0.2%	\$3,189,974	0.2%	\$158,058	0.2%	\$1,863	8
15	17	\$4,031,000	0.2%	\$3,440,059	0.3%	\$176,664	0.2%	\$1,687	8
16	23	\$5,030,400	0.3%	\$4,157,370	0.3%	\$256,320	0.3%	\$1,555	13
17	2	\$512,000	0.0% ⁽²⁾	\$423,990	0.0% ⁽²⁾	\$20,886	0.0% ⁽²⁾	\$1,873	6
18	53	\$12,500,800	0.8%	\$10,265,334	0.8%	\$610,509	0.7%	\$1,581	9
19	37	\$7,983,200	0.5%	\$6,513,168	0.5%	\$388,454	0.5%	\$1,527	7
20	2	\$571,000	0.0% ⁽²⁾	\$592,156	0.0% ⁽²⁾	\$30,144	0.0% ⁽²⁾	\$2,199	3
21	3	\$905,000	0.1%	\$792,435	0.1%	\$48,920	0.1%	\$2,195	9
22	1	\$210,000	0.0% ⁽²⁾	\$138,339	0.0% ⁽²⁾	\$9,685	0.0% ⁽²⁾	\$1,225	7
23	1	\$280,000	0.0% ⁽²⁾	\$210,332	0.0% ⁽²⁾	\$14,688	0.0% ⁽²⁾	\$1,798	8
24	1,697	\$415,811,950	24.9%	\$326,695,271	24.7%	\$19,816,077	24.3%	\$1,569	11
25	13	\$3,543,900	0.2%	\$2,764,731	0.2%	\$153,336	0.2%	\$1,581	4
26	1	\$376,000	0.0% ⁽²⁾	\$395,746	0.0% ⁽²⁾	\$17,229	0.0% ⁽²⁾	\$2,781	7
30	1	\$230,000	0.0% ⁽²⁾	\$219,415	0.0% ⁽²⁾	\$7,749	0.0% ⁽²⁾	\$1,842	8
36	1	\$225,000	0.0% ⁽²⁾	\$206,305	0.0% ⁽²⁾	\$15,276	0.0% ⁽²⁾	\$1,800	5
37	11	\$2,576,000	0.2%	\$2,028,108	0.2%	\$139,851	0.2%	\$1,792	5
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7
Minimum ⁽¹⁾ :	6								
Maximum ⁽¹⁾ :	37								
Average ⁽¹⁾ :	15								

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

(2) Number denotes a percentage of less than 0.05% but greater than 0.00%

Property Information

Geographic Distribution by State

Geographic Distribution by State	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Undewritten Annual Net Cash Flow	% by Underwritten Annual Net Cash Flow	Average Underwritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
Florida	2,206	\$497,720,027	29.9%	\$420,804,960	31.8%	\$23,961,233	29.3%	\$1,641	7
California	1,483	\$457,648,368	27.5%	\$337,086,795	25.5%	\$20,086,037	24.6%	\$1,737	7
Arizona	1,517	\$283,795,198	17.0%	\$213,693,116	16.2%	\$14,928,789	18.3%	\$1,172	6
Georgia	815	\$156,142,650	9.4%	\$126,766,680	9.6%	\$8,488,087	10.4%	\$1,413	7
North Carolina	447	\$85,999,295	5.2%	\$71,613,394	5.4%	\$4,819,299	5.9%	\$1,417	8
Illinois	300	\$72,124,500	4.3%	\$62,465,916	4.7%	\$3,893,341	4.8%	\$2,007	7
Washington	184	\$53,333,819	3.2%	\$41,458,576	3.1%	\$2,523,305	3.1%	\$1,861	8
Nevada	187	\$45,867,700	2.8%	\$36,545,837	2.8%	\$2,087,803	2.6%	\$1,445	7
Minnesota	56	\$12,404,000	0.7%	\$11,024,662	0.8%	\$779,263	1.0%	\$1,707	7
South Carolina	9	\$1,631,000	0.1%	\$1,241,034	0.1%	\$77,710	0.1%	\$1,312	9
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7
Number of States Represented:	10								

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

Property Information

Geographic Distribution by MSA

Geographic Distribution by MSA	Number of Properties	Aggregate BPO Value	% by BPO Value	Aggregate Total Cost Basis (Post-Rehab)	% by Total Cost Basis (Post-Rehab)	Aggregate Undeveloped Annual Net Cash Flow	% by Undeveloped Annual Net Cash Flow	Average Underwritten Monthly Rent	Average Remaining Lease Term (mos) ⁽¹⁾
Phoenix-Mesa-Scottsdale, AZ Metropolitan Statistical Area	1,517	\$283,795,198	17.0%	\$213,693,116	16.2%	\$14,928,789	18.3%	\$1,172	6
Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area	608	\$194,367,918	11.7%	\$143,149,396	10.8%	\$8,559,938	10.5%	\$1,822	8
Sacramento-Roseville-Arden-Arcade, CA Metropolitan Statistical Area	581	\$162,417,500	9.7%	\$119,341,706	9.0%	\$7,148,397	8.8%	\$1,564	6
Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area	808	\$154,819,650	9.3%	\$125,653,729	9.5%	\$8,407,724	10.3%	\$1,413	7
Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area	461	\$142,069,600	8.5%	\$127,885,638	9.7%	\$6,565,636	8.0%	\$2,188	7
Tampa-St. Petersburg-Clearwater, FL Metropolitan Statistical Area	602	\$124,213,800	7.5%	\$103,449,208	7.8%	\$6,078,769	7.4%	\$1,554	7
Orlando-Kissimmee-Sanford, FL Metropolitan Statistical Area	454	\$97,489,377	5.8%	\$78,196,457	5.9%	\$4,594,622	5.6%	\$1,502	6
Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area	428	\$83,574,481	5.0%	\$69,310,943	5.2%	\$4,610,031	5.6%	\$1,429	8
Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area	300	\$72,124,500	4.3%	\$62,465,916	4.7%	\$3,893,341	4.8%	\$2,007	7
Jacksonville, FL Metropolitan Statistical Area	298	\$62,155,600	3.7%	\$54,136,382	4.1%	\$3,043,111	3.7%	\$1,521	6
Seattle-Tacoma-Bellevue, WA Metropolitan Statistical Area	184	\$53,333,819	3.2%	\$41,458,576	3.1%	\$2,523,305	3.1%	\$1,861	8
Los Angeles-Long Beach-Anaheim, CA Metropolitan Statistical Area	146	\$53,256,000	3.2%	\$41,428,192	3.1%	\$2,322,418	2.8%	\$2,037	9
Las Vegas-Henderson-Paradise, NV Metropolitan Statistical Area	187	\$45,867,700	2.8%	\$36,545,837	2.8%	\$2,087,803	2.6%	\$1,445	7
North Port-Sarasota-Bradenton, FL Metropolitan Statistical Area	116	\$25,424,000	1.5%	\$19,841,715	1.5%	\$1,242,612	1.5%	\$1,573	6
Lakeland-Winter Haven, FL Metropolitan Statistical Area	123	\$20,624,700	1.2%	\$17,278,472	1.3%	\$1,119,209	1.4%	\$1,340	7
Deltona-Daytona Beach-Ormond Beach, FL Metropolitan Statistical Area	111	\$18,561,450	1.1%	\$14,270,136	1.1%	\$929,939	1.1%	\$1,258	6
Vallejo-Fairfield, CA Metropolitan Statistical Area	52	\$18,208,800	1.1%	\$11,994,509	0.9%	\$819,530	1.0%	\$1,907	7
Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area	56	\$12,404,000	0.7%	\$11,024,662	0.8%	\$779,263	1.0%	\$1,707	7
Stockton-Lodi, CA Metropolitan Statistical Area	31	\$9,787,000	0.6%	\$6,661,993	0.5%	\$396,644	0.5%	\$1,675	8
Palm Bay-Melbourne-Titusville, FL Metropolitan Statistical Area	41	\$7,181,500	0.4%	\$5,746,950	0.4%	\$387,337	0.5%	\$1,334	8
Yuba City, CA Metropolitan Statistical Area	26	\$6,546,750	0.4%	\$4,936,514	0.4%	\$289,965	0.4%	\$1,486	6
San Francisco-Oakland-Hayward, CA Metropolitan Statistical Area	15	\$5,486,700	0.3%	\$3,940,131	0.3%	\$230,403	0.3%	\$2,020	4
Raleigh, NC Metropolitan Statistical Area	20	\$2,851,714	0.2%	\$2,473,741	0.2%	\$202,145	0.2%	\$1,181	7
Chico, CA Metropolitan Statistical Area	10	\$2,456,000	0.1%	\$1,854,516	0.1%	\$105,042	0.1%	\$1,467	7
Bakersfield, CA Metropolitan Statistical Area	6	\$2,040,000	0.1%	\$1,705,445	0.1%	\$84,734	0.1%	\$1,984	10
Oxnard-Thousand Oaks-Ventura, CA Metropolitan Statistical Area	5	\$2,035,000	0.1%	\$1,492,727	0.1%	\$88,082	0.1%	\$2,171	6
Gainesville, GA Metropolitan Statistical Area	7	\$1,323,000	0.1%	\$1,112,952	0.1%	\$80,364	0.1%	\$1,388	6
Durham-Chapel Hill, NC Metropolitan Statistical Area	8	\$1,204,100	0.1%	\$1,069,744	0.1%	\$84,832	0.1%	\$1,248	5
Napa, CA Metropolitan Statistical Area	3	\$1,046,700	0.1%	\$581,666	0.0% ⁽²⁾	\$40,882	0.1%	\$1,590	2
Total/Average:	7,204	\$1,666,666,557	100.0%	\$1,322,700,971	100.0%	\$81,644,867	100.0%	\$1,538	7
Number of MSAs Represented:	29								

(1) Excludes Properties Vacant or Month-to-Month as of the Property Cut-off Date.

(2) Number denotes a percentage of less than 0.05% but greater than 0.00%

DESCRIPTION OF THE MANAGEMENT AGREEMENT AND THE ASSIGNMENT AND SUBORDINATION OF MANAGEMENT AGREEMENT

Management Agreement

The Borrower will enter into a Management Agreement, dated as of the Closing Date, between the Borrower and the Manager (as amended, modified or supplemented from time to time, the "Management Agreement") with respect to the Properties.

Management Services

Under the Management Agreement, the Manager will be required during the Term to perform all functions reasonably necessary to maintain, manage and administer the Properties (collectively, the "Management Services"), in accordance with the Operation Standards. Without limiting the generality of the foregoing, the Manager will have the following specific duties in relation to the Properties:

- (a) Property Operations. The Manager is required to monitor and manage the Borrower's property rights associated with the Properties, including negotiating Leases and Lease renewals (in the ordinary course of business). The Manager is required to perform the obligations reasonably required of the Borrower pursuant to any Lease or other agreement related to the Properties (other than the payment of amounts due from the Borrower, which payments shall be paid out of the Operating Account).
- (b) Administration of Leases. The Manager is required to (i) maintain a database of the Leases indicating, for each Lease, the amount of all payments due from the Tenant thereunder and the dates on which such payments are due, (ii) maintain a database of delinquent taxes and Other Charges for the Properties, (iii) invoice all Rents and other amounts due under the Leases and otherwise with respect to the Properties, in each case to the extent required by such agreements, and use commercially reasonable efforts to collect all such Rents and other amounts payable with respect to the Properties, (iv) perform all services required to be performed by the Borrower under the terms of the Leases and any other agreement related to the Properties and (v) otherwise use commercially reasonable efforts to ensure compliance on the part of the Borrower with the terms of the Loan Documents and each Lease and any other agreement related to the Properties, all in accordance with the Operation Standards. The Manager has been authorized by the Borrower to take actions deemed necessary or appropriate to enforce the terms of the Loan Documents and each Lease and any other agreement related to the Properties in accordance with the Operation Standards, including, but not limited to, the right to exercise (or not to exercise) any right the Borrower may have to collect Rent, other amounts due under the Leases and any other amounts payable with respect to the Properties and (whether through judicial proceedings or otherwise), to terminate any Lease and/or to evict any Tenant. The Manager has also been authorized to compromise, settle, and otherwise resolve claims and disputes with regard to the Leases and any other agreement related to the Properties in accordance with the Operation Standards. The Manager will be permitted to agree to any modification, waiver or amendment of any term of, forgive any payment on, and permit the release of any Tenant on, any Lease pertaining to the Properties as it may determine to be necessary or appropriate in accordance with the Operation Standards.
- (c) Property Maintenance and Capital Expenditures. The Manager has also agreed to use commercially reasonable efforts to: (i) maintain the Properties in good repair and condition, including performing or causing to be performed all necessary or desirable repairs, maintenance, cleaning, painting and decorating, alterations, replacements and improvements in and to the Properties; (ii) perform or cause to be performed all budgeted capital improvements, replacements or repairs to the Properties; (iii) perform or cause to be performed repairs required due to emergencies that threaten life, injury or property or could result in civil or criminal liability for the Manager or the Borrower, in each case in accordance with the Operation Standards and the Loan Documents; and (iv) engage such suppliers and hire such contractors as reasonably required for the completion of such maintenance and capital expenditures, in each case in accordance with the Operation Standards.
- (d) Contracts and Supplies. The Manager is also required to undertake arrangements with third party concessionaires, licensees and suppliers for any services and supplies for the Properties, including furnace and air conditioning maintenance, pest control, landscaping and any other services and

concessions which are reasonably required in connection with the maintenance and operation of the Properties.

- (e) Reporting. The Manager has also agreed to provide certain reporting for the Borrower to comply with its obligations under the Loan Documents.
- (f) Affordable Housing. The Manager is required to assist the Borrower with matters concerning affordable housing qualification and compliance.
- (g) Compliance with Law, Etc. The Manager is also generally required to comply in all material respects with any and all laws, ordinances, orders, rules, regulations, requirements, permits, licenses, certificates of occupancy, statutes and deed restrictions applicable to the Properties. The costs of compliance are generally covered by the Borrower and will be included in the Operating Budget and payable out of the Operating Account.

"HOA Fees" means homeowners' or condominium owners' association dues, fees and assessments with respect to the Properties and impositions and any other charges levied or assessed or imposed against a Property, or any part thereof, by an HOA.

"Operating Account" means one or more operating bank accounts in the name of the Borrower and/or on behalf of the Borrower established by the Manager on or prior to the Closing Date and at all times during the Term.

"Operating Budget" means (i) an annual operating budget and/or (ii) any budget required by the Loan Agreement.

"Operation Standards" means the performance of the Services by the Manager in accordance with and subject to the terms of the Loan Agreement and the other Loan Documents the Leases and any other agreement related to the Properties, and applicable law, rules or regulations and, to the extent consistent with the foregoing, (a) using the same degree of care, skill, prudence and diligence that the Manager would employ in the management of any other property it owned and operated and that the Manager would use for other sites it manages, (b) with the objective of timely collections of Rents under the Leases and (c) without regard to any affiliation or other relationship between the Manager and its affiliates, on the one hand, and any Tenant, on the other hand. Under the Management Agreement, the Manager acknowledges that it has received a copy of the Loan Agreement and the other Loan Documents and agrees not to take any action or fail to take any action within the scope of its duties under the Management Agreement that would cause the Borrower to be in default thereunder. The services performed in relation to the Properties shall be of a quality not less than those generally performed by professional managers performing services of a scope consistent with those required of the Manager under the Management Agreement for properties similar in type and quality to the Properties that are located in the same geographical market areas as the Properties.

"Other Charges" means all (i) impositions other than Property Taxes, (ii) charges, liens or fees levied or assessed or imposed against a Property by a governmental authority in connection with code violations, and (iii) any other charges levied or assessed or imposed against a Property or any part thereof other than Property Taxes or HOA Fees.

"Property Operating Expenses" means all expenses incurred in connection with the operation of the Properties, including (a) (i) taxes and insurance costs (in each case, excluding those paid from reserve funds pursuant to the terms of the Loan Agreement), (ii) Other Charges and (iii) the Management Fee and all reimbursement and other amounts due to the Manager under the Management Agreement and (b) all costs and expenditures incurred or made in connection with the provision of Services pursuant to the Management Agreement and all other expenditures which the Manager is permitted or required to make under the Management Agreement at the Borrower's cost, in each case in accordance with the Operation Standards.

"Property Taxes" means all (i) present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any governmental authority, including any interest, additions to tax or penalties applicable thereto, and (ii) without limiting the foregoing, any and all real estate and personal property taxes, assessments, water charges, sewer rents, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto now or hereafter levied or assessed or imposed by governmental authority against any Property or other Collateral.

"Rents" means, with respect to each Property, all rents and rent equivalents and any fees, payments or other compensation from any Tenant (except for security deposits).

"Services" means collectively, the Management Services, Marketing Services (as defined in the *"Marketing Services"* section below) and the Administrative Services (as defined in the *"Administrative Services"* section below).

"Tenant" means any person obligated by contract or otherwise to pay monies (including a percentage of gross income, revenue or profits) under any Lease now or hereafter affecting all or any part of the Properties.

Marketing Services

The Manager is required to provide marketing and leasing services in accordance with the Operation Standards (collectively, the "Marketing Services"). Such services include market research and advertising, locating and screening potential Tenants, negotiating Leases with such Tenants and executing and/or brokering Leases (including renewals, expansions, equipment changes, rental abatements, relocations, maintenance agreements, terminations and extensions of such Leases). The Manager has been authorized under the Management Agreement to negotiate all of the terms of each Lease, both economic and non-economic, and the Manager has complete authority to negotiate and execute amendments and other modifications thereto in the name of or on behalf of the Borrower; provided, however, that the terms of any Lease or amendment or modification must be on commercially reasonable terms and in accordance with the Operation Standards.

Administrative Services

During the Term, the Manager will be required to provide administrative services in accordance with the Operation Standards (collectively, the "Administrative Services"). Without limiting the generality of the foregoing, the Manager has the following specific duties:

- (i) clerical, bookkeeping and accounting services, including maintenance of general records of the Borrower and the preparation of financial statements and other materials, as necessary or appropriate in light of the nature of the Borrower's business and the requirements of the Loan Agreement and the other Loan Documents;
- (ii) maintain accurate books of account and records of the transactions of the Borrower, render statements or copies thereof from time to time as reasonably requested by the Borrower and assist in all audits of the Borrower;
- (iii) prepare and file, or cause to be prepared and filed, all franchise, withholding, income and other tax returns of the Borrower and arrange for any taxes owed by the Borrower to be paid to the appropriate authorities out of funds of the Borrower available for such purpose, all on a timely basis and in accordance with the Loan Agreement and applicable law, rules or regulations;
- (iv) administer the Borrower's performance under the Loan Agreement and the other Loan Documents including (A) preparing and delivering on behalf of the Borrower such opinions of counsel, officers' certificates, financial statements, reports, notices and other documents as are required under the Loan Agreement and the other Loan Documents and (B) holding, maintaining and preserving the Loan Agreement and the other Loan Documents and books and records relating to the Loan Agreement and the other Loan Documents and the transactions contemplated or funded thereby, and making such books and records available for inspection in accordance with the terms of the Loan Agreement and the other Loan Documents;
- (v) take all actions on behalf of the Borrower as may be necessary or appropriate in order for the Borrower to remain duly organized and qualified to carry out its business under applicable law, rules or regulations, including making all necessary or appropriate filings with federal, state and local authorities under corporate and other applicable statutes; and
- (vi) manage all litigation instituted by or against the Borrower, including retaining on behalf of and for the account of the Borrower legal counsel to perform such services as may be necessary or appropriate in connection therewith and negotiating any settlements to be entered into in connection therewith.

In connection with the foregoing, the Management Agreement also requires the Manager to maintain materially accurate and complete books and records pertaining to the Properties and the Services, which includes all Leases, corporate records, monthly summaries of accounts receivable and accounts payable, maintenance records, insurance policies, receipted bills and vouchers (including, but not limited to tax receipts, vouchers and invoices) and

other documents and papers pertaining to the Properties, as is necessary or appropriate under the Operation Standards and the Loan Documents;

Accounts

Collection Accounts. All Rents and other amounts received by the Manager from the Properties (except for the security deposits) will be required to be deposited into one or more accounts in accordance with the cash management procedures described in “*Description of the Loan—Cash Management Arrangements; Funds; Reserves*” in this information circular; the Manager is also required to use commercially reasonable efforts to cause all amounts received by any sub-manager to be deposited into such account in accordance with such cash management arrangements. The Manager will be entitled to retain a reasonable amount in each applicable account for anticipated overdrafts, charge-backs and refunds of partial payments of Rent to preserve rights of eviction. Upon written notice from the Lender that a Loan Event of Default has occurred under the Loan Agreement and/or other Loan Documents, the Manager will be required to apply amounts as instructed by the Lender.

Operating Account. On or prior to the Closing Date, the Manager will be required to establish, and at all times during the Term maintain, one or more Operating Accounts in the name of the Borrower and/or on behalf of the Borrower. The Borrower will be required to deposit funds received in accordance with the Loan Agreement into the Operating Account for the payment of Property Operating Expenses in accordance with the amounts and timing set forth in the Operating Budget. Capital expenditures and leasing commissions (excluding those paid from reserve funds pursuant to the terms of the Loan Agreement) are required to be paid from available cash on deposit in the Operating Account in accordance with the amounts and timing set forth in the Operating Budget. At all times during the Term, the Manager will have full access to the Operating Account for the purposes set forth in the Management Agreement, and all checks or disbursements from the Operating Account will require only the signature of the Manager. Funds may be withdrawn by the Manager from the Operating Account only (i) to pay Property Operating Expenses and leasing commissions (excluding those paid from reserve funds pursuant to the terms of the Loan Agreement), (ii) to withdraw amounts deposited in error and (iii) if the Manager determines, in accordance with the Operation Standards, that the amount on deposit in the Operating Account exceeds the amount required to pay the Property Operating Expenses or applicable leasing commissions as the same become due and payable, to make such other distributions as the Borrower may direct. Subject to the terms of the Loan Agreement and the other Loan Documents, the Manager will be permitted to direct any institution maintaining the Operating Account to invest the funds held therein in one or more investments which satisfy the criteria for a permitted investment contained in the Loan Agreement as the Manager will be permitted to select in its discretion. All interest and investment income realized on funds deposited therein shall be deposited to the Operating Account.

Security Deposit Accounts. The Manager will be required to deposit all security deposits from the Properties that it receives in the ordinary course of operations into one or more Security Deposit Accounts in accordance with the Loan Agreement and the other Loan Documents. The Manager will be required to use commercially reasonable efforts to ensure all security deposits received by any third-party service provider are deposited into the Security Deposit Account in accordance with the Loan Agreement and the other Loan Documents.

Operating Budget

At the request of the Borrower, the Manager will be required to prepare an Operating Budget, including providing a reasonable estimate of all operating and capital receipts and disbursements on a line-item basis in the format reasonably required by the Borrower. At the request of the Borrower the Manager will be required to submit a copy of the Operating Budget to the Lender for approval in the manner and at the times required by the Loan Agreement and the other Loan Documents.

Insurance

The Manager will be required to maintain, on behalf of and at the expense of the Borrower, all insurance policies required to be maintained by the Borrower and the Manager pursuant to the Loan Agreement and other Loan Documents and such other insurance policies as the Manager or the Borrower determines necessary or appropriate in accordance with the Operation Standards. For the avoidance of doubt, all insurance policies required to be maintained pursuant to the Loan Agreement and other Loan Documents are required to include any endorsements and/or additional insureds and meet other requirements set forth in such documents and applicable to such policies. The Manager will be required to prepare and present, on behalf of the Borrower, claims under any such insurance policy in a timely fashion in accordance with the terms of such policy. Any payments on such policies are to be made to the Manager as agent of and for the account of the Borrower (and on behalf of the Borrower, for the benefit of and to be held in trust for the Lender to the extent provided in the Loan Documents), except as otherwise required by the Loan Documents. All such payments will be required to be applied in accordance with the Loan Documents or, if the

Loan Documents do not specify an application, deposited into the Operating Account. The Manager will be required to provide to the Lender on behalf of the Borrower such evidence of insurance and payments of the premiums thereof required pursuant to the Borrower's obligations under the Loan Agreement.

Other Authorities of the Manager

In addition, the Management Agreement will designate the Manager to act as the exclusive agent of the Borrower with regard to the Services described in the Management Agreement. The Borrower will grant to the Manager the exclusive right and authority to negotiate, execute, implement or terminate, as circumstances dictate, for and on behalf of the Borrower, any and all Leases, contracts (including any sub-management agreements), permits, licenses, registrations, approvals, amendments and other instruments, documents, and agreements as the Manager deems necessary or advisable in accordance with the Operation Standards. The Manager will also have the authority to enforce, terminate and compromise disputes under all Leases and all other agreements and documents, as the Manager deems necessary and desirable. In addition, the Manager will have full discretion in determining (subject to the Operation Standards) whether to commence litigation on behalf of the Borrower, and will have full authority to act on behalf of the Borrower in any litigation proceedings or settlement discussions commenced by or against the Borrower in relation to the Properties. The Borrower will be required to promptly execute such other or further documents as the Manager may from time to time reasonably request to more completely effect or evidence the authority of the Manager under the Management Agreement, including the delivery of such powers of attorney (or other similar authorizations) as the Manager may reasonably request to enable it to carry out the Services. The Manager will not be authorized to, and will be prohibited from agreeing to, institute or join in instituting any bankruptcy, reorganization, arrangement, insolvency, liquidation or receivership proceedings with respect to the Borrower.

Expenses

The Manager will be authorized to incur operating expenses (including taxes, insurance premiums and leasing commissions) and capital expenditures (including the costs of alterations, improvements, additions, replacements or repairs to the Properties) on behalf of the Borrower, the necessity, nature and amount of which may be determined in the Manager's discretion in accordance with Operation Standards. The Manager will be required to use commercially reasonable efforts to incur operating expenses and capital expenditures within the limits prescribed by the applicable budget; provided that, to the extent of available funds, the Manager may at any time incur operating expenses and capital expenditures in amounts that exceed those specified in the applicable budget if and to the extent that the Manager determines in accordance with Operation Standards that it is necessary or advisable to do so.

The Manager will be required to maintain accurate records with respect to each Property reflecting the status of operating expenses and capital expenditures payable in respect thereof and shall furnish to the Lender from time to time such information regarding the payment status of such items as the Lender may from time to time reasonably request. The Manager will be required to arrange for the payment of all operating expenses and capital expenditures payable by the Borrower as the same become due and payable out of funds available for that purpose in the Borrower's Operating Account (excluding any amount paid from Reserve Funds pursuant to the terms of the Loan Agreement). All operating expenses and capital expenditures (excluding those paid from Reserve Funds) will be funded through the Borrower's Operating Account, and the Manager will have no obligation to subsidize, incur, or authorize any operating expense or capital expenditure that cannot, or will not, be paid by or through the Borrower's Operating Account (excluding any amount paid from Reserve Funds pursuant to the terms of the Loan Agreement). If the Manager determines that the funds on deposit in the Borrower's Operating Account are not sufficient to pay all operating expenses and capital expenditures (excluding those paid from Reserve Funds) related to the Property as the same shall become due and payable, the Manager shall notify the Lender of such deficiency and subject to the applicable provisions of the Loan Documents, the Borrower will be required to deposit the amount of such deficiency therein as soon as practicable. In the event of any such deficiency, the Manager will be permitted, in its sole discretion, elect to pay such operating expenses, and capital expenditures out of its own funds, but will have no obligation to do so. The Borrower will be obligated to pay or reimburse the Manager for all such operating expenses and capital expenditures paid by the Manager out of its own funds together with interest thereon at the Default Rate, subject to the availability of funds for such purpose in accordance with the terms of the Loan Agreement.

Sub-Managers

The Management Agreement will permit the Manager to delegate any of its Services thereunder to a third-party service provider in accordance with the Operation Standards so long as (i) the Manager supervises any such third-party service provider's performance under such sub-management agreement, (ii) the Manager remains liable for any breach or default under the Management Agreement to the same extent as if the Manager were performing such Services and (iii) any such sub-management agreement must be terminable by the Manager without penalty (or a

reserve for such termination fee shall be established pursuant to the Loan Agreement) upon termination of the Management Agreement. In addition to the foregoing, the Manager will be permitted to assign all of its rights and responsibilities under the Management Agreement to a Qualified Manager (as hereinafter defined) or other entity reasonably satisfactory to the Lender pursuant to a management agreement and in accordance with the terms of the Loan Agreement.

Compensation

Subject to the subordination provisions described under “*Assignment and Subordination of Management Agreements*,” in consideration of the Manager’s agreement to perform the Services, during the term of the Management Agreement, the Borrower will agree to pay to the Manager a fee (the “Management Fee”), for each calendar month, equal to 6% of the gross Rents collected during such month. Such fee in respect of each calendar month (and, to the extent not previously paid, all prior calendar months) will be payable to the Manager by the Borrower, solely from funds available to the Borrower pursuant to the Loan Agreement on the Monthly Payment Date in the immediately succeeding calendar month. Three Business Days prior to each Monthly Payment Date, the Manager will be required to report to the Borrower and the Lender the Management Fee then due and payable based on the best information regarding actual gross Rents for the Properties collected during the immediately preceding calendar month then available to it. If the Manager subsequently determines that the Management Fee so paid to it for any quarter was less than what should have been paid (based on a re-computation of the actual gross Rents collected for each calendar month in such quarter), then the Manager will be paid such underpaid amount at the end of such quarter. If the Manager subsequently determines that the Management Fee so paid to it for any quarter was higher than what should have been paid (based on a re-computation of the gross Rents for each calendar month in such quarter), then the Management Fee for the last month of the calendar quarter in which such overpayment occurred will be reduced by the amount of the overpayment. Upon the expiration or earlier termination of the Management Agreement as described therein, the Manager will be entitled to receive, on the next succeeding Monthly Payment Date, the portion of the Management Fee which was earned by the Manager through the effective date of such expiration or termination (such earned portion being equal to the product of (a) the total Management Fee that would have been payable for the month in which such expiration or termination occurred had the Management Agreement remained in effect and (b) a fraction, the numerator of which is the number of days in such month through the effective date of such expiration or termination, and the denominator of which is the total number of days in such month). The Manager will not be entitled to any other fees or payments from the Borrower as a result of the termination or expiration of the Management Agreement other than to the extent that such fees are payable pursuant to sub-management agreements for which a reserve has been established as contemplated under the Loan Agreement. The Borrower will be required to pay all direct expenses of the Properties (excluding those paid from reserve funds), including Property Operating Expenses, capital expenditures, leasing commissions and any other expenses specifically identified in the Management Agreement, provided, however, that the Manager will be required to pay from its own funds all additional expenses necessary to the performance of the Manager’s duties.

Termination

The Management Agreement will be required to be in effect during the period (the “Term”) commencing on the Closing Date and ending at 5:00 p.m. (New York time) on the first anniversary of the Closing Date (the “Expiration Date”), unless sooner terminated in accordance with the provisions of the Management Agreement. Under the Management Agreement, the Expiration Date will be automatically extended for successive one (1) year periods (so that the Expiration Date is the last day of such one (1) year period) unless the Borrower delivers written notice that the Expiration Date is not extended to the Manager at least 30 days prior to the then-current Expiration Date.

If the Borrower or the Manager files a petition for bankruptcy, reorganization or arrangement, or makes an assignment for the benefit of the creditors or takes advantage of any insolvency or similar law, or if a receiver or trustee is appointed for the assets or business of such party and is not discharged within 90 days after such appointment, then the Management Agreement will terminate automatically. Upon the termination of the Management Agreement as to the Borrower, the Borrower and the Manager will be released and discharged from all liability under the Management Agreement for the period from and after the applicable termination date (except for rights and obligations under the Management Agreement that are expressly stated to survive any termination) and the Manager will have no further obligation to perform any Services with respect to the Borrower or any Properties owned, leased or managed by Borrower from and after such date.

Following the Closing Date, unless and until the Loan Agreement has terminated in accordance with its terms and the outstanding principal balance of the Loan and other obligations due and owing thereunder and under the other Loan Documents have been fully satisfied, the Manager will not be permitted to resign from the obligations and duties imposed on it under the Management Agreement except upon determination that (i) the performance of its duties under the Management Agreement is no longer permissible under applicable law and (ii) there is no

reasonable action which can be taken to make the performance of its duties under the Management Agreement permissible under applicable law; provided, that the Manager is required to give at least 90 days' prior written notice to the Lender and such resignation will not be effective until such time as the Borrower has executed a Replacement Management Agreement with a Qualified Manager. Any such determination under clause (i) above permitting the resignation of the Manager is required to be evidenced by an opinion of counsel (who is not an employee of the Manager) to such effect delivered, and in form and substance reasonably satisfactory, to the Lender. From and after the date on which the Loan Agreement has terminated in accordance with its terms and the outstanding principal balance of the Loan and other obligations due and owing thereunder and under the other Loan Documents have been fully satisfied, the Manager shall have the right in its sole and absolute discretion, upon 30 days' prior written notice to the Borrower, to resign at any time from the obligations and duties hereby imposed on it. The Management Agreement will terminate on the effective date of any resignation of the Manager permitted under the Management Agreement.

Assignment of Management Agreements by Manager

The Management Agreement will provide that the Manager may not assign, transfer or delegate any of its rights and responsibilities under the Management Agreement except to a Qualified Manager or other entity reasonably satisfactory to the Lender; provided, however, the Manager may, in accordance with the Operation Standards, delegate performance of its services to third-party service providers so long as (i) the Manager supervises any such third-party service provider's performance under such sub-management contract, (ii) the Manager remains liable for any breach or default under the Management Agreement to the same extent as if the Manager were performing such Services and (iii) any such sub-management contract shall be terminable by Manager without penalty (or a reserve for such termination fee shall be established pursuant to the Loan Agreement) upon termination of the Management Agreement.

Limitations on the Manager's Liability; Indemnification By and in Favor of the Manager

The Management Agreement will require the Borrower to indemnify, defend and hold the Manager harmless from and against any and all suits, liabilities, damages, or claims for damages (including any reasonable attorneys' fees and other reasonable costs and expenses relating to any such suits, liabilities or claims), in any way relating to the Properties or the exercise by the Manager of the powers or authorities herein or hereafter granted to the Manager, except for those actions, omissions and breaches of the Manager in relation to which the Manager has agreed to indemnify the Borrower as described in the paragraph below.

The Management Agreement will require the Manager to agree to indemnify, defend and hold the Borrower harmless from and against any and all suits, liabilities, damages, or claims for damages (including any reasonable attorneys' fees and other reasonable costs and expenses relating to any such suits, liabilities or claims), in any way relating to (i) any acts or omissions of the Manager or its agents, officers or employees in the performance of the Services thereunder constituting fraud, gross negligence or willful misconduct or (ii) any material breach of any representation or warranty made by Manager under the Management Agreement.

The foregoing indemnities under the Management Agreement will survive the expiration or termination of the Management Agreement. Such indemnities payable under the Management Agreement will be subject to the availability of funds for such purpose in accordance with the Loan Agreement.

Certain Other Provisions

The Management Agreement will require the Manager to, directly, or indirectly through affiliates, employ, supervise and pay at all times a sufficient number of capable employees as may be necessary for the Manager to perform the Services in accordance with Operation Standards. All employees of the Manager shall be employed at the sole cost of the Manager. All matters pertaining to the employment, supervision, compensation, promotion, and discharge of such employees will be the sole responsibility of the Manager, who is, in all respects, the employer of such employees.

Assignment and Subordination of Management Agreements

In connection with the closing of the Loan Agreement, the Manager will enter into an Assignment of Management Agreement and Subordination of Management Fees in respect of the Management Agreement (the "Assignment of Management Agreement"), pursuant to which (i) the Borrower will assign to the Lender its interest in and to the Management Agreement and (ii) the Manager will subordinate its rights thereunder to the rights of the Lender under the Loan Documents.

Assignment

Pursuant to the Assignment of Management Agreement, the Borrower will conditionally transfer, set over and assign to the Lender all of the Borrower's right, title and interest in and to the Management Agreement, said transfer and assignment to automatically become a present, unconditional assignment, at the Lender's option, upon the occurrence and during the continuance of a Loan Event of Default. The Management Agreement and any and all liens, rights and interests (whether choate or inchoate and including, without limitation, all mechanic's and materialmen's liens under applicable law) owed, claimed or held from time to time by Manager in and to the Properties, will be in all respects subordinate and inferior to the liens and security interests created, or to be created, for the benefit of the Lender, and securing the repayment of the outstanding principal balance of the Components and other obligations and the performance of the obligations under the Loan Agreement and the other Loan Documents, and all renewals, extensions, increases, supplements, amendments, modifications or replacements thereof.

Subordination

The Management Fees and all rights and privileges of Manager to the Management Fees will continue to be subject and unconditionally subordinate in all respects in lien and payment to the lien and payment of the Loan Agreement and the other Loan Documents, including without limitation, any Mortgage, and to any renewals, extensions, modifications, assignments, replacements or consolidations thereof and the rights, privileges and powers of the Lender thereunder.

Transition Services

The Manager will also be required to, for a period of 6 months after any termination of the Management Agreement, any resignation by the Manager or any replacement of the Manager (each, a "Transition Event"), make itself available to consult with and advise the Lender, its designee and one or more replacement Qualified Managers regarding the operation and maintenance of the Properties or otherwise to facilitate an orderly transition of the management services to a new manager of the Properties; provided, that such assistance is limited to the Manager's provision, upon the Lender's reasonable request, of (i) Services that the Manager provided during the 120 day period immediately prior to such Transition Event and (ii) Services related to the transition of the Services to a new manager of the Properties. During such period, the Manager will be entitled to be compensated by the Lender for its out-of-pocket costs and expenses. For the avoidance of doubt, the Services required include delivery to the Lender, its designee or any Replacement Manager of all (i) books, files, abstracts, contracts, Leases, materials and supplies budgets and other records relating to the Properties or the performance of the Services (including the property file) and (ii) keys, key cards or access codes required in order to obtain access to the Properties. The Services set forth in this paragraph shall collectively comprise the "Transition Services." A final accounting of unpaid fees (if any) due to Manager under the Management Agreement shall be made within sixty (60) days after a Transition Event, but Lender shall not have any liability or obligation for any such amounts which accrued before Lender (or its nominee) acquires title to the Properties or Lender becomes a mortgagee in possession.

In addition to the Transition Services, the Manager will be required to reasonably cooperate with the Lender, potential purchasers of any of the Properties, appraisers, sellers of Properties, auditors and their respective agents and representatives, with the view that such parties are able to perform their respective duties and exercise their respective rights efficiently and without interference. Without limiting the foregoing, the Manager will be required to reasonably cooperate with the Lender with respect to the disposition of Properties and the transition of any bank account of the Borrower or any bank account maintained by the Manager on behalf of the Borrower, including without limitation, transferring signing authority with respect to such accounts. The Manager will not be required to release any confidential or proprietary information unless the recipient of such information executes a commercially reasonable confidentiality agreement upon terms and conditions acceptable to each party thereto.

Upon the occurrence and during the continuance of a Loan Event of Default during the term of the Assignment of Management Agreement or upon the occurrence of any event which would entitle the Lender to terminate, or cause the termination of, the Management Agreement in accordance with the terms of the Loan Documents (a) the Manager, at the request of the Lender, will continue to perform all of the Manager's obligations under the terms of the Management Agreement with respect to the Properties or (b) at the option of the Lender exercised by written notice to the Borrower and the Manager, the Borrower and the Manager will immediately terminate the Management Agreement and the Manager will transfer its responsibility for the management of the Properties to one or more managers selected in accordance with the Loan Agreement. Notwithstanding the provision described in clause (a) above, the Manager may, upon at least 90 days' notice to the Lender, resign as manager under and pursuant to the Management Agreement; provided, however, such resignation shall not be effective until such time as the Borrower has executed one or more management agreements to replace the Manager with one or more Qualified Managers.

The Borrower will give the Lender written notice of any written election to terminate the Management Agreement delivered to the Borrower by the Manager.

The Manager will further agree in the Assignment of Management Agreement that, in the event that the responsibility for the management of a Property is transferred from the Manager in accordance with the provisions thereof, the Manager will cooperate in transferring its responsibility to a new management company and use commercially reasonable efforts to effectuate such transfer no later than ninety (90) days from the date the Management Agreement is terminated.

Loan Agreement Covenants

The Borrower will be required to (i) cause the Manager to manage the Properties in accordance with the Management Agreement, (ii) diligently perform and observe all of the terms, covenants and conditions of the Management Agreement on the part of the Borrower to be performed and observed, (iii) promptly notify the Lender of any default under the Management Agreement of which it is aware, (iv) promptly deliver to the Lender a copy of each financial statement, business plan, capital expenditures plan, report and estimate received by it under the Management Agreement, and (v) promptly enforce the performance and observance of all of the covenants required to be performed and observed by the Manager under the Management Agreement in a commercially reasonable manner. If the Borrower defaults in the performance or observance of any material term, covenant or condition of the Management Agreement on the part of the Borrower to be performed or observed, then the Lender will have the right, but not the obligation, to pay any sums and to perform any act as may be appropriate to cause all the material terms, covenants and conditions of the Management Agreement on the part of the Borrower to be performed or observed. The fee payable to the Manager will not exceed 6.0% of the gross Rents collected with respect to the Properties for the related calendar month and in no event will the Borrower pay or become obligated to pay to the Manager, any transition or termination costs or expenses, termination fees, or their equivalent in connection with the transfer of a Property or the termination of the Management Agreement.

Pursuant to the Loan Agreement, if one of the following events occurs: (i) the occurrence of a Loan Event of Default, (ii) Manager is in material default under the Management Agreement beyond any applicable notice and cure period (including as a result of any gross negligence, fraud, willful misconduct or misappropriation of funds), or (iii) the Manager becomes insolvent or a debtor in any bankruptcy or insolvency proceeding, then the Lender will have the right to require the Borrower to replace the Manager and enter into a Replacement Management Agreement with (a) a Qualified Manager selected by the Borrower that is not an affiliate of the Borrower or (b) another property manager chosen by the Borrower and approved by the Lender (provided that such approval will be conditioned upon the Borrower obtaining the Required Parties' Approval as to such property manager). If the Borrower fails to select a new Qualified Manager or a replacement property manager approved by the Lender and to enter into a Replacement Management Agreement within 60 days following the Lender's demand to replace the Manager, then the Lender has the right to choose the replacement property manager provided that the replacement property manager is a Qualified Manager or satisfies the conditions in clause (b) above. A "Qualified Manager" means (a) the Manager, (b) any person or entity that is under common control with the Manager or Loan Sponsor and/or (c) a reputable person or entity that has at least 2 years' experience in the management of at least 250 residential rental properties in each MSA in which the applicable Properties to be managed by such person or entity are located and is not the subject of a bankruptcy or similar proceeding; provided, that, in the case of the foregoing clause (c), the Borrower has obtained the Required Parties' Approval in respect of the management of the Properties by such person or entity, and provided, further, that in the case of the foregoing clause (b) and clause (c), if such person or entity is an affiliate of the Borrower and if required by the Lender, the Borrower will be required to deliver a non-consolidation opinion.

The Borrower will not be permitted to (i) surrender, terminate, cancel, modify, renew or extend the Management Agreement, provided, that the Borrower will be permitted to replace the Manager so long as the replacement manager is a Qualified Manager pursuant to (A) either (x) a management agreement in substantially the same form and substance as the Management Agreement, (y) a management agreement in form and substance reasonably acceptable to Lender, provided, that (1) if the management agreement provides for the payment of management fees in excess of those provided for in the Management Agreement, then the Borrower will be required to obtain the Required Parties' Approval with respect to the increase in management fees and (2) Lender can otherwise require the Borrower to obtain the Required Parties' Approval with respect to such management agreement, or (z) a management agreement with a manager approved by the Lender in accordance with the Loan Documents and satisfying the conditions in clauses (1) and (2) above and (B) an assignment of management agreement and subordination of management fees substantially in the form of the Assignment of Management Agreement as of the Closing Date (or such other form as is reasonably acceptable to the Lender and the Qualified Manager) (collectively, a "Replacement Management Agreement"), (ii) enter into any other agreement relating to the management or operation of a Property with the Manager or any other person or entity, provided, that the Borrower will be permitted to permit the Manager to enter into sub-management agreements with third-party service providers to perform all or

any portion of the services by the Manager so long as (x) the fees and charges payable under any such sub-management agreements are the sole responsibility of the Manager, (y) the Borrower has no liabilities or obligations under any sub-management agreements, and (z) any sub-management agreements will be terminable without penalty upon the termination of the Management Agreement, (iii) consent to the assignment by the Manager of its interest under the Management Agreement, or (iv) waive or release any of its rights and remedies under the Management Agreement, in each case without the express consent of the Lender, which consent will not be unreasonably withheld. If at any time the Lender consents to the appointment of a new property manager or a Qualified Manager is appointed, such new property manager (including a Qualified Manager) will be required to execute a Replacement Management Agreement.

DESCRIPTION OF THE LOAN

The following is a summary of the principal provisions of the Loan. This summary does not purport to be complete, and is qualified in its entirety by reference to the loan agreement (the "Loan Agreement") which will be entered into on and will be dated as of the Closing Date between the Borrower and the Accommodation Loan Seller and the other documents (including Mortgage Documents) executed by the Borrower and the other Loan Parties securing the Collateral and entered into in connection with the origination of the Loan (collectively, the "Loan Documents"), copies of each of which may be obtained upon request from the Depositor.

On the Closing Date, the Accommodation Loan Seller will assign its right, title and interest in, to and under the Loan and the Loan Documents to the Depositor, which will in turn assign its right, title and interest in, to and under the Loan and the Loan Documents to the Trust. The Loan will be funded solely from the proceeds of the sale of the Certificates which will be applied by the Depositor to purchase the Loan from the Accommodation Loan Seller.

The Accommodation Loan Seller is acting solely in an accommodation capacity to enable the Borrower to obtain financing through the transactions described in this information circular involving the simultaneous closing of the Loan, the issuance of the Certificates, the exchange of the Class A Certificates for the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates and the sale of the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates to investors. In connection with the creation of the Loan, Fannie Mae delegated certain underwriting functions with respect to Fannie Mae's underwriting criteria to the Accommodation Loan Seller. Similar to Fannie Mae's DUS Lending Program, Fannie Mae and the Accommodation Loan Seller will enter into a loss-sharing arrangement with respect to the Class A Certificates. The Accommodation Loan Seller will also perform certain asset management functions for Fannie Mae in its role as the Directing Certificateholder. As compensation for taking on this role with respect to the transaction, the Loan Sponsor will pay the Accommodation Loan Seller an arrangement fee. The Accommodation Loan Seller will also be entitled to receive a portion of the Fannie Mae Guaranty Fee.

On or after the Closing Date, all rights of the Accommodation Loan Seller (as "Lender") under the Loan will be exercised by the Trustee, the Certificate Administrator, the Servicer or the Special Servicer, as the case may be, pursuant to the terms of the Trust and Servicing Agreement.

Certain defined terms used in this heading "*Description of the Loan*" reflect defined terms used in the Loan Documents for the purpose of determining the occurrence of certain events or compliance with certain covenants in the Loan Documents. The results of these calculations will differ, and may differ substantially, from similar numerical information and statistics regarding the Properties and the Loan presented elsewhere in this information circular including those based upon the assumptions and the definitions set forth under "*Description of the Properties*" in this information circular.

General

The Loan will be a 121-month loan having a stated maturity date of the Monthly Payment Date in June 2027 (the "Stated Maturity Date"), composed of two fixed rate components, and will be secured by first priority mortgages (which will consist of a mortgage, assignment of leases and rents, security agreement and fixture filing; deed of trust, assignment of leases and rents, security agreement and fixture filing; or deed to secure debt, assignment of leases and rents, security agreement and fixture filing) on each of the Properties (each, a "Mortgage") and a grant of a security interest in all personal property of the Borrower. The Loan will be evidenced by a note (the "Note") executed by the Borrower in favor of the Lender in evidence of each Component of the Loan. A portion of the Loan will be allocated to each Property, in the amounts indicated on Annex A-1 to this information circular (each amount, as such amount may be adjusted in connection with payments on the Loan and special releases as described and defined in "Principal and Interest" and "Prepayment" and "Special Releases" below, an "Allocated Loan Amount") and as the same may be further adjusted by the Lender in connection with redetermining Property Values for the Properties as described in "Reporting—Calculation Date Reports" below; provided, however (i) if a single new property is substituted for any Property or group of Properties in connection with a release of such Property or Properties, the

Allocated Loan Amount for such new property shall be equal to the Allocated Loan Amount (or aggregate Allocated Loan Amounts, as applicable) of the Property or Properties being released immediately prior to substitution, (ii) if a new group of properties is substituted for any Property or group of Properties being released, each new property shall have an Allocated Loan Amount equal to its ratable share (based on Property Values of the new properties) of the Allocated Loan Amount or Amounts of the Property or Properties being released immediately prior to substitution and (iii) if the Borrower is allowed to transfer a Property or group of Properties under the “Special Release” provisions described below, the Lender has the right to readjust the Allocated Loan Amounts of the remaining Properties based on new BPOs obtained in connection with such special release. For the avoidance of doubt, in connection with calculating any prepayments contemplated by the Loan Agreement, a transfer of Properties or consenting to any releases or substitutions, the Lender will determine the Allocated Loan Amount for any individual Property as of the date the Lender received notice of the requested prepayment, substitution or release, as applicable, from the Borrower.

The principal balance of the Loan as of the Closing Date is expected to be \$999,999,713 (the “Loan Amount”), subject to a variance of plus or minus 5%. See “*Summary of Information Circular—The Loan and the Properties*” in this information circular for a description of how the Loan Amount and the principal balance of each Component and certain other statistical information presented in this information circular might vary.

References herein to the “Loan” or the outstanding principal balance of the Loan will mean the entire Loan Amount, as the aggregate of all Components. The Loan, the Note and the other Loan Documents will be secured by first priority liens on the Properties and the other collateral under the Mortgage Documents. Each of Equity Owner LP and Borrower GP will guarantee the Loan (together, the “Equity Owner Guaranty”) as described under “—*Guaranties*” in this information circular. The Equity Owner Guaranty will be secured by a first priority pledge of (i) Equity Owner LP’s equity interests in the Borrower and Borrower GP and (ii) Borrower GP’s equity interest in the Borrower (collectively, the “Equity Collateral”). Each of the Components will correspond to one Class of the Principal Balance Certificates. Each Component will have an initial principal balance as of the Closing Date equal to the initial Certificate Balance for the corresponding Class of the Principal Balance Certificates.

The closing of the Loan will be simultaneous with the closing of the securitization into which the Loan has been contributed and will be funded with the proceeds of the sale of the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates and the Class B Certificates on the Closing Date and will be subject to the satisfaction of the conditions precedent as set forth in the Loan Agreement.

For purposes of the computation of the interest accrued on the Loan from time to time and certain other computations under the Loan Agreement, the Loan will be divided into multiple components designated as “Component A” and “Component B”. The following table sets forth the initial principal amount of each such Component.

<u>Component</u>	<u>Class of Certificates</u>	<u>Initial Principal Balance/Initial Certificate Balance</u>
Component A	Class A	\$944,500,000
Component B	Class B	\$55,499,713

The Stated Maturity Date or such earlier date on which the final payment of principal of the Note becomes due and payable as provided in the Loan Agreement or Note, whether at the Stated Maturity Date, by declaration of acceleration, or otherwise, is referred to herein as the “Maturity Date.”

The Loan Agreement and the other Loan Documents will be governed by the laws of the State of New York applicable to contracts made and performed in New York and any applicable law of the United States of America, except that the Mortgage Documents will be governed by the law of the state in which the applicable real property collateral is located to the extent set forth in the Mortgage Documents.

Principal and Interest

The Borrower will be required to pay on the Closing Date interest on the outstanding principal balance of the Components of the Loan from the Closing Date through and including April 30, 2017 (the “Initial Loan Interest Accrual Period”). Thereafter, payments on the Loan are required to be made on the 9th day of each calendar month (or if such date is not a Business Day, the preceding Business Day) commencing on June 9, 2017 (each a “Monthly Payment Date”). On each Monthly Payment Date the Borrower will be required to make a payment of interest in an amount (the “Monthly Debt Service Payment Amount”) equal to the interest which is then due on all the Components of the Loan in the aggregate for the Loan Interest Accrual Period ending immediately preceding such Monthly

Payment Date. In addition, on the Closing Date and on each Monthly Payment Date thereafter, the Borrower will be required to pay all amounts required in respect of reserve funds and the regular monthly fee of the Certificate Administrator (deemed to be \$6,575 per month) and the Trustee (deemed to be \$250 per month) under the Trust and Servicing Agreement for the related month.

Each loan interest accrual period (after the Initial Loan Interest Accrual Period) (each, a “Loan Interest Accrual Period”), with respect to each Monthly Payment Date, is the calendar month immediately preceding the calendar month in which the related Monthly Payment Date occurs. The Lender will have the right from time to time, in its sole discretion, upon not less than ten days’ prior written notice to the Borrower, to change the Monthly Payment Date to a different calendar day and, if requested by the Lender, the Borrower will be required to promptly execute an amendment to the Loan Agreement to evidence such change; provided, however, that if the Lender has elected to change the Monthly Payment Date as aforesaid, the Stated Maturity Date and any other date in the Loan Documents which corresponds with a Monthly Payment Date shall be automatically amended to reflect the Monthly Payment Date as so adjusted. With respect to payments of principal due on any Component on the Maturity Date, interest will be payable at the Interest Rate, through and including the day immediately preceding the Maturity Date.

Each Component under the Note will bear interest during each Loan Interest Accrual Period based on an interest rate *per annum* (the “Interest Rate”) equal to (a) with respect to Component A, 4.2285% *per annum* and (b) with respect to Component B, 4.2285% *per annum*.

If a Loan Event of Default shall have occurred and be continuing, the outstanding principal balance of each Component and, to the extent not prohibited by applicable law, all other portions of the debt, will accrue interest at a rate *per annum* equal to the lesser of (i) the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for in the Loan Agreement or the other Loan Documents or (ii) 3% above the Regular Component Interest Rate applicable to such Component (the “Default Rate”). In addition, if any principal, interest or any other sum due under the Loan Documents (other than the outstanding principal balance of the Loan due and payable on the Maturity Date) is not paid by the Borrower on the date on which it is due, the Borrower will be required to pay to the Lender upon demand a late charge in an amount equal to the lesser of 4% of such unpaid sum or the maximum amount permitted by applicable law in order to defray the expense incurred by the Lender in handling and processing the delinquent payment and to compensate the Lender for the loss of the use of such delinquent payment. Any such amounts will be secured by the Loan Documents to the extent permitted by law.

The Borrower will be required to pay to the Lender on the Maturity Date the outstanding principal balance of the Loan, all accrued and unpaid interest and all other amounts due under the Loan Agreement, the Mortgages, the Note and the other Loan Documents.

Prepayment

Voluntary Prepayments

The Borrower will be permitted to voluntarily prepay the Loan in whole or in part on any Business Day. Each such prepayment must be in a minimum principal amount equal to \$1,000,000 and in integral multiples of \$100,000 in excess thereof and made and applied to the Components of the Loan and the Allocated Loan Amounts in the manner set forth in the “*Prepayment/Repayment Conditions*” subsection below including, if such prepayment is made prior to the Yield Maintenance End Date, any applicable Yield Maintenance Premium.

Mandatory Prepayments; Disqualified or Transferred Properties

The Borrower will be required, if at any time any Property becomes a Disqualified Property, to prepay the Loan in the amount of 100% of the Allocated Loan Amount with respect to such Property (or, if such Property becomes a Disqualified Property as a result of a Voluntary Action, an amount equal to the applicable Release Amount) no later than the close of business on the 15th Business Day following the last day of the applicable cure period, if any, contained in the Loan Agreement (provided that no cure period will be applicable to a Property that becomes a Disqualified Property as a result of (i) the failure of such Property to comply with the representation relating to Specified Liens as described in this information circular or (ii) a Voluntary Action), and following such prepayment and satisfaction of certain other conditions in the Loan Agreement, the Lender will release the Disqualified Property from the applicable Loan Documents; however, in lieu of such prepayment, the Borrower will be permitted to either (1) deposit an amount equal to 100% of the Allocated Loan Amount for such Disqualified Property in the Eligibility Reserve Account in accordance with and subject to the “*Cash Management Arrangements; Funds; Reserves—Eligibility Reserve*” section herein or (2) substitute a Disqualified Property or a portfolio of Disqualified Properties with a substitute Property that complies with each of the Property Covenants and Property Representations (each, an

"Eligible Property") or a portfolio of Eligible Properties, provided that, in the case of a proposed substitution, the conditions set forth in the *"Substitution of Properties"* subsection below are satisfied.

"Release Amount" means with respect to any individual Property to be released from the Loan, the following amount plus certain additional amounts plus certain additional amounts described in clauses (i) through (iii) under the heading *"Description of the Loan—Prepayment—Prepayment/Repayment Conditions"* in this information circular:

(a) in connection with a transfer of any Property (other than a Designated HOA Property) or any failure of a Property to qualify as an Eligible Property due to the occurrence of a Voluntary Action (all such transferred Properties and all such Disqualified Properties, (the *"Release Premium Properties"*)): (i) 105% of the Allocated Loan Amount of the subject Property or Properties being released, if the sum of the initial Allocated Loan Amounts of all Release Premium Properties and all Special Release Properties released from the Loan (including the subject Property or Properties to be released) is less than 10% of the initial principal balance of the Loan, (ii) 110% of the Allocated Loan Amount of the subject Property or Properties being released, if the sum of the initial Allocated Loan Amounts of all Release Premium Properties and all Special Release Properties released from the Loan (including the subject Property or Properties to be released) is equal to or greater than 10%, but less than 15%, of the initial principal balance of the Loan, (iii) 115% of the Allocated Loan Amount of the subject Property or Properties being released, if the sum of the initial Allocated Loan Amounts of all Release Premium Properties and all Special Release Properties released from the Loan (including the subject Property or Properties to be released) is equal to or greater than 15%, but less than 20%, of the initial principal balance of the Loan, and (iv) 120% of the Allocated Loan Amount of the subject Property or Properties being released, if the sum of the initial Allocated Loan Amounts of all Release Premium Properties and all Special Release Properties released from the Loan (including the subject Property or Properties to be released) is equal to or greater than 20% of the initial principal balance of the Loan;

(b) in connection with any property that becomes a Disqualified Property, other than due to a Voluntary Action, if that circumstance is not cured within the applicable cure period, an amount equal to 100% of the Allocated Loan Amount for such Property;

(c) in connection with any Condemnation or Casualty of any Property for which prepayment of the Release Amount will be required pursuant to the Loan Agreement, 100% of the Allocated Loan Amount for such Property; and

(d) in connection with the release of any Designated HOA Property, a percentage of the Allocated Loan Amount for such Property that is equal to the lesser of (A) the percentage that would have been applicable under clause (a) above if such Property were not a Designated HOA Property and (B) if the Borrower has obtained a Required Parties' Approval applicable to such release, the percentage that is set forth in such Required Parties' Approval, provided such percentage shall be at least one hundred percent (100%).

"Designated HOA Properties" means, with respect to any state, HOA Properties located in such state that (i) were not Applicable HOA Properties on the Closing Date, (ii) become Applicable HOA Properties after the Closing Date and (iii) are designated by the Borrower to the Lender in writing as Designated HOA Properties.

"Rating Agency" means any NRSRO engaged by the Lender or its designees to issue a public rating on the Class A Certificates. As of the Closing Date, no such Rating Agency has been retained.

"Required Parties' Approval" means (i) the written approval of Lender and (ii) in the event that any Securities are then rated by any Rating Agency, a written affirmation from each such Rating Agency that the credit rating of such Securities by such Rating Agency immediately prior to the occurrence of the event with respect to which such affirmation is sought will not be qualified, downgraded or withdrawn as a result of the occurrence of such event, which affirmation may be granted or withheld in such Rating Agency's sole and absolute discretion, provided that upon receipt of a written acknowledgment or waiver (which may be in electronic form and whether or not specifically identifying the matter or in general, press release form) from a Rating Agency indicating its decision not to review or to waive review of the matter for which such affirmation is sought, the requirement to obtain Rating Agency such affirmation did not exist for such matter at such time) with respect to such Rating Agency.

"Securities" means any certificates, notes or other securities issued in connection with a securitization of the Loan.

If at any time any Property is sold or otherwise disposed of to a third party (other than, for the avoidance of doubt, to a Borrower TRS), then the Borrower will be required, no later than the close of business on the day on which such transfer occurs, to give notice thereof to the Lender and prepay the Loan in the applicable Release Amount with respect to such Property in accordance with the provisions described under “—*Transfer of Properties*” below.

If the Borrower will be required to make any prepayment as a result of a condemnation or casualty, on the next occurring Monthly Payment Date following the date on which the Lender actually receives the applicable net amount of the insurance proceeds payable as a result of the casualty (after deduction of reasonable costs and expenses) or the net amount of any condemnation award (after deduction of reasonable costs and expenses), 100% of such net insurance proceeds or condemnation award will be applied to the prepayment of the Loan. No Yield Maintenance Premium shall be due in connection with any prepayment made in connection with a casualty or condemnation.

Prepayments After Default

If, during the continuance of a Loan Event of Default, payment of all or any part of the debt is tendered by the Borrower and accepted by the Lender or is otherwise recovered by the Lender, such tender or recovery shall be deemed to be a voluntary prepayment by the Borrower in violation of the prohibition against prepayments, and the Borrower shall pay, as part of the debt, all of: (i) all accrued interest on the amount so prepaid at the Interest Rate and any other interest then due and, if such tender and acceptance is not made on a Monthly Payment Date, interest that would have accrued on the amount of principal so prepaid to, but not including, the next Monthly Payment Date and (ii) an amount equal to the applicable Yield Maintenance Premium (if made before the Yield Maintenance End Date).

Upon the occurrence and during the continuance of any Loan Event of Default, any payment of principal or interest from any source may be applied by the Lender among the Components and other obligations as the Lender may determine in its sole and absolute discretion.

Prepayment/Repayment Conditions

On the date on which a prepayment, voluntary or mandatory, is made, the Borrower will be required to pay to the Lender:

- (i) all accrued and unpaid interest calculated at the Interest Rate on the amount of principal being prepaid on the applicable Component or Components through and including the date of repayment together with, if the date of repayment is not a Monthly Payment Date, all interest accruing through the end of the interest period in which such date of repayment occurs;
- (ii) the Yield Maintenance Premium applicable thereto (if such prepayment occurs prior to the Yield Maintenance End Date, including recoveries or prepayments following an Event of Default); provided that no Yield Maintenance Premium will be due in connection with a prepayment made in connection with a Disqualified Property (except in connection with a prepayment prior to the Yield Maintenance End Date that arises as a result of a Voluntary Action) or in connection with a casualty or condemnation; and
- (iii) all other sums, then due under the Note, the Loan Agreement and the other Loan Documents.

Except during a Loan Event of Default, prepayments will be required to be applied by the Lender in the following order of priority: (i) first, to any amounts (other than principal, interest and Yield Maintenance Premium) then due and payable under the Loan Documents, including any costs and expenses of the Lender in connection with such prepayment; (ii) second, interest payable on the applicable Component or Components at the Interest Rate; (iii) third, Yield Maintenance Premium, to the extent applicable, on the applicable Component or Components and (iv) fourth, to principal, applied as set forth in the following paragraph.

Any prepayments of principal of the Loan shall be applied to the Loan (i) first, to Component A until the outstanding principal balance of Component A is reduced to zero and (ii) second, to Component B until the outstanding principal balance of Component B is reduced to zero.

“Restricted Junior Payment” means, with respect to any person or entity, (i) any dividend or other distribution of any nature (cash, securities, assets, indebtedness or otherwise) and any payment, by virtue of redemption, retirement or otherwise, on any class of equity interests or subordinate indebtedness issued by such person or entity, whether such equity interests are now or may hereafter be authorized or outstanding and any distribution in respect of any of the foregoing, whether directly or indirectly, (ii) any redemption, retirement, sinking fund or similar payment, purchase

or other acquisition for value, direct or indirect, of any equity interests or subordinate indebtedness of such person or entity now or hereafter outstanding, or (iii) any payment of management or similar fees by such person or entity (other than payment of management fees under any Management Agreement to the extent expressly permitted by the Loan Agreement) provided, that any payment made on the Loan (including any payment on Component B) shall not be deemed to be a Restricted Junior Payment.

Voluntary prepayments will reduce the Allocated Loan Amounts for each Property on a *pro rata* basis. Mandatory prepayments will reduce the Allocated Loan Amount with respect to the applicable Property, until the Allocated Loan Amount and any interest, fees or other obligations attributable thereto is zero and any excess of such prepayment will be applied to reduce the Allocated Loan Amounts for the remaining Properties on a *pro rata* basis.

“Treasury Rate” means the yield calculated by interpolating the yields for the immediately shorter and longer term U.S. “Treasury constant maturities” (as reported in the Federal Reserve Statistical Release H.15 Selected Interest Rates (the “Fed Release”) ” under the heading “U.S. government securities”) closest to the Yield Maintenance End Date, as follows (rounded to three (3) decimal places):

$$\left(\frac{(a - b)}{(x - y)} \times (z - y) \right) + b$$

a = the yield for the longer U.S. Treasury constant maturity
 b = the yield for the shorter U.S. Treasury constant maturity
 x = the term of the longer U.S. Treasury constant maturity
 y = the term of the shorter U.S. Treasury constant maturity
 z = “ n ” (as defined in the present value factor calculation above) divided by twelve (12).

Notwithstanding any provision to the contrary, if “ z ” equals a term reported under the U.S. “Treasury constant maturities” subheading in the Fed Release, the yield for such term shall be used, and interpolation shall not be necessary. If publication of the Fed Release is discontinued by the Federal Reserve Board, Lender shall determine the Treasury Rate from another source selected by Lender. Any determination of the Treasury Rate by Lender will be binding absent manifest error

“Yield Maintenance End Date” means the Monthly Payment Date occurring in December 2026.

“Yield Maintenance Premium” means, with respect to any Component prepaid, the greater of (a) one percent (1.0%) of the principal amount of the Component being prepaid and (b) the product obtained by multiplying (1) the principal amount of the Component being prepaid times (2) the difference between (A) the Interest Rate for such Component and (B) the Treasury Rate, by (3) a present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{n/12}}{r}$$

where:

r = the Treasury Rate

n = the number of months remaining between the last day of the month in which the prepayment is made, and the Yield Maintenance End Date.

Substitution of Properties

The Borrower will be permitted to elect to substitute an existing Property or a portfolio of Disqualified Properties (each, a “Replaced Property” and collectively, the “Replaced Properties”) with a substitute Eligible Property or a portfolio of Eligible Properties (each, a “Substitute Property” and collectively, the “Substitute Properties”), subject to the satisfaction of certain conditions set forth in the Loan Agreement, which will include the following:

- (i) each Substitute Property is either a detached single-family residential real property or a townhome (so long as townhomes constitute no more than 2% of the Properties by Property Value), but excluding condominiums, housing cooperatives and manufactured housing;

- (ii) no Loan Event of Default has occurred and is continuing except as related to, and cured by the removal of, the Replaced Property or Replaced Properties being substituted;
- (iii) the Debt Service Coverage Ratio on a pro forma basis after giving effect to such substitution is at least the greater of (x) 1.35:1 and (y) the actual Debt Service Coverage Ratio as of the date of such release;
- (iv) the ratio of (a) the outstanding principal balance of the Loan to (b) the aggregate Property Values of the Properties as of such date (such ratio, the "Loan LTV") after giving effect to such substitution is not greater than the lesser of (x) 60% and (y) the actual Loan LTV as of the date of such release;
- (v) if any Substitute Properties are located in a Specified IH Market, the Pool Geographic Test after giving effect to such release is satisfied;
- (vi) (1) the Substitute Property (or Substitute Properties, if a portfolio of Replaced Properties are being substituted) has the same or greater Property Value as the greater of (x) the Property Value of the Replaced Property (or portfolio of Replaced Properties being substituted) as of the Closing Date and (y) the Property Value of the Replaced Property (or portfolio of Replaced Properties being substituted) at the time of substitution and (2) the ratio of the Allocated Loan Amount for each remaining Property in the Collateral to its most recently calculated Property Value is less than or equal to 60%;
- (vii) each Substitute Property satisfies each of the Property Representations and is in compliance with each of the Property Covenants on the date of the substitution after giving effect to the substitution, together with any evidence requested by Lender to verify the same;
- (viii) the Eligible Lease for each Substitute Property has a remaining contractual term of at least six months (without giving effect to any extension option in such lease);
- (ix) the in-place Rents under the Lease(s) for the Substitute Property (or Substitute Properties, if a portfolio of Replaced Properties are being substituted) are equal to or greater than the greater of (A) the in-place Rents under the Lease(s) for the Replaced Property (or portfolio of Replaced Properties being substituted) measured as of the time of substitution and (B) the in-place Rents under the Lease(s) for the Replaced Property (or portfolio of Replaced Properties being substituted) measured as of the Closing Date, as determined by Lender in its sole discretion;
- (x) the Borrower executes and delivers Mortgage Documents with respect to each Substitute Property, which shall be in substantially the same form as the Mortgage Documents, executed and delivered on the Closing Date (or with respect to any such Replaced Property which was previously a Substitute Property, the date such Replaced Property became collateral for the Loan) with such changes as may be necessitated or appropriate (as reasonably determined by the Lender) for the jurisdiction in which the Substitute Property is located (and in the event the Substitute Property is located in the same county or parish in which one or more other Properties (other than the Replaced Property) is located, the Mortgage Documents may be in the form of an amendment and spreader agreement to the existing Mortgage Documents covering such Property or Properties located in the same county or parish as the Substitute Property, in each case, in form and substance reasonably acceptable to the Lender) (the "Substitute Mortgage Documents");
- (xi) delivery of the following opinions of counsel: (A) an opinion of counsel admitted to practice under the laws of the state in which the Substitute Property (or Substitute Properties, if a portfolio of Replaced Properties are being substituted) is located in form and substance reasonably satisfactory to the Lender opining as to the enforceability of the Substitute Mortgage Documents and (B) an opinion stating that the Substitute Mortgage Documents were duly authorized, executed and delivered by the Borrower and otherwise in form and substance reasonably satisfactory to Lender;
- (xii) delivery of a Title Insurance Policy for each Substitute Property (or, in the event a Substitute Property is located in the same county or parish in which one or more other Properties (other than a Replaced Property) is located, an endorsement to the existing Title Insurance Policy with respect to such Property or Properties located in the same county or parish as such Substitute Property in form and substance reasonably satisfactory to the Lender) insuring the lien of the Mortgage

encumbering such Substitute Property as a valid first lien on such Substitute Property, free and clear of all exceptions other than the Permitted Liens;

- (xiii) each Substitute Property is located in an MSA that contains at least one Property as of the Closing Date;
- (xiv) if any lien, litigation or governmental proceeding is existing or pending or, to the actual knowledge of a responsible officer of Manager or a Loan Party, threatened against any Replaced Property or Substitute Property which may result in liability for the Borrower, the Borrower shall have deposited with the Lender reserves reasonably satisfactory to the Lender as security for the satisfaction of such liability;
- (xv) the Replaced Property or Replaced Properties shall constitute separate legal parcels from the property remaining encumbered by Mortgages, and each Substitute Property shall be comprised of one or more separate legal parcels on a stand-alone basis; and
- (xvi) the Borrower shall have paid all taxes and expenses owing in connection with such transfer.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, if the Loan is included in a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code that holds the Note (a "REMIC Trust"), no substitution will be permitted unless (1) either (aa) immediately after such substitution the ratio of the outstanding principal balance of the Loan to the value of the remaining Properties (as determined by Lender in its sole discretion using any commercially reasonable method permitted to a REMIC Trust; and which shall exclude the value of personal property (other than fixtures) or going concern value, if any) is equal to or less than 125% or (bb) the ratio of the outstanding principal balance of the Loan to the value of the Properties (including the Substitute Property or Substitute Properties) will not increase as a result of the substitution of the Substitute Property or Substitute Properties for the Replaced Property or Replaced Properties, or (2) Lender receives an opinion of counsel that the securitization will not fail to maintain its status as a REMIC Trust as a result of the substitution of the Substitute Property or Substitute Properties for the Replaced Property or Replaced Properties. Further, no substitution will be permitted unless immediately after such substitution, the outstanding principal balance of the Loan will not exceed one hundred percent (100%) of the aggregate fair market value of the remaining Properties based on the Property Values set forth in the most recent Quarterly Valuation Statement.

"Concessions" means, for any period of determination, the value of concessions (other than free Rent) provided with respect to the Properties by the Borrower (or, for the period prior to the Closing Date, by the Borrower's affiliates that owned the Properties).

"GPR" means, as of any date of determination, the sum of (i) the annualized in-place rents under bona fide Eligible Leases for the Properties as of such date and (ii) the annualized market rents for Properties that are vacant as of such date. For purposes of clause (ii), market rents will be determined by the Borrower or, if reasonably required by the Lender, by using RentRange or another nationally recognized rental rate reporting service selected by the Lender in its sole discretion (such nationally recognized rental rate reporting service's fee to be at Borrower's sole cost and expense) with such adjustments as Lender may make in its reasonable discretion; *provided that* the Borrower will be permitted to object to any such determination by RentRange or other nationally recognized rental rate reporting service with any adjustments made by Lender by delivering written notice to the Lender within 5 Business Days of any such determination and, in such event, the market rents so objected to will be as determined by an independent broker opinion of market rent obtained by the Lender at Borrower's sole cost and expense.

"Loan Underwritten Net Cash Flow" means, as of any date of determination, the excess of: (a) for the 12 month period ending on such date, the sum of (i) the lesser of (x) GPR multiplied by 94%, and (y) actual rent collections for the Properties, and (ii) Other Receipts; over (b) for the 12 month period ending on such date, the sum of (i) Operating Expenses, adjusted to reflect exclusion of amounts representing non-recurring expenses, (ii) Underwritten Capital Expenditures, and (iii) Concessions. Notwithstanding the foregoing, Loan Underwritten Net Cash Flow does not include (a) any insurance proceeds (other than business interruption and/or rental loss insurance proceeds and only to the extent allocable to the applicable reporting period), (b) any proceeds resulting from the transfer of all or any portion of any Property, (c) any item of income otherwise included in Loan Underwritten Net Cash Flow but paid directly by any Tenant to a person or entity other than the Borrower as an offset or deduction against Rent payable by such Tenant, provided such item of income is for payment of an item of expense (such as payments for utilities paid directly to a utility company) and such expense is otherwise excluded from the definition of Operating Expenses pursuant to clause "(G)" of the definition thereof, (d) security deposits received from Tenants until forfeited or applied, (e) any lease buy-out or surrender payment from any Tenant (including any payment relating to unamortized tenant improvements and/or leasing commissions) and (f) the Loan Underwritten Net Cash Flow for any Disqualified

Property will be zero. For purposes of any calculation of Debt Yield or Debt Service Coverage Ratio or any other determination as to whether a condition to a Transfer (including a Substitution or Special Release) is satisfied, Loan Underwritten Net Cash Flow shall be as reflected in the most recent Calculation Date Report or (or, prior to the delivery of the first such Calculation Date Report, as used for determining the Closing Date Debt Yield and Closing Date DSCR.

"Closing Date DSCR" means the Loan Debt Service Coverage Ratio as of the Closing Date, which is equal to 1.37x.

"Closing Date Debt Yield" means the Debt Yield as of the Closing Date, which is equal to 8.10%.

"Operating Expenses" means, for any period, without duplication, all expenses actually paid or payable by the Borrower (or, for the period prior to the Closing Date, by the Borrower's affiliates that owned the Properties) during such period in connection with the administration, operation, management, maintenance, repair and use of the Properties, determined on an accrual basis, and, except to the extent otherwise provided in this definition, in accordance with United States generally accepted accounting principles ("GAAP"). Operating Expenses specifically shall include, without duplication, (i) all operating expenses incurred in such period based on quarterly financial statements delivered to the Lender in accordance with the Loan Agreement, (ii) cost of utilities, inventories, and fixed asset supplies consumed in the operation of the Properties, (iii) management fees in an amount equal to the greater of (A) actual management fees or (B) 6.0% of gross rents collected with respect to the Properties for such period, (iv) administrative, payroll, security and general expenses for the Properties, (v) costs and fees of independent professionals (including, without limitation, legal, accounting, consultants and other professional expenses), technical consultants, operational experts (including quality assurance inspectors) or other third parties retained to perform services required or permitted under the Loan Agreement, (vi) computer processing charges, (vii) operational equipment and other lease payments to the extent constituting operating expenses under GAAP, (viii) property taxes, Other Charges and HOA Fees, (ix) Insurance Premiums, (x) Property maintenance expenses and (xi) all reserves required by the Lender under the Loan Agreement (without duplication). Notwithstanding the foregoing, Operating Expenses shall not include (A) depreciation or amortization, (B) income taxes or other charges in the nature of income taxes, (C) any expenses (including legal, accounting and other professional fees, expenses and disbursements) incurred in connection with the making of the Loan or the sale, exchange, transfer, financing or refinancing of all or any portion of any Property or in connection with the recovery of insurance proceeds or awards which are applied to prepay the Note, (D) capital expenditures, (E) debt service, (F) expenses incurred in connection with the acquisition, initial renovation and initial leasing of Properties and other activities undertaken prior to such initial lease that do not constitute recurring operating expenses to be paid by the Borrower, including eviction of existing tenants, incentive payments to tenants and other similar expenses, (G) any item of expense which would otherwise be considered within Operating Expenses pursuant to the provisions above but is paid directly by any Tenant under a Lease, (H) any service that is required to be provided by the Manager pursuant to the Management Agreement without compensation or reimbursement (other than the management fee set forth in the Management Agreement), (I) any expenses that relate to a Property from and after the release of such Property in accordance with the Loan Agreement, (J) bad debt expense with respect to Rents, (K) the value of any free Rent or other Concessions provided with respect to the Properties, (L) any loss that is covered by the Policies including any portion of a loss that is subject to a deductible under the Policies or (M) corporate overhead expenses incurred by the Borrower's Affiliates.

"Other Receipts" means, for any period of determination, any actual net cash flow receipts received by the Borrower (or, for the period prior to the Closing Date, by the Borrower's affiliates that owned the Properties) from sources other than Rents, such as fees, payments or other compensation from any Tenant (but excluding any security deposits), with respect to the Properties to the extent they are recurring in nature and properly included as operating income for such period in accordance with GAAP.

"Pool Geographic Test" means a test that is satisfied if:

(i) the Properties are located in at least eight (8) states and at least ten (10) of the MSAs in which any Property is located as of the Closing Date;

(ii) there is no MSA as to which the portion of Underwritten Net Cash Flow attributable to the Properties located therein is greater than 30% of Underwritten Net Cash Flow; and

(iii) the portion of Underwritten Net Cash Flow attributable to the Properties located in the Specified IH Markets, collectively, is not greater than 55% of Underwritten Net Cash Flow.

"Property Value" means, with respect to any Property as of any date of determination, (i) the BPO Value of such Property as established in the BPOs delivered at closing or (ii) with respect to any Property to be transferred or

released or any Property to be substituted, the BPO Value of such Property as established in the BPO delivered in connection with such transfer, release or substitution with such adjustments as Lender may make in connection therewith or (iii) otherwise, the "as is" value for such Property set forth in the most recent Quarterly Valuation Statement; provided, that unless Lender otherwise agrees in its sole discretion, the Property Value of any Disqualified Property shall be zero.

"Specified IH Markets" means the metropolitan statistical areas (as defined by the United States Office of Management and Budget) encompassed within the Phoenix, Atlanta, Tampa and Sacramento IH Markets. For the avoidance of doubt, on the Closing Date, the Specified IH Markets will be: (i) Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area; (ii) Chico, CA Metropolitan Statistical Area; (iii) Gainesville, GA Metropolitan Statistical Area; (iv) Lakeland-Winter Haven, FL Metropolitan Statistical Area; (v) Napa, CA Metropolitan Statistical Area; (vi) North Port-Sarasota-Bradenton, FL Metropolitan Statistical Area; (vii) Phoenix-Mesa-Scottsdale, AZ Metropolitan Statistical Area; (viii) Sacramento--Roseville--Arden-Arcade, CA Metropolitan Statistical Area; (ix) San Francisco-Oakland-Hayward, CA Metropolitan Statistical Area; (x) Stockton-Lodi, CA MSA; (xi) Tampa-St. Petersburg-Clearwater, FL Metropolitan Statistical Area; (xii) Vallejo-Fairfield, CA Metropolitan Statistical Area; and (xiii) Yuba City, CA Metropolitan Statistical Area.

"Underwritten Capital Expenditures" means, as of any date of determination, for the twelve (12) month period ending on such date, the product of (A) the number of Properties multiplied by (B) \$750.

Transfer of Properties

The Borrower will be permitted to transfer any Property (each, a "Release Property") and the Lender will be required to release the Release Property from the applicable Mortgage Documents and release the security interest and lien on any collateral located at such Property only if certain conditions set forth in the Loan Agreement are satisfied, including the following release conditions:

- (A) No Loan Event of Default or event which, with the giving of notice or passage of time would constitute a Loan Event of Default, has occurred and is continuing;
- (B) The Debt Service Coverage Ratio as of the most recently ended calendar quarter after giving pro forma effect to the transfer is at least the greater of (x) 1.35:1 and (y) the actual Debt Service Coverage Ratio as of the date of such release;
- (C) the ratio of (a) the outstanding principal balance of the Loan to (b) the aggregate Property Values of the Properties as of such date (such ratio, the "Loan LTV") after giving effect to such release and any related prepayment is not greater than the lesser of (x) 60% and (y) the actual Loan LTV as of the date of such release;
- (D) the Pool Geographic Test after giving effect to such release is satisfied; provided that if such released Property is in a Specified IH Market, clause (iii) of the definition of Pool Geographic Test shall be deemed inapplicable for purposes of determining whether this condition is satisfied;
- (E) The Release Property is transferred to a person or entity other than a Loan Party;
- (F) Except for a release of a Designated HOA Property, a fully-condemned property or a Property subject to a Casualty, the Release Property shall be transferred pursuant to a bona fide all-cash sale of the Release Property on arm's-length terms and conditions as determined by Lender;
- (G) The Borrower prepays the outstanding principal balance of the Loan by the applicable Release Amount;
- (H) If a Trigger Period is continuing, the excess, if any, of (i) the net sale proceeds for the Release Property over (ii) the applicable Release Amount for the Release Property, is deposited into the Cash Collateral Account;
- (I) If the Loan is included in a REMIC Trust and the ratio of the unpaid principal balance of the Loan to the value of the remaining Properties (as determined by the Lender in its sole discretion using any commercially reasonable method permitted to a REMIC Trust; and which shall exclude the value of any personal property (other than fixtures) or going concern value, if any) exceeds or would exceed 125% immediately after giving effect to the release of the Release Property, no release will be permitted unless the principal balance of the Loan is prepaid by an amount not less than the

greater of (i) the Release Amount or (ii) the least amount that is a “qualified amount” as that term is defined in IRS Revenue Procedure 2010-30, as the same may be amended, replaced, supplemented or modified from time to time, unless the Lender receives an opinion of counsel that, if this clause is applicable but not followed or is no longer applicable at the time of such release, the Trust will not fail to maintain its status as a REMIC Trust as a result of the release of the Release Property;

- (J) After giving effect to such transfer, the outstanding principal balance of the Loan will not exceed one hundred percent (100%) of the aggregate fair market value of the remaining Properties determined by Lender based on percent (100%) of the aggregate fair market value of the remaining Properties based on the Property Values set forth in the most recent Quarterly Valuation Statement.
- (K) The Release Property is a separate legal parcel from the property remaining encumbered by Mortgages.
- (L) the Borrower shall have paid all taxes, expenses and the Fannie Mae Release Fee owing in connection therewith.

In addition, except in the case of a transfer and associated release of a Fully-Condemned Property or Property subject to a Casualty or as otherwise consented to by Lender in its sole discretion, (i) there shall be no more than one date in each calendar quarter on which any transfers and associated releases occur and (ii) no transfer or associated release fee shall occur prior to the first anniversary of the Closing Date or after the Yield Maintenance End Date.

Notwithstanding the foregoing, if a Transfer of a Property is made in connection with a Substitution or a Special Release, then the conditions described above shall not be applicable and instead the conditions described below with respect to such Substitution or Special Release will govern. In addition, the above-described conditions shall not be applicable to any Transfer of a Disqualified Property in connection with a prepayment of the Loan or any contribution of a Property to a Borrower TRS which complies with the provisions of the Loan Agreement applicable to such contributions.

“Assumed Amortization End Date” means, as of any date of determination, (i) from and after Closing Date until the date of the first Qualifying Prepayment, if any, the thirtieth anniversary of the Closing Date, (ii) from and after the date of the first Qualifying Prepayment, if any, until the next Qualifying Prepayment, if any, the thirtieth anniversary of the date of such first Qualifying Prepayment and (iii) thereafter, the thirtieth anniversary of the date of the most recent Qualifying Prepayment, if any.

“Calculation Date” means the last day of each calendar quarter during the term of the Loan.

“Loan Debt Service Coverage Ratio” means, as of any date of determination, a ratio in which:

- (i) the numerator is the Loan Underwritten Net Cash Flow calculated for the twelve (12) month period ending on such date of determination; and
- (ii) the denominator is (x) the sum of (A) the Loan Underwritten Debt Service Amount (Assumed Amortization) as of such date of determination, and (B) the regular monthly fee of the Certificate Administrator (deemed to be \$6,575 per month) and the Trustee (deemed to be \$250 per month) under the Trust and Servicing Agreement multiplied by (y) twelve (12).

“Debt Yield” means, as of any date of determination, a ratio in which:

- (i) the numerator is the Loan Underwritten Net Cash Flow calculated for the twelve (12) month period ending on such date of determination; and
- (ii) the denominator is the outstanding principal balance of the Loan as of such date of determination.

“Low Debt Yield Cure Prepayment” means any voluntary prepayment made by the Borrower to the Lender of the principal of the Loan during any Low Debt Yield Period.

“Low Debt Yield Period” shall commence if, as of any Calculation Date, the Debt Yield is less than: the relevant Low Debt Yield Trigger, and will end if (i) as of any two succeeding consecutive Calculation Dates, a Debt Yield equal to or greater than the then applicable Low Debt Yield Trigger will have been achieved or (ii) immediately (without

waiting for two consecutive Calculation Dates) upon the Borrower prepaying the principal amount of the Loan in an amount sufficient to cause the Debt Yield to be equal to or in excess of the then applicable Low Debt Yield Trigger.

"Low Debt Yield Trigger" means:

- (w) for any Calculation Date occurring prior to the fifth anniversary of the Closing Date, eighty-five percent (85%) of the Closing Date Debt Yield,
- (x) for any Calculation Date occurring from and after the fifth anniversary of the Closing Date but prior to the sixth anniversary of the Closing Date, less than ninety percent (90%) of the Closing Date Debt Yield,
- (y) for any Calculation Date occurring from and after the sixth anniversary of the Closing Date but prior to the seventh anniversary of the Closing Date, ninety-five percent (95%) of the Closing Date Debt Yield, and
- (z) for any Calculation Date occurring from and after the seventh anniversary of the Closing Date, one hundred percent (100%) of the Closing Date Debt Yield.

"Low DSCR Cure Prepayment" means any voluntary prepayment made by the Borrower to the Lender of the principal of the Loan during any Low DSCR Period.

"Low DSCR Period" shall commence if, as of any Calculation Date, the Loan Debt Service Coverage Ratio is less than 1.25x (a "Low DSCR Trigger"), and will end if (i) as of any two succeeding consecutive Calculation Dates, a Loan Debt Service Coverage Ratio of at least 1.25x will have been achieved or (ii) immediately (without waiting for two consecutive Calculation Dates) upon the Borrower prepaying the principal amount of the Loan in an amount sufficient to cause the Loan Debt Service Coverage Ratio to be equal to or in excess of the Low DSCR Trigger.

"Qualifying Prepayment" means any prepayment of the Loan in an amount greater than or equal to 5% of the outstanding principal balance of the Loan (prior to giving effect thereto) as of the date of such prepayment.

"Trigger Period" shall commence upon the occurrence of (i) a Loan Event of Default, (ii) the commencement of a Low DSCR Period or (iii) the commencement of a Low Debt Yield Period; and shall end if, (A) with respect to a Trigger Period continuing pursuant to clause (i), the Loan Event of Default commencing the Trigger Period has been cured and such cure has been accepted by the Lender (and no other Loan Event of Default is then continuing), (B) with respect to a Trigger Period continuing due to clause (ii), the Low DSCR Period has ended pursuant to the definition thereof or (C) with respect to a Trigger Period continuing due to clause (iii), the Low Debt Yield Period has ended pursuant to the definition thereof.

"Loan Underwritten Debt Service Amount (Assumed Amortization)" means, as of any date of determination for any period, based on the then outstanding principal balance of the Loan and Interest Rate, the level monthly interest and principal payment amount that would be necessary to fully amortize the Loan by the Assumed Amortization End Date.

Special Releases

In addition to the rights of the Borrower to transfer or substitute Properties as described above, the Borrower will be allowed, after the first anniversary of the Closing Date but prior to the fifth anniversary of the Closing Date and on not more than two occasions, to transfer Properties with an aggregate Allocated Loan Amount of up to fifteen percent (15%) of the outstanding principal balance of the Loan as of the related transfer date and obtain a release of such transferred Properties from the Collateral without prepaying the Loan. Any such transfer and release (a "Special Release") will, unless otherwise consented to by Lender in its sole discretion, be subject to, among other things, satisfaction of the following conditions precedent as determined by Lender:

- (A) No Loan Event of Default or event which, with the giving of notice or passage of time would constitute a Loan Event of Default, has occurred and is continuing;
- (B) The Loan Debt Service Coverage Ratio as of the most recently ended calendar quarter after giving pro forma effect to the transfer is not less than the Loan Debt Service Coverage Ratio as of the Closing Date;
- (C) The Pool Geographic Test, on a pro forma basis after giving effect to such release, is satisfied;

- (D) The Loan LTV after giving effect to such transfer is not greater than the Loan LTV as of the Closing Date;
- (E) The ratio of the Allocated Loan Amount for each remaining Property in the Collateral to its most recently calculated Property Value must not be greater than 60%;
- (F) Each Property to be released is a separate legal parcel from the property remaining encumbered by Mortgages; and
- (G) the Borrower shall have paid all taxes, expenses and the Fannie Mae Release Fee owing in connection therewith.

The Lender has the right to readjust the Allocated Loan Amounts of the remaining Properties based on new BPOs obtained in connection with such Special Release.

Expense Reimbursement

Under the Loan Agreement, the Borrower will be required to pay (or reimburse the Lender) for certain trust fund expenses, which include (a) any interest payable to the Servicer, Special Servicer, trustee, operating advisor, custodian or the Certificate Administrator pursuant to the Trust and Servicing Agreement in respect of Advances made by any of the foregoing with respect to the Loan or the Properties (but only to the extent that the interest exceeds the sum of the Default Rate interest and late payment charges pursuant to the Loan Agreement) in respect of the event giving rise to the related Advances; (b) all Special Servicing Fees, Work-out Fees, Liquidation Fees and other fees payable to the Special Servicer under the Trust and Servicing Agreement (i) after a Special Servicing Loan Event as a result of (A) the occurrence of a Loan Event of Default or (B) an acknowledgement by the Borrower in writing that the Loan is likely to go into default, or (ii) in connection with any Borrower requested or consensual work-out or modification of the Loan; (c) the Certificate Administrator Fee and Trustee Fee; (d) the fees and expenses of the Servicer listed in the Loan Agreement; and (e) the costs incurred by Servicer in connection with (i) the determination of market rents for purposes of and in accordance with clause (ii) of the definition of GPR and (ii) verification of information set forth in Quarterly HOA Reports and quarterly reports delivered pursuant to the Loan Agreement, as well as the verification and/or preparation of any reports related to HOA compliance required to be performed by the Servicer under the Servicing Agreement; and (f) any other cost, fee or expense of the Servicer (other than the Servicing Fee), the Trustee, the Certificate Administrator and the Directing Certificateholder (i) after a Special Servicing Loan Event as a result of (A) the occurrence of a Loan Event of Default or (B) an acknowledgement by the Borrower in writing that the Loan is likely to go into default, (ii) after the occurrence of a Loan Event of Default pursuant to clauses (i), (ii) or (iii) of the definition of "Loan Event of Default" set forth below or (iii) in connection with any Borrower requested or consensual work-out or modification of the Loan or any other special waiver or approval requests made by the Borrower or any Equity Owner during the term of the Loan.

The Borrower will also be required to pay or reimburse the Lender in connection with (i) the negotiation, preparation, execution and delivery of any consents, amendments, waivers or other modifications to the Loan Documents and any other documents or matters requested by any Relevant Party; (ii) filing and recording of any Loan Documents; (iii) title insurance, surveys, inspections, Broker Price Opinions of market rent; (iv) the creation, perfection or protection of the Lender's liens in the Collateral (including fees and expenses for title and lien searches, intangibles taxes, personal property taxes, mortgage recording taxes, due diligence expenses, travel expenses, accounting firm fees, environmental reports and the Lender's diligence consultant) and (v) enforcing any obligations of or collecting any payments due from any Relevant Party under the Loan Documents or with respect to any Property or in connection with any refinancing or restructuring of the credit arrangements provided under the Loan Agreement in the nature of a "work-out" or of any insolvency or bankruptcy proceedings; provided, however, that the Borrower shall not be liable for the payment of any such costs and expenses to the extent the same arise by reason of the active gross negligence, illegal acts, fraud or willful misconduct of Lender or with respect to taxes other than any taxes that represent losses or damages arising from any non-tax claim.

Guaranties

On the Closing Date, the Loan Sponsor will execute a limited guaranty (the "Sponsor Guaranty") pursuant to which the Loan Sponsor will guaranty:

- (A) any loss, damage, cost, expense, liability, claim or other obligation to the extent actually incurred by the Lender (including attorneys' fees, costs and out-of-pocket expenses reasonably incurred, limited to one counsel for the Lender and one local counsel in each applicable jurisdiction) arising out of or in connection with the acts or omissions of any Relevant Party or any affiliate of any

Relevant Party (each, a "Designated Party") in each case arising with respect to any of the following:

- (i) grossly negligent or reckless unintentional material misrepresentation or omission by any Designated Party in connection with on-going financial or other reporting required by the Loan Documents, or any request for action or consent by Lender;
- (ii) the failure to maintain all insurance policies required by the Loan Documents, except to the extent there are Insurance Funds on deposit in the Insurance Account in an amount sufficient to pay the premiums required to be paid to maintain such insurance policies;
- (iii) the misapplication, misappropriation or conversion by any Designated Party of (A) any insurance proceeds paid by reason of any Casualty or under any insurance policy, (B) any awards or other amounts received in connection with a Condemnation and (C) any other collections or other amounts required to be deposited into the Rent Deposit Accounts and the Borrower's Operating Account (each, a "Property Account"), the Loan Collection Account or any subaccounts of the Loan Collection Account (including, for the avoidance of doubt, all Rents from the Properties required to be deposited into the Collection Account within three (3) Business Days after receipt thereof) provided that the Loan Sponsor will not have liability under this clause to the extent that the Borrower lacks the legal right to direct disbursement of funds due to the filing of an involuntary petition or the commencement of any other proceeding against any Loan Party seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of its debts, under the Bankruptcy Code (an "Involuntary Proceeding") other than an Involuntary Proceeding for which the Loan Sponsor must indemnify under clause (B) below;
- (iv) the failure to comply with any provision of the Loan Agreement or any other Loan Document relating to the delivery of books and records, statements, schedules, and reports;
- (v) except to the extent otherwise directed by Lender in writing, the failure to apply Rents from the Properties to Operating Expenses or debt service, as and when each is due and payable, except with respect to Rents that are distributed by Borrower in any calendar year if, at the time of such distribution, Borrower reasonably anticipates it will be able to pay all Operating Expenses and debt service for such calendar year provided that the Loan Sponsor will not have liability under this clause to the extent that the Borrower lacks the legal right to direct disbursement of funds due to an Involuntary Proceeding other than an Involuntary Proceeding for which the Loan Sponsor must indemnify under clause (B) below;
- (vi) (A) the failure to (1) deliver security deposits to any Security Deposit Account in accordance with the Loan Agreement, or (2) deliver any security deposits to the Lender (or Servicer) or to an account designated by the Lender (or Servicer) in accordance with the Loan Agreement or (B) any other misapplication, misappropriation or conversion by any Designated Party of any security deposits;
- (vii) a breach by any Loan Party of any special purpose bankruptcy remote entity obligations set forth in the Loan Agreement (other than any obligations to maintain solvency or adequate capital and other than any such obligations referenced in clause (B) below) which are not cured within 30 days from the earlier of the date Lender notifies such Loan Party of such breach or the date the Loan Party discovers such breach; provided that if such breach can be cured but cannot reasonably be cured within such thirty (30) day period and the Loan Party shall have commenced to cure such breach within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require the Loan Party in the exercise of due diligence to cure such breach, it being agreed that no such extension shall be for a period in excess of sixty (60) days for any individual breach;
- (viii) the misapplication, misappropriation, conversion or other failure to remit net transfer proceeds to the Loan Collection Account (in which case the liability of the Loan Sponsor

will be limited to the greater of such proceeds and the applicable release amount under the Loan Agreement (plus the other amounts due with respect to the release of a Property under the Loan Documents) associated with the related Property or Properties);

- (ix) waste or abandonment of any Property;
 - (x) the Specified Liens; or
 - (xi) any and all liabilities, losses, damages, costs and expenses of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for Borrower, the Borrower GP, Equity Owner and/or Lender), that are imposed on, incurred by, or asserted against Borrower, the Borrower GP, Equity Owner or Lender in any manner relating to or arising out of the previously-owned properties which previously secured the 2014-SFR1 Loan or the 2014-SFR1 Loan ("Previously-Owned Properties Liabilities"); and
- (B) the entire amount of the obligations under the Loan Documents, upon the occurrence of any of the following events in clauses (i) through (xi):
- (i) a Transfer that is not permitted under the Loan Agreement or any other Loan Document and for which Lender has not given its consent;
 - (ii) a breach by any Loan Party of any obligation set forth in clauses (1), (5-7), (9), (20), (22 through 25) and (33) of the definition of "Special Purpose Bankruptcy Remote Entity" as set forth on Annex F to this information circular;
 - (iii) a breach by any Loan Party of any special purpose bankruptcy remote entity obligations set forth in the Loan Agreement not referenced in the immediately preceding clause (ii) (excluding any obligations to maintain solvency or adequate capital) and a court of competent jurisdiction holds or determines that such breach or combination of breaches is the basis, in whole or in part, for the substantive consolidation of the assets and liabilities of the Loan Party or sole member of the Loan Party with the assets and liabilities of a debtor pursuant to Title 11 of the Bankruptcy Code;
 - (iv) fraud, written material misrepresentation, or material omission by any Designated Party in connection with any application for or creation of the Loan;
 - (v) fraud, written intentional material misrepresentation, or intentional material omission by any Designated Party in connection with on-going financial or other reporting required by the Loan Documents, or any request for action or consent by Lender;
 - (vi) any Loan Party filing a voluntary petition or instituting any other proceeding seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of it or its debts, under the Bankruptcy Code;
 - (vii) the filing of an involuntary petition or other proceeding against any Loan Party seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of it or its debts, under the Bankruptcy Code, in which any Designated Party colludes with, or otherwise actively assists, such petitioner, or solicits or causes to be solicited petitioning creditors for any such petition or proceeding;
 - (vii) any Designated Party filing an answer consenting to or otherwise acquiescing in or joining in any involuntary proceeding against any Loan Party;
 - (ix) any Designated Party consenting to or acquiescing in or joining in an application for, or seeking the entry of an order for relief or the appointment of, a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like with respect to any Loan Party or any Property or other collateral for the Loan (or any portion of any of the foregoing);

- (x) any Loan Party making an assignment for the benefit of creditors, or admitting in any legal proceeding, its insolvency or inability to pay its debts as they become due unless such statements are compelled and required by law and otherwise true and correct; and
- (xi) any Designated Party makes any filing in favor of a substantive consolidation of a Loan Party with an entity that is not a Loan Party and such substantive consolidation occurs as a result thereof; provided that a filing made by a bankruptcy trustee, creditors committee or other third party without the approval of the Loan Sponsor, will not be deemed a filing made by any Designated Party.

“Specified Liens” means the liens specified in the Loan Agreement affecting one or more of the Properties as of the Closing Date, provided that all such Liens on the affected Properties are affirmatively covered by Title Insurance Policies. For a description of the Specified Liens, see “*Risk Factors—Certain of the Properties in Florida Will be Subject to Liens as a Result of Violations with Respect to Other Sponsor-Owned Properties*” in this information circular.

On the Closing Date, each of the Equity Owners will execute an Equity Owner Guaranty pursuant to which each Equity Owner will guarantee:

- (A) the due and prompt payment by the Borrower of
 - (i) the principal of and premium, if any, and interest at the rate specified in the Loan Agreement (including interest accruing during the pendency of any proceeding under the Bankruptcy Code, regardless of whether allowed or allowable in such proceeding, and Yield Maintenance Premium) on the Loan, when and as due, whether at scheduled maturity, date set for prepayment, by acceleration or otherwise, and
 - (ii) all other monetary obligations of the other Loan Parties (including, without limitation, the Borrower) to the Lender under the Loan Documents, when and as due, including fees, costs, expenses (including, without limitation, reasonable fees and expenses of counsel incurred by the Lender in enforcing any rights under the Loan Documents, limited to one counsel for the Lender and one counsel in each applicable jurisdiction), contract causes of action and indemnities, whether primary, secondary, direct or indirect, absolute or contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any proceeding under the Bankruptcy Code, regardless of whether allowed or allowable in such proceeding); and
- (B) the due and prompt performance of all covenants, agreements, liabilities and other obligations of the other Loan Parties (including, without limitation, the Borrower) under or in respect of the Loan Documents.

On the Closing Date, the Environmental Indemnitor will execute a limited recourse guaranty pursuant to which the Environmental Indemnitor will guarantee all liabilities of the Borrower arising under the Environmental Indemnity Agreement under “—*Environmental Indemnity*” in this information circular.

Environmental Indemnity

On the Closing Date, the Borrower will execute an environmental indemnity agreement (the “Environmental Indemnity Agreement”) with respect to the Properties in favor of the Lender. Under the Environmental Indemnity Agreement, the Borrower will represent and warrant as to the environmental conditions of the Properties, as more specifically described in clause 23 of Annex E to this information circular, and will agree to observe certain covenants with respect to environmental matters as more specifically described in clause 11 of Annex D to this information circular. Pursuant to the Environmental Indemnity Agreement, the Borrower will agree to indemnify, hold harmless and defend the Lender and certain other indemnified parties for, from and against all actions, suits, claims, proceedings, orders, damages, penalties and costs (whether initiated or sought by Governmental Authorities or private parties), including any reasonable fees and out-of-pocket expenses of attorneys and expert witnesses, investigatory fees and remediation costs, whether incurred in connection with any judicial or administrative process or otherwise, arising directly or indirectly from any of the following (except (i) in connection with any Prohibited Activity or Condition caused directly by Lender or its agents or employees after it takes possession of the applicable Property as mortgagee-in-possession or otherwise or (ii) to the extent any such items occur as a result of the gross negligence or

willful misconduct of Lender or its affiliates, employees, representatives, as determined by a court of competent jurisdiction pursuant to a final non-appealable court order):

- (a) any breach of any representation or warranty of the Borrower in the Environmental Indemnity Agreement;
- (b) any failure by the Borrower to perform any of its obligations under the Environmental Indemnity Agreement;
- (c) any Remedial Work;
- (d) the existence or alleged existence of any Prohibited Activity or Condition, including any loss, cost or damage arising out of the existence of any underground storage tank on any Property, whether known or unknown to the Borrower;
- (e) the presence or alleged presence of Hazardous Materials on or under (i) any Property or (ii) any other property if the Hazardous Materials were derived from, or alleged to have derived from, any Property; and
- (f) the actual or alleged violation of any Environmental Law at any Property.

The indemnity specifically excludes losses relating to any Prohibited Activities or Conditions or any other environmental contamination with respect to any Property that occurs after: (x) (A) a foreclosure, a deed in lieu of foreclosure or other taking of title to such Property by the Lender or its designee, or (B) the Lender or its designee (claiming by reason of judicial or non-judicial foreclosure, assignment in lieu of foreclosure or other exercise of remedies by such holder) acquires title to 100% of the direct or indirect ownership interests in the Borrower), whether by foreclosure, exercise of power of sale, assignment in lieu of foreclosure or other exercise of remedies by such holder, or (y) if Borrower has a right under applicable law to physical possession or control of a Property following the date of any event described in (A) or (B) above with respect thereto, the earlier of the date: (1) Lender takes physical possession and control of such Property; or (2) Lender has the legal right to take physical possession and control of such Property; provided, however, that in any such event, Borrower (i) must have relinquished physical possession and control of such Property as of such date, and (ii) shall have the burden of providing evidence to Lender's satisfaction that any Prohibited Activities or Conditions or any other environmental contamination with respect to such Property occurred after such date. In addition, the indemnification obligations of the Borrower under the Environmental Indemnity Agreement will terminate from and after the date of receipt by Lender of payment in full by the Borrower of the Loan; provided that, the indemnity obligations of the Borrower shall (i) automatically be revived, reinstated and restored if the payment of all or any part of the Loan by Borrower, Loan Sponsor or any other person should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Bankruptcy Code relating to a Voidable Transfer, and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of its counsel, the indemnification obligations of the Borrower shall exist as though such Voidable Transfer had never been made, (ii) survive with respect to any claims, suits, orders, proceedings or actions existing as of date of the payment of full of the Loan or which subsequently come into existence prior to the date on which Lender repays or restores, in whole or in part, any such Voidable Transfer as set forth in clause (i) and (iii) survive the occurrence of any event described in clause (x)(A) or (x)(B) above, even if, as a result of the occurrence of such event, the Loan is paid in full.

"Environmental Laws" means all present and future federal, state, and local laws, ordinances, regulations, standards, rules, policies, and other governmental requirements, administrative rulings, court judgments, and decrees, and all amendments thereto, relating to pollution or protection of human health, wildlife, wetlands, natural resources or the environment (including ambient air, surface water, ground water, land surface, or subsurface strata) including such laws governing or regulating the use, generation, storage, removal, remediation, recovery, treatment, handling, transport, disposal, control, release, discharge of, or exposure to, Hazardous Materials. Environmental Laws include (a) the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.*, the Toxic Substances Control Act, 15 U.S.C. Section 2601, *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, *et seq.*, the Clean Air Act, 42 U.S.C. Section 7401, *et seq.*, the Safe Drinking Water Act, 42 U.S.C. Section 300f, *et seq.*, the Occupational Safety and Health Act, 29 U.S.C. Chapter 15, *et seq.*, the Oil Pollution Act of 1990, 33 U.S.C. Section 2701, *et seq.*, the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136, *et seq.*, and the River and Harbors Appropriation Act, 33 U.S.C. Section 403, *et seq.*, and their state and local analogs, as any such statutes may be amended, restated, modified, or supplemented from time to time, and (b) all voluntary cleanup programs and/or

brownfields programs under federal, state or local law, as may be amended, restated, modified, or supplemented from time to time.

"Environmental Permit" means, with respect to any Property, any permit, license, agreement (including any agreement or undertaking pursuant to a voluntary cleanup program and/or a brownfields program) or other authorization issued under any Environmental Law with respect to any activities or businesses conducted on or in relation to such Property.

"Hazardous Materials" means any substance, chemical, material or waste now or in the future defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," or "pollutant" within the meaning of or regulated or addressed under any Environmental Law. Without limiting the generality of the foregoing, Hazardous Materials includes: Significant Mold; petroleum and petroleum products and compounds containing them or derived from them, including natural gas, gasoline, diesel fuel, oil and other fuels and petroleum products or fractions thereof; radon; carcinogenic materials; explosives; flammable materials; infectious materials; corrosive materials; mutagenic materials; radioactive materials; polychlorinated biphenyls (PCBs) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; pipelines constructed for the purpose of transporting Hazardous Materials, whether empty or containing any substance; any substance the presence of which on, under or about a Property is regulated or prohibited by any governmental authority; any substance that is designated, classified or regulated pursuant to any Environmental Law; and any medical products or devices, including those materials defined as "medical waste" or "biological waste" under relevant statutes or regulations pertaining to any Environmental Law.

"O&M Plan" means, with respect to any Property, a written plan, document, or agreement containing ongoing operating, maintenance, or monitoring actions for such Property or improvements thereon.

"Prohibited Activities or Conditions" means, with respect to any Property any of the following:

- (a) the presence, use, generation, release, treatment, processing, storage, handling or disposal of any Hazardous Materials on, about or under the Property or any other property owned, leased or otherwise controlled by Borrower, Loan Sponsor or any of their affiliates that is adjacent to such Property and which impacts such Property;
- (b) the transportation of any Hazardous Materials to, from or across such Property;
- (c) any Remedial Work at, about or under such Property that has not been fully conducted in accordance with an O&M Plan approved in writing by Lender;
- (d) any activity on such Property that requires an Environmental Permit or other written authorization under Environmental Laws without Lender's prior written consent;
- (e) any occurrence or condition on such Property, which occurrence or condition is in violation of or noncompliance with Environmental Laws, or in violation of or noncompliance with the terms of any Environmental Permit;
- (f) any occurrence or condition on any other property owned, leased or otherwise controlled by Borrower, Loan Sponsor or any of their affiliates that is adjacent to such Property, which occurrence or condition impacts such Property and is or is expected to be (1) in violation of or noncompliance with Environmental Laws, or (2) in violation of or noncompliance with the terms of any Environmental Permit; or
- (g) any activities on such Property that directly or indirectly result in other property (whether adjacent to such Property or otherwise) being contaminated with Hazardous Materials or which causes such other property to be in violation of or noncompliance with Environmental Laws.

Provided, however, excluded from this definition shall be the safe and lawful use and storage of the following (so long as such items are used, stored, handled, transported, and disposed of in compliance with Environmental Laws):

- (1) pre-packaged supplies, cleaning materials and petroleum products in such quantities and types as are customarily used for residential purposes or in the operation and maintenance of comparable properties so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Environmental Laws;

(2) cleaning materials, personal grooming items and other items sold in pre-packaged containers for consumer use in such quantities and types as are customarily found in comparable properties and which are used by tenants and occupants of residential dwelling units in such Property;

(3) petroleum products used in the operation and maintenance of motor vehicles from time to time located on such Property's parking areas, in such quantities and types as are customarily used in the operation and maintenance of comparable properties and so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Environmental Laws;

(4) petroleum products (including natural gas) stored in above-ground and underground storage tanks, so long as the existence of such above-ground and underground storage tanks has been previously disclosed by Borrower to Lender in writing and any such tank complies with and at all times continues to comply with all requirements of Environmental Laws; and

(5) natural gas when transported and used for residential purposes in combustion appliances.

"Remedial Work" means, with respect to any Property, any investigation, site monitoring, containment, abatement, clean-up, removal, restoration or other remedial work in connection with any Significant Mold, any Hazardous Materials, any Environmental Laws, or any order of or agreement with any governmental authority that has or acquires jurisdiction over such Property, or the use, operation or improvement of such Property under any Environmental Law or as recommended in writing by an environmental professional, certified industrial hygienist or person with similar qualifications with respect to Significant Mold.

"Significant Mold" means, with respect to any Property, any mold, fungus, bacterial, viral, or microbial matter or pathogenic organisms at, in or about such Property of a type or quantity that:

(a) results in, or should reasonably result in, Remedial Work or a significant risk to human health or the environment as determined by a written analysis prepared by an environmental professional, certified industrial hygienist or person with similar qualifications reasonably acceptable to Lender;

(b) is required or recommended to be addressed pursuant to Environmental Law, or written recommendation of an environmental professional, certified industrial hygienist or person with similar qualifications; or

(c) would materially and negatively impact the value of such Property.

"Voidable Transfer" means any fraudulent conveyance, preference or other voidable or recoverable payment of money or transfer of property under the Bankruptcy Code.

Cash Management Arrangements; Funds; Reserves

Cash Management Arrangements

The Borrower will be required to establish and maintain one or more accounts for the purpose of collecting Rents (each, a **"Rent Deposit Account"**) at a local bank selected by the Borrower and reasonably approved by the Lender which shall be an Eligible Institution (the **"Rent Deposit Bank"**). Each Rent Deposit Account will be subject to a Property Account Control Agreement and the Borrower and the Manager have access to and may make withdrawals from any Rent Deposit Account for the sole purpose of making refunds of partial payments of rents to preserve rights of eviction (as provided below) until the occurrence of a Loan Event of Default, after which the Lender may exercise sole control and dominion over each Rent Deposit Account and neither the Borrower nor the Manager shall have the right of withdrawal from or access to the Rent Deposit Accounts; *provided* that for the avoidance of doubt, no Property Account Control Agreement will be required with respect to Security Deposit Accounts.

The Borrower will be required to cause all Rents which are paid to or received by the Borrower or the Manager to be deposited into a Rent Deposit Account or the Loan Collection Account, provided that all Rents are deposited into the Loan Collection Account within 3 Business Days after receipt thereof. The Borrower will be required to (or instruct the Manager to) cause all funds on deposit in a Rent Deposit Account to be deposited into the Loan Collection Account every 3rd Business Day (or more frequently in the Borrower's discretion), provided, that so long as no Loan Event of Default exists, the Borrower will be permitted to retain a reasonable amount of funds in the Rent Deposit Accounts (the **"Rent Deposit Account Retained Amount"**) with respect to anticipated overdrafts, charge-backs and refunds of partial payments of Rents to preserve rights of eviction, provided in no event shall the Rent Deposit

Account Retained Amount exceed 2.5% of the total Rents deposited into the Rent Deposit Accounts during the immediately prior calendar month.

In addition, the Borrower will be required to cause any Rents which are paid to the Borrower or Manager via wire or other electronic means to be deposited directly into a Rent Deposit Account or the Loan Collection Account and the Borrower will be required to notify and advise each current and future Tenant to send all payments of Rent pursuant to an instruction letter in the form attached to the Loan Agreement (a "Tenant Direction Letter"). Without the consent of the Lender, neither Borrower nor Manager will be permitted to terminate, amend, revoke or modify any Tenant Direction Letter in any manner whatsoever, or direct or cause any Tenant to pay any amount in any manner other than as provided in the related Tenant Direction Letter.

In the event of any transfer of any Property, the Borrower will be required to (or shall cause the Manager or the closing title company or escrow agent, as applicable, to) deposit directly into the Loan Collection Account the net sale proceeds for allocation in accordance with the terms of the Loan Agreement. In addition, the Borrower will be required to, and shall cause the Manager to, deposit any other payments with respect to the Properties received by or on behalf of the Borrower directly into the Loan Collection Account within 3 Business Days following receipt thereof. The Lender will also be permitted to establish subaccounts of the Loan Collection Account which shall at all times be Eligible Accounts (and may be ledger or book entry accounts and not actual accounts) (such subaccounts are referred to herein as "Accounts"). The Loan Collection Account and all Accounts will be subject to blocked account control agreements. The Lender will have sole control and dominion over the Loan Collection Account and the Accounts and neither Borrower nor Manager will have the right of withdrawal therefrom.

The Borrower will be required to deposit, on the Closing Date, all security deposits then currently being held by the Borrower or the Manager pursuant to the Leases into one or more Eligible Accounts (each, a "Security Deposit Account") established and maintained by the Borrower at a local bank which shall be an Eligible Institution. The Borrower will be required to cause all security deposits received by the Borrower or the Manager after the Closing Date to be deposited into a Rent Deposit Account, the Loan Collection Account or a Security Deposit Account within three Business Days of receipt, provided that if the Borrower receives a check or other payment that combines a security deposit of a Tenant together with Rent or other amounts owing by a Tenant, then Borrower shall deposit the combined payment into the Rent Deposit Account or Cash Management Account. Borrower shall maintain complete and accurate records of all transactions pertaining to security deposits of Tenants and the Security Deposit Accounts, with sufficient detail to identify all security deposits of Tenants separate and apart from other payments received from or by Tenants. No less frequently than once a month, the Borrower will be required to transfer into a Security Deposit Account any security deposits previously received and deposited into the Loan Collection Account or a Rent Deposit Account. The security deposits will be disbursed by the Borrower in accordance with the terms of the applicable Leases and all legal requirements. In the event the Tenant under any Lease defaults such that the applicable security deposit may be drawn upon, the proceeds of such draw shall be immediately deposited into a Rent Deposit Account or the Loan Collection Account. So long as the debt under the Loan is outstanding, the Borrower shall not (and shall not permit the Manager or any other person or entity to) open any other accounts for the deposit of security deposits except as provided in the Loan Agreement. Upon the Lender's written request during a Loan Event of Default, the Borrower will deliver (or cause to be delivered) to the Lender (or Servicer) or to one or more accounts designated by the Lender (or Servicer) the security deposits and upon a foreclosure of any Property or action in lieu thereof, the Borrower shall deliver to the Lender (or Servicer) or to an account designated by the Lender (or Servicer) the security deposit applicable to the Lease with respect to such Property, except, in each case, to the extent any such security deposits were previously deposited into a Rent Deposit Account or the Loan Collection Account in accordance with the Loan Agreement.

The Borrower will be required to establish and maintain an account (the "Borrower's Operating Account") at a local bank selected by the Borrower and reasonably approved by the Lender which shall be an Eligible Institution. The Borrower will be permitted to also establish and maintain subaccounts of the Borrower's Operating Account (which may be ledger or book entry accounts and not actual accounts). The Borrower's Operating Account (and any subaccounts thereof) shall be subject to the Property Account Control Agreement and the Borrower and the Manager shall have access to and may make withdrawals from the Borrower's Operating Account until the occurrence of a Loan Event of Default, after which the Lender may exercise sole control and dominion over the Borrower's Operating Account (and any subaccounts thereof) and neither the Borrower nor the Manager shall have the right of withdrawal from or access to the Borrower's Operating Account (or any subaccounts thereof).

"Eligible Account" means a separate and identifiable account from all other funds held by the holding institution that is an account or accounts (or subaccounts thereof) maintained with a federal or state-chartered depository institution or trust company which complies with the definition of Eligible Institution. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

"Eligible Institution" means (i) Wells Fargo Bank, National Association, so long as Wells Fargo Bank, National Association's long term unsecured debt rating shall be at least "A3" from Moody's Investors Service, Inc. ("Moody's") and the equivalent by Kroll Bond Rating Agency, Inc. ("KBRA") (if then rated by KBRA); (ii) PNC Bank, National Association so long as its long term deposit or long term unsecured debt rating shall be at least "A2" from Moody's and the equivalent by KBRA (if then rated by KBRA) (if the deposits are to be held in the applicable account for more than 30 days) or PNC Bank, National Association's short-term deposit or short-term unsecured debt rating shall be at least "P-1" from Moody's and the equivalent by KBRA (if then rated by KBRA) (if the deposits are to be held in the applicable account for 30 days or less); or (iii) any other depository institution or trust company insured by the FDIC the short-term unsecured debt obligations or commercial paper of which are rated at least A-1 by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), P-1 by Moody's, and F-1+, by Fitch Ratings, Inc. ("Fitch") in the case of accounts in which funds are held for thirty (30) days or less or, in the case of letters of credit or accounts in which funds are held for more than thirty (30) days, the long-term unsecured debt obligations of which are rated at least (a) "AA" by S&P, (b) "AA" and/or "F1+" (for securities) and/or "AAmmf" (for money market funds), by Fitch and (c) "Aa2" by Moody's.

"Loan Collection Account" means an Eligible Account at the Eligible Institution selected by the Lender and designated by Borrower as the Loan Collection Account.

"Property Account Control Agreement" means a deposit account control agreement dated as of the Closing Date among the Borrower, the Lender, the Manager and an Eligible Institution at which the Property Account is located, providing for springing control by the Lender, substantially in the form set forth attached to the Loan Agreement or such other form as may be reasonably acceptable to the Lender.

Tax Funds

The Borrower will be required to deposit with the Lender (i) on the Closing Date, an amount equal to the amount which, when added to the expected ongoing deposits described below, will be sufficient to ensure the payment of the real estate taxes that the Lender estimates will be payable in the next ensuing 12 months following the Closing Date and (ii) on each Monthly Payment Date, an amount equal to one-twelfth of the real estate taxes that the Lender estimates will be payable during the next ensuing 12 months, in order to accumulate sufficient funds to pay all such real estate taxes prior to their respective due dates, which amounts shall be transferred into an Account (the "Tax Account"). Amounts deposited from time to time into the Tax Account are referred to herein as the "Tax Funds." If at any time the Lender reasonably determines that the Tax Funds will not be sufficient to pay the real estate taxes, the Lender shall notify the Borrower of such determination and, commencing with the first Monthly Payment Date following the Borrower's receipt of such written notice, the monthly deposits for real estate taxes will be increased by the amount that the Lender estimates is sufficient to make up the deficiency at least 10 days prior to the respective due dates for the real estate taxes; provided, that if the Borrower receives notice of any deficiency after the date that is ten days prior to the date that real estate taxes are due, the Borrower will deposit with or on behalf of the Lender such amount within one Business Day after its receipt of such notice.

Provided no Loan Event of Default is continuing, the Tax Funds in the Tax Account will be disbursed to reimburse the Borrower for payments of real estate taxes made by the Borrower after delivery by the Borrower to the Lender of evidence of such payment reasonably acceptable to the Lender. If the amount of the Tax Funds exceed the amounts due for real estate taxes, the Lender shall, in its sole discretion, return any excess to the Borrower or credit such excess against future payments to be made to the Tax Funds. Any Tax Funds remaining in the Tax Account after the obligations under the Loan Documents have been paid in full shall be returned to the Borrower. Provided no Loan Event of Default exists, the Tax Funds reserved for any Property will be released upon a permitted sale and release of such Property in accordance with the terms of the Loan Agreement.

HOA Funds

The Borrower will be required to deposit on the Closing Date, an amount equal to the estimated HOA Fees with respect to HOAs for Applicable HOA Properties payable in the twelve months following the Closing Date into a subaccount of the Cash Management Account (the "HOA Subaccount"). Amounts deposited from time to time into the HOA Subaccount are referred to herein as the "HOA Funds." If at any time the Lender reasonably determines that the HOA Funds will not be sufficient to pay the HOA Fees for all Applicable HOA Properties for the next ensuing twelve months, the Lender shall notify the Borrower of such determination and within thirty days following the Borrower's receipt of such written notice, the Borrower shall deposit with the Lender for transfer into the HOA Subaccount an amount that the Lender estimates is sufficient to make up the deficiency.

If at any time the Lender believes in good faith that the HOA Fees due and payable to an HOA for an Applicable HOA Property have become delinquent, the Lender may in its sole and absolute discretion apply the HOA Funds to

pay such HOA Fees. If the amount of the HOA Funds shall exceed the HOA Fees that the Lender estimates will be payable with respect to all Applicable HOA Properties during the next ensuing twelve months, the Lender shall, in its sole discretion, return any excess to the Borrower or credit such excess against future payments to be made to the HOA Funds. Any HOA Funds remaining in the HOA Subaccount after the Loan has been paid in full shall be returned to the Borrower. Provided no default or Loan Event of Default exists, the HOA Funds reserved for any Property will be released upon a permitted sale and release of such Property in accordance with the terms of the Loan Agreement.

Insurance Funds

The Borrower will be required to deposit with or on behalf of the Lender on each Monthly Payment Date, an amount equal to 1/12th of the Insurance Premiums that the Lender estimates will be payable for the renewal of the coverage afforded by the Policies upon the expiration thereof, in order to accumulate sufficient funds to pay all such Insurance Premiums prior to the expiration of the Policies, which amounts shall be transferred into an Account established at Rent Deposit Bank to hold such funds (the "Insurance Account"), unless an acceptable blanket insurance policy is in effect with respect to the Policies, in which event deposits into the Insurance Account will be suspended to the extent such Insurance Premiums relate to such acceptable blanket insurance policy unless the Lender otherwise requires such reserves notwithstanding the existence of the acceptable blanket policy due to the failure of the Borrower to comply with its covenants regarding maintenance of insurance. Amounts deposited from time to time into the Insurance Account pursuant to this clause are referred to herein as the "Insurance Funds." If at any time Lender reasonably determines that the Insurance Funds will not be sufficient to pay the Insurance Premiums, the Lender shall notify the Borrower of such determination and the monthly deposits for Insurance Premiums will be increased by the amount that the Lender estimates is sufficient to make up the deficiency at least 30 days prior to expiration of the Policies.

Provided no Loan Event of Default is continuing, the Insurance Funds in the Insurance Account will be applied to timely pay or reimburse Borrower for payments of Insurance Premiums. If the amount of the Insurance Funds shall exceed the amounts due for Insurance Premiums, the Lender shall, in its sole discretion, return any excess to the Borrower or credit such excess against future payments to be made to the Insurance Funds. Any Insurance Funds remaining in the Insurance Account after the obligations under the Loan Documents have been paid in full shall be returned to the Borrower. Provided no Loan Event of Default exists, the Insurance Funds reserved for any Property will be released upon a permitted sale and release of such Property in accordance with the terms of the Loan Agreement.

Capital Expenditure Funds

The Borrower will be required to deposit with or on behalf of the Lender on each Monthly Payment Date, an amount equal to 1/12th of the product of (i) \$750 multiplied by (ii) the number of Properties to which the Loan is applicable, in order to accumulate sufficient funds, for annual capital expenditures, which amounts shall be transferred into an Account (the "Capital Expenditure Reserve Account"). Amounts deposited from time to time into the Capital Expenditure Reserve Account are referred to herein as the "Capital Expenditure Funds." So long as no Event of Default has occurred and is continuing, the Borrower may request that the Lender perform an analysis to determine the adequacy of the funds in the Capital Expenditure Reserve Account and Lender may, in its sole discretion based on such analysis, adjust the size of such deposits or suspend Borrower's obligation to make additional deposits into the Capital Expenditure Reserve Account provided that Lender may at any time reinstate such obligation on notice to the Borrower.

Provided no Loan Event of Default is continuing, the Capital Expenditure Funds in the Capital Expenditure Reserve Account will be applied to reimburse the Borrower for capital expenditures actually paid for by the Borrower, subject to the satisfaction of certain conditions, including: (i) such disbursement is for Approved Capital Expenditures in an amount equal to or greater than, in the aggregate, \$25,000, (ii) the request for disbursement is accompanied by (A) a certificate from an officer of the Borrower (1) stating that the expenditures to be reimbursed by the requested disbursement are Approved Capital Expenditures, and a description thereof, and aggregates to an amount equal to or greater than \$25,000, (2) stating that all Approved Capital Expenditures to be reimbursed by the requested disbursement have been completed (or completed to the extent of the requested disbursement) in a good and workmanlike manner and in accordance with all applicable legal requirements and the Renovation Standards and, (3) stating that the Approved Capital Expenditures to be reimbursed from the disbursement in question have not been the subject of a previous disbursement have been paid for by the Borrower, and (iii) for any individual expenditure greater than \$25,000, the Borrower has delivered to the Lender copies of any invoices, bills or statements related to such Approved Capital Expenditures that are requested by the Lender. The Borrower will not be entitled to receive a distribution of Capital Expenditure Funds for expenses related to refurbishment or repair of a Property to the extent the Borrower is entitled to reimbursement for such expenses from a tenant's security deposit.

“Annual Budget” means the operating and capital budget for the Properties in the aggregate setting forth, on a month-by-month basis, in reasonable detail, each line item of the Borrower’s good faith estimate of anticipated Rents and other recurring income, Operating Expenses and capital expenditures for the applicable Fiscal Year.

“Approved Capital Expenditures” means capital expenditures incurred by the Borrower and either (i) if no Trigger Period is continuing, included in the Annual Budget or, if during a Trigger Period, an Annual Budget approved by the Lender (or submitted by the Borrower prior to the commencement of a Trigger Period) (the “Approved Annual Budget”) or (ii) approved by the Lender, which approval shall not be unreasonably withheld, conditioned or delayed.

“Fiscal Year” means each twelve (12) month period commencing on January 1 and ending on December 31 during each year of the term of the Loan Agreement.

There can be no assurances that the Capital Expenditure Funds will be sufficient to pay for all capital expenditures with respect to the Properties. See *“Risk Factors—Capital Expenditures and Operating Expenses Are Subject to a High Degree of Uncertainty”* and *“Risks Relating to Underwritten Annual Net Cash Flow and Underwritten Annual Net Operating Income; Vacancy and Cash Flow Assumptions Are Hypothetical.”*

Special Insurance Reserve

If the Borrower elects to maintain insurance policies with deductibles in excess of the amounts required by the Loan Agreement, Borrower will be required to deposit and maintain at all times with the Lender an amount equal to the difference between such higher deductible and the applicable deductible specified in the Loan Agreement (such amount, the “Excess Deductible”) into an Account (the “Special Insurance Reserve Account”). Amounts deposited from time to time into the Special Insurance Reserve Account are referred to herein as the “Special Insurance Reserve Funds.” Provided no Loan Event of Default is continuing, in the event of a Casualty, the Lender will disburse to the Borrower the Special Insurance Reserve Funds in the amount of the applicable Excess Deductible within 5 Business Days of receipt by the Lender of written request therefor by the Borrower, provided, that if the Borrower continues to maintain insurance policies with Excess Deductibles, then no disbursement will be made to the extent such disbursement would result in the Special Insurance Reserve Funds on deposit in the Special Insurance Reserve Account to be less than the aggregate amount of the Excess Deductibles.

Casualty and Condemnation Account

The Borrower will be required to pay, or cause to be paid, to the Lender all insurance proceeds or condemnation or casualty awards in accordance with the Loan Agreement, which amounts shall be transferred into an Account (the “Casualty and Condemnation Account”). Amounts deposited from time to time into the Casualty and Condemnation Account are referred to herein as the “Casualty and Condemnation Funds.” All Casualty and Condemnation Funds shall be held, disbursed and/or applied in accordance with the provisions of the Loan Agreement. See *“Description of the Loan—Casualty and Condemnation”* in this information circular.

Cash Collateral Reserve

During any Trigger Period, all Available Cash (after payment of the monthly amount set forth in the Approved Annual Budget for Operating Expenses and capital expenditures and any extraordinary operating expenses not set forth in the Approved Annual Budget but approved by the Lender) will be paid to the Lender, which amounts shall be transferred by the Lender into an Account (the “Cash Collateral Account”) to be held by the Lender as cash collateral for the debt owed under the Loan Documents. Amounts on deposit from time to time in the Cash Collateral Account are referred to as the “Cash Collateral Funds.” The Lender has the right, but not the obligation, at any time during the continuance of a Loan Event of Default, in its sole and absolute discretion to apply any and all Cash Collateral Funds then on deposit in the Cash Collateral Account to the debt or other obligations under the Loan Documents, in such order and in such manner as Lender shall elect in its sole and absolute discretion, including to make a Low DSCR Cure Prepayment or Low Debt Yield Cure Prepayment (together with the applicable Yield Maintenance Premium, if any, applicable thereto) or any other amounts due under the Loan Agreement.

Provided no Loan Event of Default or default under the Loan Agreement is continuing and there is an amount exceeding \$5,000,000 on deposit in the Cash Collateral Account (the “Cash Collateral Floor”), Cash Collateral Funds in excess of the Cash Collateral Floor will be disbursed to pay costs and expenses in connection with the ownership, management and/or operation of the Properties to the extent such amounts are not otherwise paid pursuant to the *“Application of Collections”* section below or by the Manager pursuant to the Management Agreement for the following items: (i) Operating Expenses including management fees (subject to discretionary Operating Expenses being within a 5% variation of an Approved Annual Budget), (ii) emergency repairs and/or life-safety items (including applicable capital expenditures for such purpose), (iii) capital expenditures set forth in an Approved Annual Budget (subject to a

5% variation for capital expenditures in such Approved Annual Budget), (iv) legal, audit and accounting costs associated with the Properties or the Borrower, excluding legal fees incurred in connection with the enforcement of the Borrower's, rights pursuant to the Loan Documents, (v) payment of debt service on the Loan, (vi) voluntary or mandatory prepayment of the Loan (together with any applicable Yield Maintenance Premium), including, without limitation, any Low DSCR Cure Prepayment or Low Debt Yield Cure Prepayment and (vii) expenses and shortfalls relating to restoration following a casualty; provided that no disbursements shall be made from the Cash Collateral Account for any of the Operating Expenses or capital expenditures described in the foregoing clauses (i) through (iv) to the extent amounts for such Operating Expenses or capital expenditures have been distributed to the Borrower from the Loan Collection Account or may be distributed to the Borrower from the Tax Account, the Insurance Account or the Capital Expenditure Reserve Account, as applicable.

Provided no Trigger Period is continuing for two consecutive Calculation Dates, Lender will be required to release Cash Collateral Funds in the Cash Collateral Account to the Borrower; *provided*, that in the event of a Low DSCR Cure Prepayment or Low Debt Yield Cure Prepayment, the Lender will be required to release Cash Collateral Funds in the Cash Collateral Account to the Borrower within 1 Business Day of the date of such Low DSCR Cure Prepayment or Low Debt Yield Cure Prepayment.

Application of Collections

On each Monthly Payment Date, except during the continuance of a Loan Event of Default, funds on deposit in the Loan Collection Account will be applied in the following order of priority:

- (A) *first*, to the applicable Security Deposit Account, the amount of any security deposits that have been deposited into the Loan Collection Account during the immediately preceding calendar month, as set forth in a written notice from the Borrower to the Lender;
- (B) *second*, to the Tax Account, to make the required payments of Tax Funds;
- (C) *third*, to the Insurance Account, to make any required payments of Insurance Funds;
- (D) *fourth*, to the Lender, funds sufficient to pay the Monthly Debt Service Payment Amount, the regular monthly Certificate Administrator Fee and the regular monthly Trustee Fee, with the amount of the Monthly Debt Service Payment Amount applied (i) first, to the payment of interest then due and payable on Component A, and (ii) second, to the payment of interest then due and payable on Component B;
- (E) *fifth*, to the Manager, management fees payable for the calendar month ending immediately prior to such Monthly Payment Date, but not in excess of 6.0% of gross Rents collected during such calendar month;
- (F) *sixth*, to the Capital Expenditure Reserve Account, to make the required payments of Capital Expenditure Funds;
- (G) *seventh*, to the Lender, any other fees, costs, expenses or indemnities then due or payable under the Loan Agreement or any other Loan Document;
- (H) *eighth*, to the Lender the amount of any mandatory prepayment of the outstanding principal balance of the Loan; and
- (I) *ninth*, all amounts remaining after payment of the amounts set forth in clauses (A) through (H) above (the "Available Cash") either:
 - (i) if, as of a Monthly Payment Date, no Low DSCR Period or Low Debt Yield Period is continuing, any remaining amounts to the Borrower's Operating Account; and
 - (ii) if, as of a Monthly Payment Date, a Low DSCR Period or Low Debt Yield Period is continuing:
 - (a) *first*, to the Borrower's Operating Account, funds in an amount equal to monthly amount set forth in the Approved Annual Budget for Operating Expenses and capital expenditures;

- (b) *second*, to the Borrower's Operating Account, payments for any extraordinary operating expenses not set forth in the Approved Annual Budget but approved by the Lender, if any; and
- (c) *third*, to the Cash Collateral Account.

Upon the occurrence and during the continuance of a Loan Event of Default, Lender, at its option, may apply any funds then in the possession of Lender, Servicer or the bank that holds the Loan Collection Account (including any Reserve Funds on deposit in the Accounts) or any bank that holds a Property Account to the payment of the obligations under the Loan Documents in such order, proportion and priority as the Lender may determine in its sole and absolute discretion.

Eligibility Reserve

If the Borrower shall be required to make a prepayment in respect of any Disqualified Property (other than in the case of any Property that constitutes a Disqualified Property due to the occurrence of a Voluntary Action in respect thereof), the Borrower shall have an option to deposit into an Account (the "Eligibility Reserve Account") an amount equal to 100% of the Allocated Loan Amount for any such Property ("Eligibility Funds"). The Borrower shall provide Lender with written notice of any such Eligibility Funds and, within the applicable time period that the Borrower will be required to make the prepayment, shall deposit such Eligibility Funds with the Lender for deposit to the Eligibility Reserve Account. Provided no default or Loan Event of Default exists, the Lender shall disburse the Eligibility Funds with respect to a Property to the Borrower upon (i) the sale of such Property and payment in full of the applicable prepayment amount for such Disqualified Property, (ii) such Property becoming an Eligible Property, or (iii) the substitution of such Disqualified Property for a Substitute Property in accordance with the conditions set forth in the Loan Agreement.

Security for the Loan

The Loan will be secured by first priority mortgages on the Properties, and a grant of a security interest in all personal property of the Borrower, including accounts, the Borrower's rights under the Collateral Documents, and all proceeds of the foregoing and the Equity Owner Guaranty is secured by a pledge by the Equity Owners of their equity interests in the Borrower, a pledge by Equity Owner LP of its equity interests in Borrower GP and a grant of a security interest in all personal property of each Equity Owner, each Equity Owner's rights under the Collateral Documents, and all proceeds of the foregoing (together, the "Collateral"). "Collateral Documents" include the Borrower Security Agreement, the Equity Owner LP Security Agreement, the Borrower GP Security Agreement, the blocked account control agreement, the Property Account Control Agreement, the Assignment of Management Agreement, each Mortgage Document and all other instruments, documents and agreements delivered by any Loan Party pursuant to the Loan Agreement or any of the other Loan Documents in order to grant to Lender a lien on any real, personal or mixed property of that Loan Party as security for the obligations under the Loan Documents, as the same may be (and each of the foregoing defined terms shall refer to such documents as they may be) amended, restated, replaced, supplemented or otherwise modified from time to time.

Security Agreements

Pursuant to the Borrower Security Agreement (the "Borrower Security Agreement"), the Equity Owner LP Security Agreement (the "Equity Owner LP Security Agreement") and the Borrower GP Security Agreement (the "Borrower GP Security Agreement"), the Borrower and Equity Owners have pledged substantially all of their personal property to secure the Loan.

Mortgage File Required Documents

The property file for each Property will be required to include (a) either (i) certified or file stamped (in each case by the applicable land registry) original executed Mortgage Documents (which include a reference to the name change of the Borrower) or (ii) a copy of the Mortgage Documents (which include a reference to the name change of the Borrower) in recordable form that have been submitted by the title insurance company for recording in the jurisdiction in which such Property is located, (b) opinions of counsel with respect to, among other things, the enforceability of such Mortgage Documents and the due authorization, execution and delivery by the Borrower of the Mortgage Documents, (c) either (x) a Title Insurance Policy insuring the lien of the Mortgage encumbering such Property, or (y) a marked or initialed binding commitment that is effective as a Title Insurance Policy in respect of such Property, in each case, issued by a Qualified Title Insurance Company with no title exceptions other than Permitted Liens, (d) either (x) a Title Insurance Owner's Policy insuring fee simple ownership of such Property by the Borrower or (y) a marked or initialed binding commitment that is effective as a Title Insurance Owner's Policy in

respect of such Property, in each case, issued by a Qualified Title Insurance Company with no title exceptions other than Permitted Liens and in an amount equal to or greater than the initial Allocated Loan Amount of the Property, (e) evidence that all taxes, fees and other charges payable in connection therewith have been paid in full and (f) a deed for such Property conveying the Property to the Borrower, with vesting in the actual name of the Borrower with a certification from the Borrower that such Property's deed has been recorded or presented to and accepted for recording by the applicable Qualified Title Insurance Company.

"ALTA" means American Land Title Association, or any successor thereto.

"Individual Material Adverse Effect" means, in respect of a Property, any event or condition that has a material adverse effect on the value, use, operation, leasing or marketability of such Property or results in any material liability to, claim against or obligation of the Lender or material liability or obligation on the part of any Loan Party.

"Permitted Liens" means, collectively, (i) the liens and security interests created by the Loan Documents, (ii) all encumbrances and other matters disclosed in the Title Insurance Policies for the Properties and, with respect to any Substitute Property, as Lender has approved in writing in Lender's reasonable discretion, (iii) liens, if any, for non-real estate taxes or real estate taxes imposed by any governmental authority not yet due or delinquent, (iv) liens arising after the Closing Date for non-real estate taxes, real estate taxes, Other Charges or HOA Fees being contested in accordance with the Loan Agreement, (v) any workers', mechanics' or other similar liens on a Property which (x) if arising on or prior the Closing Date, are affirmatively covered or insured over by the Title Insurance Policies or (y), if arising after the Closing Date, are bonded or discharged within 60 days after the Borrower first receives written notice of such lien, (vi) all easements, rights-of-way, restrictions and other similar non-monetary encumbrances recorded against and affecting any Property and that would not reasonably be expected to and do not have an Individual Material Adverse Effect on the Property, (vii) such other title and survey exceptions as the Lender has approved or may approve in writing in the Lender's reasonable discretion, (viii) the Specified Liens and (ix) rights of Tenants as tenants only under leases permitted under the Loan Agreement.

"Qualified Title Insurance Company" means each title insurance company listed on the schedule attached to the Loan Agreement and any other title insurance company unless such title insurance company is disqualified by the Lender in its sole discretion by notice to the Borrower.

"Title Insurance Owner's Policy" means, with respect to each Property, an ALTA owner title insurance policy issued by a Qualified Title Insurance Company in a form reasonably acceptable to the Lender (or, if a Property is in a state which does not permit the issuance of such ALTA policy, such form as shall be permitted in such state and determined that is reasonably acceptable to the Lender) issued with respect to such Property and insuring the legal title to such Property, as applicable.

"Title Insurance Policy" means, with respect to each Property or multiple Properties encumbered by the same Mortgage, an ALTA mortgagee title insurance policy issued by a Qualified Title Insurance Company containing such endorsements as the Lender may reasonably require (to the extent available in the state where the Property or the Properties, as applicable, are located) in a form reasonably acceptable to the Lender (or, if such Property or the Properties, as applicable, are located in a state which does not permit the issuance of such ALTA policy, such form as shall be permitted in such state and determined that is reasonably acceptable to the Lender) issued with respect to such Property or Properties, as applicable, and insuring the lien of the Mortgage Documents encumbering such Property or Properties (subject to Permitted Liens), as applicable.

Representations and Warranties

The Loan Agreement will contain representations and warranties by each Loan Party that are customary in transactions similar to the Loan, including, without limitation: representations as to the due formation of each Loan Party; the authority of each Loan Party to enter into and to perform under the Loan Documents; the authority of each Loan Party to conduct its business and its qualification to do business in all states where such qualification is required; the due authorization and execution of the Loan Documents and other related documents by each Loan Party; compliance in all material respects with applicable laws (including building and zoning ordinances and codes); the absence of material defaults by the Loan Parties under other agreements; the payment of all filing and recording taxes; the absence of material litigation; each Loan Party's status as a Special Purpose Bankruptcy Remote Entity, as described under "*Certain Special Purpose Bankruptcy Remote Entity Loan Covenants*" below; the maintenance of all material permits and licenses; and the maintenance of all required insurance.

The representation and warranties that the Borrower will be required to make are attached as Annex E to this information circular. The "Property Covenants" will be the covenants set forth in Annex D and the "Property Representations" will be the representations and warranties set forth in Section B of Annex E.

Certain Special Purpose Bankruptcy Remote Entity Loan Covenants

Under the Loan Agreement, the Borrower will represent and warrant to, and covenant with, the Lender that, until such time as the obligations under the Loan Documents shall be paid and performed in full, the Borrower, each other Loan Party and each SPC Party will continue to be special purpose bankruptcy remote entities ("Special Purpose Bankruptcy Remote Entity") and each Borrower and each other Loan Party will comply with the representations, warranties and covenants set forth in Annex F to this information circular.

Casualty and Condemnation

Casualty

If one or more Properties are damaged or destroyed in whole or in part by fire or other casualty (a "Casualty") and either (i) the aggregate loss amount is or is reasonably expected to exceed \$25,000, or (ii) any damaged Property is, or is reasonably expected to be, rendered uninhabitable for more than 30 days as a result of the Casualty, then (A) the Borrower will be required to file proof of loss under the applicable Policy or Policies and (B) the Borrower shall give prompt notice of the Casualty to the Lender. The Loan Agreement will provide that the Lender may, but is not obligated to make proof of loss if not made promptly by the Borrower. In addition, the Lender will be permitted to participate in any settlement discussions with any insurance companies (and shall approve any final settlement) (x) if a Loan Event of Default is continuing or (y) with respect to any Casualty in which the Net Proceeds or the costs of completing the Restoration are reasonably expected to be equal to or greater than the Casualty Threshold Amount. Any insurance proceeds in connection with any Casualty (whether or not the Lender elects to settle and adjust the claim or the Borrower settles such claim) will be required to be paid solely to the Lender and held by the Lender in accordance with the terms of the Loan Agreement. If the Borrower or any party other than Lender receives any insurance proceeds or any condemnation proceeds, the Borrower will be required to immediately deliver such proceeds to the Lender and is required to endorse, and cause all third parties to endorse, checks payable therefor to the order of the Lender. Solely with respect to any HOA Property covered by an HOA Policy, then the following additional provisions shall apply: (1) the Borrower will be required to first make, or request the HOA to make, a claim with respect to any such Casualty under such HOA Policy or HOA Policies, (2) to the extent the Borrower has any right to participate in any settlement discussions with such insurance companies or approve any final settlement under the HOA Policies and the loss is greater than \$25,000, Lender shall have the right to participate in any settlement discussions with any insurance companies and to approve any final settlement to the same extent it has such rights as described above with respect to Borrower's insurance policies, (3) to the extent permitted under the HOA Policies, any insurance proceeds of the HOA Policies that relate to such Casualty shall be handled and directed in the same manner as proceeds under the Borrower's insurance policies, and (4) in the event that insurance proceeds payable with respect to such Casualty under the HOA Policies are insufficient to pay expected restoration costs, the Borrower shall make a claim under its insurance policies as described below under "Hazard, Liability and Other Insurance."

"Casualty Threshold Amount" means, with respect to all Casualties arising from any single Casualty event, an amount equal to \$2,500,000.

"Net Proceeds" means (i) the net amount of all insurance proceeds received by the Lender as a result of damage to or destruction of a Property, after deduction of its reasonable costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting same or (ii) the net amount of an condemnation award, after deduction of the Lender's reasonable costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting same, whichever the case may be.

"Restoration" means the repair and restoration of a Property after a Casualty as nearly as possible to the condition such Property was in immediately prior to such Casualty, with such material alterations as may be approved by the Lender, such approval not to be unreasonably withheld, delayed or conditioned.

The Net Proceeds from a Casualty will be applied as follows:

If the Net Proceeds reasonably expected to be received in connection with any single Casualty event are less than the Casualty Threshold Amount, then, (i) if no Loan Event of Default has occurred and is continuing and, within sixty (60) days of the date of the occurrence of the Casualty, the Borrower delivers to the Lender a written undertaking to expeditiously commence and to satisfactorily complete with due diligence the Restoration of the affected Property, then (A) if Net Proceeds are paid by the insurance company directly to the Borrower subsequent to delivering such undertaking, such Net Proceeds may be retained by the Borrower (for the avoidance of doubt, Net Proceeds received by the Borrower prior to delivering such undertaking will be immediately paid to the Lender), (B) if Net Proceeds are paid by the insurance company to the Lender, such Net Proceeds will be disbursed by the Lender

to the Borrower and (C) the Borrower will be required to effectuate a Restoration and (ii) if a Loan Event of Default has occurred and is continuing or the Borrower fails to deliver such an undertaking to the Lender, then (A) the Lender may retain any Net Proceeds received by it, (B) the Borrower will immediately deliver to the Lender any Net Proceeds paid to the Borrower, (C) such Net Proceeds shall be applied to the prepayment of the debt in accordance with the Loan Agreement and (D) the Borrower will be required to prepay the Loan in an amount equal to the positive difference between such Net Proceeds and the Allocated Loan Amount for the affected Properties, together with all interest and other amounts required to be paid in connection therewith in accordance with the terms of the Loan Agreement (see “*Description of the Loan—Prepayment*” in this information circular). Following the Borrower’s written request, receipt by the Lender of the Net Proceeds and payment by the Borrower of the amounts set forth in clause (D) above, Lender will release the affected Properties from the applicable Mortgage Documents and related liens. If the Borrower elects to effectuate a Restoration of a Property or Properties as described in this paragraph, (1) the Borrower will be required to commence the Restoration as soon as reasonably practicable (but in no event later than 90 days after the Casualty occurs) and will be required to diligently pursue the same to satisfactory completion; (2) the Borrower will be requested to cause the affected Property and the use thereof after the Restoration to be in compliance with and permitted under all applicable legal requirements and to cause such Property, after Restoration, to be of the same character as prior to such damage or destruction; (3) the Restoration will be requested to be done and completed by the Borrower in an expeditious and diligent fashion and in compliance with all applicable legal requirements and the Renovation Standards and (4) the Borrower will be required to deliver, or cause to be delivered, to the Lender a signed detailed budget approved in writing by the Borrower’s architect or engineer stating the entire cost of completing the Restoration, which budget is to be reasonably acceptable to the Lender.

If the Net Proceeds reasonably expected to be received in connection with any single Casualty event is greater than the Casualty Threshold Amount, then, (i) if no Loan Event of Default has occurred and is continuing and, within 60 days of the date of the occurrence of such Casualty, the Borrower delivers to the Lender a written undertaking to expeditiously commence and to satisfactorily complete with due diligence the Restoration of the affected Properties in accordance with the terms of the Loan Agreement, then (A) the Borrower will be required to immediately deliver to the Lender any Net Proceeds paid to the Borrower and (B) the Borrower will effectuate a Restoration of the affected Properties in accordance with the terms of the Loan Agreement and (ii) if a Loan Event of Default has occurred and is continuing or the Borrower fails to deliver such an undertaking to the Lender, then (A) the Lender may retain any Net Proceeds received by it, (B) the Borrower will be required to immediately deliver to the Lender any Net Proceeds paid to the Borrower, (C) such Net Proceeds will be applied to the prepayment of the debt in accordance with the Loan Agreement and (D) the Borrower will be required to prepay the Loan in an amount equal to the positive difference between such Net Proceeds and the Allocated Loan Amount for the affected Properties, together with all interest and other amounts required to be paid in connection therewith in accordance with the terms of the Loan Agreement (see “*Description of the Loan—Prepayment*” in this information circular). Following the Borrower’s written request, receipt by the Lender of the Net Proceeds and payment by the Borrower of the amounts set forth in clause (D) above, Lender will release the affected Properties from the applicable Mortgage Documents and related liens. If Borrower elects to effectuate a Restoration of a Property or Properties pursuant to this paragraph, the following provisions shall apply:

(a) the Net Proceeds shall be made available to the Borrower for Restoration upon the determination of the Lender that the following conditions are met: (i) the Borrower will be required to commence the Restoration as soon as reasonably practicable (but in no event later than ninety (90) days after such Casualty occurs) and will diligently pursue the same to satisfactory completion; (ii) the Lender is satisfied that any operating deficits, including all scheduled payments of principal and interest under the Note, which will be incurred with respect to the Properties as a result of the occurrence of the Casualty, whichever the case may be, will be covered out of (A) the Net Proceeds, (B) the business income or rental loss insurance coverage, if applicable, or (C) by other funds of the Borrower; (iii) the Lender is satisfied that the Restoration will be completed on or before the earliest to occur of (A) the date six (6) months prior to the Maturity Date, (B) the earliest date required for such completion under the terms of any lease, (C) such time as may be required under applicable legal requirements or (D) six (6) months prior to the expiration of the business income or rental loss insurance coverage; (iv) the Borrower will cause the affected Property and the use thereof after the Restoration to be in compliance with and permitted under all applicable legal requirements and such Property, after Restoration, shall be of the same character as prior to such damage or destruction; (v) the Restoration shall be done and completed by the Borrower in an expeditious and diligent fashion and in compliance with all applicable legal requirements and the Renovation Standards; (vi) the Borrower will deliver, or cause to be delivered, to Lender a signed detailed budget approved in writing by the Borrower’s architect or engineer stating the entire cost of completing the Restoration, which budget shall be reasonably acceptable to the Lender and (vii) the Net Proceeds together with any cash or cash equivalent deposited by the Borrower with the Lender are sufficient in the Lender’s discretion to cover the cost of the Restoration.

(b) The Net Proceeds will be held by Lender in the Casualty and Condemnation Account and, until disbursed, will constitute additional security for the debt and other obligations under the Loan Documents. The Net Proceeds shall be disbursed by the Lender to, or as directed by, the Borrower from time to time during the course of the Restoration, upon receipt of evidence satisfactory to the Lender that (i) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with the Restoration have been paid for in full, and (ii) there exist no notices of pendency, stop orders, mechanic's or materialmen's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Properties which have been fully bonded to the satisfaction of the Lender and discharged of record or in the alternative fully insured to the satisfaction of the Lender by the title company issuing the Title Insurance Policy.

(c) All plans and specifications required in connection with the Restoration will be subject to the prior approval of the Lender and the Lender's casualty consultant. Lender will have the use of the plans and specifications and all permits, licenses and approvals required or obtained in connection with the Restoration. The identity of the contractors, subcontractors and materialmen engaged in the Restoration, as well as the contracts under which they have been engaged, will be subject to the approval of the Lender and the Lender's casualty consultant. All costs and expenses incurred by the Lender in connection with recovering, holding and advancing the Net Proceeds for the Restoration including, without limitation, reasonable attorneys' fees and disbursements and the Lender's casualty consultant's fees and disbursements, will be paid by the Borrower.

(d) Until the Restoration is completed, the Lender will not be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration, as certified by the Lender's casualty consultant, less a retainage equal to 10% of the costs actually incurred for work in place as part of the Restoration, as certified by the Lender's casualty consultant. The retainage shall in no event be less than the amount actually held back by the Borrower from contractors, subcontractors and materialmen engaged in the Restoration, and will not be released until the Lender's casualty consultant certifies to the Lender that the Restoration has been completed and that all approvals necessary for the re-occupancy and use of the Property have been obtained from all appropriate governmental authorities, and the Lender receives evidence satisfactory to the Lender that the costs of the Restoration have been paid in full or will be paid in full out of the retainage; provided, however, that the Lender will release the portion of the retainage being held with respect to any contractor, subcontractor or materialman engaged in the Restoration as of the date upon which (x) the Lender's casualty consultant certifies to the Lender that such contractor, subcontractor or materialman has satisfactorily completed all work and has supplied all materials in accordance with the provisions of such contractor's, subcontractor's or materialman's contract, (y) the contractor, subcontractor or materialman delivers the lien waivers and evidence of payment in full of all sums due to the contractor, subcontractor or materialman as may be reasonably requested by the Lender or by the title company issuing the Title Insurance Policy, and (z) the Lender receives an endorsement to the Title Insurance Policy insuring the continued priority of the lien of the Mortgage and evidence of payment of any premium payable for such endorsement. If required by the Lender, the release of any such portion of the retainage will be approved by the surety company, if any, which has issued a payment or performance bond with respect to the contractor, subcontractor or materialman.

(e) The Lender shall not be obligated to make disbursements of the Net Proceeds more frequently than once every calendar month.

(f) If at any time the Net Proceeds or the undisbursed balance thereof is not, in the opinion of the Lender in consultation with the Lender's casualty consultant, sufficient to pay in full the balance of the costs which are estimated by the Lender's casualty consultant to be incurred in connection with the completion of the Restoration, the Borrower will be required to deposit the deficiency with the Lender (for deposit into the Casualty and Condemnation Account) before any further disbursement of the Net Proceeds are made.

(g) The excess, if any, of the Net Proceeds after the Lender's casualty consultant certifies to the Lender that the Restoration has been completed in accordance with the provisions of the Loan Agreement, and the receipt by the Lender of evidence satisfactory to the Lender that all costs incurred in connection with the Restoration have been paid in full, will be remitted by the Lender to the Borrower, provided no Loan Event of Default shall have occurred and shall be continuing.

Condemnation

The Borrower will be required to give Lender prompt notice of the actual or threatened commencement of any proceeding for any temporary or permanent taking by any governmental authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of a Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting a Property or any part thereof (a "Condemnation") and is required to deliver to the Lender copies of any and all papers served in connection with such proceedings. The Lender will be permitted to participate in any such proceedings, and the Borrower will be required from time to time to deliver to the Lender all instruments requested by it to permit such participation. The Borrower will be required, at its expense, to diligently prosecute any such proceedings, and consult with the Lender, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings which is reasonably expected to involve a condemnation award of an amount greater than the Casualty Threshold Amount. Notwithstanding any taking by any public or quasi-public authority through Condemnation or otherwise (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such taking), the Borrower will be required to continue to pay the debt owed under the Loan Documents at the time and in the manner provided for its payment in the Note and in the Loan Agreement and such debt will not be reduced until any condemnation proceeds shall have been actually received and applied by the Lender, after the deduction of expenses of collection, to the reduction or discharge of such debt. If the Borrower or any party other than the Lender receives any condemnation proceeds, the Borrower will be required to immediately deliver such proceeds to the Lender and is required to endorse, and cause all third parties to endorse, a check payable therefor to the order of the Lender. The Lender will not be limited to the interest paid on the condemnation award by the condemning authority but will be entitled to receive out of the condemnation award interest at the rate or rates provided in the Loan Agreement or in the Note. Net Proceeds from a Condemnation will be applied as follows:

- (i) If a partial Condemnation of a Property does not interfere with the use of such Property as a residential rental property, then the Net Proceeds paid by the condemning authority shall be applied to the prepayment of the Loan in accordance with the terms of the Loan Agreement.
- (ii) If a partial Condemnation of a Property does interfere with the use of such Property as a residential rental property or if there occurs a complete Condemnation of a Property (each, a "Fully Condemned Property"), then (i) if no Loan Event of Default has occurred and is continuing and, within thirty (30) days of the date of the occurrence of such Condemnation, the Borrower delivers to the Lender a written undertaking to substitute the Fully Condemned Property with a Substitute Property in accordance with the requirements of the Loan Agreement (see "Description of the Loan—Substitution of Properties" in this information circular), then (A) if Net Proceeds are paid by the condemning authority directly to the Borrower subsequent to such substitution, such Net Proceeds may be retained by the Borrower (for the avoidance of doubt, Net Proceeds received by the Borrower prior to such substitution are to be immediately paid to the Lender), (B) if Net Proceeds are paid by the condemning authority to the Lender, such Net Proceeds will be disbursed by the Lender to the Borrower upon the consummation of such substitution and (C) the Borrower shall provide a Substitute Property within ten (10) Business Days of the date of such undertaking in accordance with the requirements of the Loan Agreement and (ii) if a Loan Event of Default has occurred and is continuing or the Borrower fails to deliver such an undertaking to the Lender, then (A) Lender may retain any Net Proceeds received by it, (B) the Borrower will immediately deliver to the Lender any Net Proceeds paid to the Borrower, (C) Net Proceeds shall be applied to the prepayment of the Loan in accordance with the terms of the Loan Agreement and (D) Borrower will be required to prepay the Loan in an amount equal to the positive difference between such Net Proceeds and the Allocated Loan Amount for the Fully Condemned Property, together with all interest and other amounts required to be paid in connection therewith in accordance with the terms of the Loan Agreement (see "Description of the Loan—Prepayment" in this information circular) (collectively, the "Fully Condemned Property Prepayment Amounts"). Following the Borrower's written request after either (i) the substitution of a Substitute Property for the Fully Condemned Property or (ii) receipt by the Lender of the Net Proceeds and payment by the Borrower of the Fully Condemned Property Prepayment Amounts, the Lender will release the Fully Condemned Property from the applicable Mortgage Documents and related liens.

Loan Events of Default; Remedies

Loan Events of Default

Each of the following events will constitute an “Event of Default” under the Loan Agreement (a “Loan Event of Default”):

- (i) if (A) the obligations under the Loan Documents are not paid in full on the Maturity Date, (B) any regularly scheduled monthly payment of interest or principal due under the Note is not paid in full on the applicable Monthly Payment Date, (C) any prepayment of principal due under the Loan Agreement or the Note is not paid when due or (D) the Yield Maintenance Premium is not paid when due;
- (ii) if any deposit to the Reserve Funds is not made on the required deposit date therefor;
- (iii) if any other amount payable pursuant to the Loan Agreement, the Note or any other Loan Document (other than as set forth in the foregoing clauses (i) and (ii)) is not paid in full when due and payable, with such failure continuing for ten (10) Business Days after the Lender delivers written notice thereof to the Borrower;
- (iv) if the Policies are not (A) delivered to the Lender within 5 days of the Lender’s written request and (B) kept in full force and effect, each in accordance with the terms and conditions of the Loan Agreement;
- (v) a transfer other than a Permitted Transfer occurs without the prior written consent of Lender;
- (vi) if any certification, representation or warranty made by a Relevant Party in the Loan Agreement or any other Loan Document, other than a Property Representation, or in any report, certificate, financial statement or other instrument, agreement or document furnished to the Lender shall have been false or misleading in any material and adverse respect as of the date such representation or warranty was made; provided, however, if any untrue certification, representation or warranty made after the Closing Date is susceptible of being cured, the Borrower will have the right to cure such certification, representation or warranty within 30 days after receipt of notice from the Lender;
- (vii) if any Relevant Party shall make an assignment for the benefit of creditors;
- (viii) if a receiver, liquidator or trustee is appointed for any Relevant Party or any Loan Party’s general partner or managing member (each, an “SPC Party”) or if the Borrower, any Relevant Party or any SPC Party is adjudicated bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law, or any similar federal or state law, is filed by or against, consented to, or acquiesced in by, the Borrower, any Relevant Party or any SPC Party, or if any proceeding for the dissolution or liquidation of the Borrower, any Relevant Party or any SPC Party is instituted, or if the Borrower is substantively consolidated with any other person or entity; provided, however, if such appointment, adjudication, petition, proceeding or consolidation was involuntary and not consented to by such Relevant Party, upon the same not being discharged, stayed or dismissed within sixty (60) days following its filing;
- (ix) if any Loan Party attempts to assign its rights under the Loan Agreement or any of the other Loan Documents or any interest herein or therein in contravention of the Loan Documents;
- (x) if any of the assumptions contained in the non-consolidation opinion delivered on the Closing Date, or in any other non-consolidation opinion delivered to the Lender in connection with the Loan, or in any other non-consolidation opinion delivered subsequent to the closing of the Loan, is or shall become untrue in any material respect;
- (xi) a breach of the covenants set forth in the Loan Agreement relating to the compliance with all legal requirements applicable to the Borrower, each other Loan Party and the Properties (and the use thereof); the preservation of the Borrower’s, each other Loan Party’s and any SPC Party’s existence and good standing, if applicable, and unless the failure to do so would not reasonably be expected to have a Material Adverse Effect; the Borrower filing (and causing each other Loan Party and any SPC Party to file) tax returns and promptly paying (and causing each other Loan Party and any SPC Party to pay) all non-real estate taxes; the Borrower being (and causing each other Loan Party and any SPC Party to be) a Special Purpose Bankruptcy Remote Entity; the prohibition on

the Borrower terminating or modifying the Management Agreement, entering into a management agreement, consenting to the assignment by the Manager of its interest under the Management Agreement or waiving any of its rights under the Management Agreement, in each case, in violation of the Loan Agreement; the Borrower and each other Loan Party not creating liens with respect to any collateral for the Loan in violation of the Loan Documents; not transferring interests in the Borrower or any other Loan Party or the Properties in violation of the Loan Agreement; not changing the Borrower's (and causing each Borrower TRS to not change its) or any other Loan Party's business; the Borrower (and causing each Borrower TRS) and each other Loan Party not opening or permitting to remain open bank accounts other than as permitted by the Loan Documents or depositing or permitting to be deposited funds in certain accounts in violation of the Loan Documents; ERISA; the Borrower not incurring indebtedness (or permitting any other Loan Party or any SPC Party to incur any indebtedness) except as permitted by the Loan Agreement; the Borrower not entering into (or permitting any other Loan Party or any SPC Party) to enter into transactions with affiliates except as permitted by the Loan Documents; the prohibition on issuing or selling equity interests in the Borrower, any other Loan Party or any SPC Party; or not taking any action which would result in the Borrower, any other Loan Party or any SPC Party not being a Special Purpose Bankruptcy Remote Entity;

- (xii) if with respect to any Disqualified Property, the Borrower fails to, within the time periods provided in the Loan Agreement, either (A) pay the Release Amount, (B) substitute such Disqualified Property with a Substitute Property or (C) deposit an amount equal to 100% of the Allocated Loan Amount for the Disqualified Property into the Eligibility Reserve Account, and such failure continues for more than 5 Business Days after written notice thereof from the Lender to the Borrower;
- (xiii) if, without Lender's prior written consent, (i) any Management Agreement is terminated (unless simultaneously therewith, the Borrower and a new Qualified Manager enter into a Replacement Management Agreement in accordance with the Loan Agreement) or (ii) there is a default by the Borrower under any Management Agreement beyond any applicable notice or grace period that permits the Manager to terminate or cancel the applicable Management Agreement (unless, within 30 days after the expiration of such notice or grace period, the Borrower and a new Qualified Manager enter into a Replacement Management Agreement in accordance with the Loan Agreement);
- (xiv) if any Loan Party or any person or entity owning a direct or indirect ownership interest in any Loan Party shall be convicted by a court of competent jurisdiction of any violation of the criminal laws of the United States of America or of any of the several states (or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states) relating to terrorism or the laundering of monetary instruments (a "Patriot Act Offense");
- (xv) any material failure on the part of the Borrower to duly observe or perform any of its covenants with respect to confirming that prospective Tenants are not listed on certain government lists related to terrorism and not entering into Leases with such Tenants or the representation and warranty that at the time the Borrower entered into a lease with each Tenant, no such Tenant was listed on such government lists shall fail to be correct with respect to a Tenant of any Property and, in each case, the Borrower fails to notify Lender within 5 Business Days of the Borrower or Manager obtaining knowledge that such Tenant is on any such government list and promptly take such steps as may be required by OFAC with respect to such Tenant;
- (xvi) if there shall be a default under any of the other Loan Documents beyond any applicable cure periods contained in such Loan Documents, whether as to any Relevant Party or the Properties, or if any other such event shall occur or condition shall exist, if the effect of such event or condition is to accelerate the maturity of any portion of the obligations under the Loan Documents or to permit the Lender to accelerate the maturity of all or any portion of the obligations under the Loan Documents;
- (xvii) any Loan Document or any lien granted thereunder by any Relevant Party shall (except in accordance with its terms or pursuant to the Lender's written consent), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the parties thereto or (y) any Relevant Party or any other party shall disaffirm or contest, in writing, in any manner such effectiveness, validity, binding nature or enforceability (other than as a result of the occurrence of the payment in full of the obligations under the Loan Documents);

- (xviii) one or more final judgments for the payment of \$2,500,000 or more rendered against any Loan Party, and such amount is not covered by insurance or indemnity or not discharged, paid or stayed within 60 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced or (ii) the date on which all rights to appeal have been extinguished;
- (xix) failure to comply with the Sponsor Financial Covenant; or
- (xx) if any Relevant Party shall continue to be in default under any of the other terms, covenants or conditions of the Loan Agreement or any other Loan Document not specified in subsections (i) to (xix) above, and such default continues for 10 days after notice to the Borrower from the Lender, in the case of any such default which can be cured by the payment of a sum of money, or for thirty (30) days after notice to the Borrower from the Lender in the case of any other such default; provided, however, that if such non-monetary default is susceptible of cure but cannot reasonably be cured within such 30-day period, and provided further that the Borrower has commenced to cure such default within such 30-day period shall and thereafter diligently and expeditiously proceed to cure the same, such 30-day period shall be extended for such time as is reasonably necessary for the Borrower in the exercise of due diligence to cure such default, such additional period not to exceed 90 days.

"Net Assets" means, with respect to any person or entity, the difference between (i) the fair market value of such person or entity's assets and (ii) such person or entity's liabilities determined in accordance with GAAP.

"Sponsor Financial Covenant" means the requirement that the Loan Sponsor, any Qualified Transferee that executes and delivers a replacement guaranty pursuant to the terms of the Loan Agreement or any Subsequent Sponsor that executes and delivers a replacement guaranty pursuant to the terms of the Loan Agreement maintain Net Assets of not less than \$150,000,00) (exclusive of the direct or indirect interest in Borrower held by any of the Loan Sponsor, such Qualified Transferee or such Subsequent Sponsor).

Reporting

Financial Reporting

The Borrower will be required to furnish the following financial reports to the Lender:

- (i) As soon as available and in any event within 60 days after each calendar quarter of each year commencing with the calendar quarter ending June 30, 2017, consolidated balance sheets, statements of operations and retained earnings, and statements of cash flows of the Borrower, in each case, as at the end of such quarter and for the period commencing at the end of the immediately preceding calendar year and ending with the end of such quarter, setting forth in each case in comparative form the figures for the corresponding date or period of the immediately preceding calendar year (if any), all in reasonable detail and prepared in accordance with GAAP. Such financial statements are to contain such other information as shall be reasonably requested by the Lender for purposes of calculations to be made by the Lender pursuant to the terms of the Loan Agreement;
- (ii) As soon as available, and in any event within 120 days following the end of each calendar year, commencing with the calendar year ending December 31, 2017, audited copies, of a balance sheet, statements of operations and retained earnings, and statement of cash flows of the Borrower, in each case, as of the end of such calendar year, setting forth in each case in comparative form the figures for the immediately preceding calendar year (if any), all in reasonable detail and prepared in accordance with GAAP and the inclusion of footnotes to the extent required by GAAP, and, in the case of such audited financial statements, accompanied by a report and an unqualified opinion, prepared in accordance with generally accepted auditing standards, of an independent accountant selected by the Borrower that is reasonably acceptable to the Lender (which opinion on such consolidated information is required to be without (1) any qualification as to the scope of such audit or (2) a "going concern" or like qualification (other than a going concern qualification that relates solely to the near term maturity of the Loan under the Loan Agreement));
- (iii) Concurrently with the delivery of the quarterly financial statements required by clause (i) above, and in any event within 60 days after the end of each calendar quarter (A) a statement for each Property showing (1) rent roll as of the last day of such calendar quarter, (2) expiration date of the related Lease, (3) vacancy status, (4) security deposits maintained, (5) Tenant payment status and

(6) known violations of any legal requirements, (B) a certificate from an officer of the Borrower certifying that such operating statement and Property statements are true, correct and complete in all material respects as of their respective dates and (C) upon the Lender's request, other information maintained by the Borrower in the ordinary course of business that is reasonably necessary and sufficient to fairly represent the financial position, ongoing maintenance and results of operation of the Properties (on a combined basis) during such calendar quarter;

- (iv) Simultaneously with the delivery of the financial statements of the Borrower required by clauses (i) and (ii) above a certificate from an officer of the Borrower certifying (a) that such statements fairly represent the financial condition and results of operations of the Borrower as of the end of such quarter or calendar year (as applicable) and the results of operations and cash flows of the Borrower for such quarter or calendar year (as applicable), in accordance with GAAP applied in a manner consistent with that of the most recent audited financial statements of the Borrower furnished to the Lender, subject to normal year-end adjustments and the absence of footnotes, (b) stating that a responsible officer of the Borrower has reviewed the provisions of the Loan Agreement and the other Loan Documents and has made or caused to be made under his or her supervision a review of the condition and operations of the Relevant Parties with a view to determining whether the Relevant Parties are in compliance with the provisions of the Loan Documents to the extent applicable to them, and that such review has not disclosed, and such responsible officer of the Borrower has no knowledge of, the existence of a Loan Event of Default or a default under any Loan Document or, if a Loan Event of Default or a default under any Loan Document exists, describing the nature and period of existence thereof and the action which the Relevant Parties propose to take or have taken with respect thereto, (c) stating that as of the date of each certificate from an officer of the Borrower, no litigation exists involving the Borrower or any Property or Properties in which the amount involved is \$500,000 (in the aggregate) or more or in which all or substantially all of the potential liability is not covered by insurance, or, if so, specifying such litigation and the actions being taking in relation thereto, (d) stating that such responsible officer has reviewed specified provisions of the Loan Agreement as summarized on Annex F to this information circular and has caused to be made a review of the condition and operations of the Loan Parties and that such review has not disclosed, and such officer has no knowledge of, any noncompliance with such provisions and (e) stating that, as of the last day of such quarter or calendar year (as applicable), the Net Assets of the Loan Sponsor (exclusive of the direct or indirect interest in Borrower held by the Loan Sponsor) were not less than \$150,000,000.
- (v) Simultaneously with the delivery of the financial statements required by clauses (i) and (ii) above, a reconciliation for the relevant period of net income to Loan Underwritten Net Cash Flow;
- (vi) Simultaneously with the delivery of the financial statements required by clauses (i) and (ii) above, a duly completed compliance certificate, with appropriate insertions, containing the data and calculations set forth in the Loan Agreement;
- (vii) Simultaneously with the delivery of the financial statements required by clause (i) above, a certificate executed by a responsible officer of the Borrower certifying (i) the current real estate tax assessment amounts and Other Charges payable in respect of each Property, (ii) the payment of all real estate taxes and Other Charges prior to the date such real estate taxes or Other Charges become delinquent, subject to any contest conducted in accordance with the Loan Agreement and (iii) if an acceptable blanket insurance policy is not in place with respect to all Properties, the monthly cost of the insurance required under the Loan Agreement;
- (viii) Simultaneously with the delivery of the financial statements required by clause (i) above, a report setting forth a quarterly summary of any and all capital expenditures made at each Property during the prior calendar quarter.

Other Reports

In addition to the financial reporting described above, the Borrower will be required to furnish or cause to be furnished to the Lender other reports and notices, including the following:

- (i) Prompt written notice to the Lender (and in no event more than 2 Business Days) after any responsible officer of any Loan Party obtains knowledge of any matter or the occurrence of any event concerning any Loan Party which would reasonably be expected to have a Material Adverse Effect;

- (ii) Prompt written notice to the Lender of any litigation or governmental proceedings pending or to the actual knowledge of a responsible officer of any Loan Party or the Manager, threatened in writing against any Loan Party, any SPC Party or against the Manager with respect to any Property, which would reasonably be expected to have a Material Adverse Effect or an Individual Material Adverse Effect with respect to any Property;
- (iii) Prompt written notice to Lender after any responsible officer of any Loan Party or the Manager obtains knowledge of the occurrence of each Loan Event of Default or a default under any Loan Document (if such default is continuing on the date of such notice), setting forth the details of such Loan Event of Default or default and the action which such Loan Party is taking or proposes to take with respect thereto;
- (iv) Prompt written notice to the Lender (and in no event more than 2 Business Days) after any responsible officer of any Loan Party or the Manager obtains actual knowledge of any default by any Loan Party or SPC Party under any agreement other than the Loan Documents to which such Loan Party or SPC Party is a party which would reasonably be expected to have a Material Adverse Effect, setting forth the details of such default and the action which such Loan Party or SPC Party is taking or proposes to take with respect thereto;
- (v) Prompt written notice to the Lender (and in no event more than 10 Business Days) after any responsible officer of the Borrower or the Manager obtains actual knowledge that any Property fails to comply with the Property Representations or the Property Covenants, setting forth the action that the Borrower is taking or proposes to take with respect thereto.
- (vi) Within 60 days after the end of each calendar quarter, commencing with the quarter ending June 30, 2017 to the lender, an updated Quarterly Properties Schedule in the format required under the Loan Agreement;
- (vii) Within 60 days after the end of each calendar quarter, commencing with the calendar quarter ending June 30, 2017 to the lender, a report (a "Quarterly HOA Report") with respect to all Applicable HOA Properties consisting of a data tape containing the following data fields: (x) the data fields set forth on the Quarterly Properties Schedule under the captions "Property ID", "YardiCode", "Property Name", "Address (Street)", "City", "County", "State", "Closest MSA", and "Zip Code", (y) the number of HOAs applicable to each such Applicable HOA Property, and (z) for each such Applicable HOA Property, the HOA name and notice addresses, the frequency with which payments are due to the HOA, the last HOA payment due date, the next HOA payment due date, the amount owed on the last HOA payment due date, the amount paid on the last HOA payment due date, the amount owed on the next HOA payment due date and annual payments to the HOA;
- (viii) Within 20 Business Days after June 30 and December 31 of each year, commencing with the period ending December 31, 2017, to the Lender one or more legal opinions (which may be in the form of a bring-down or date-down opinion with respect to an earlier delivered opinion) from a nationally recognized law firm (or one with prominent standing in the applicable state) specifying with respect to each state in which a Property is located whether such state is an Applicable HOA State (as defined under clause (a) of the definition thereof). If, with respect to any state in which a Property is located, (i) the Borrower fails to deliver to the Lender the required opinion, the Lender may in its sole and absolute discretion designate such state an Applicable HOA State by written notice to the Borrower or (ii) any opinion delivered to the Lender is not satisfactory to Lender in its reasonable discretion, the Lender may request in writing that the Borrower obtain a second opinion from a nationally recognized law firm (or one with prominent standing in the applicable state) and deliver such opinion to Lender within 20 Business Days of such written request and (1) if the Borrower fails to deliver such an opinion to the Lender, the Lender may in its reasonable discretion designate such state an Applicable HOA State by written notice to the Borrower or (2) if any such second opinion delivered to the Lender is not satisfactory to the Lender in its sole and absolute discretion and the Lender believes in good faith that such state is an Applicable HOA State (as defined under clause (a) of the definition thereof), the Lender may designate such state an Applicable HOA State by written notice to the Borrower. In addition, if, as a result of any such differences the Lender believes in good faith that any provisions for subordination of liens for HOA Fees to the lien of the Mortgages are unenforceable under the laws of an Applicable HOA State or that such lien for HOA Fees would be entitled to priority over the lien of the Mortgages, the Lender may redesignate all affected HOA Properties in such Applicable HOA State as Applicable HOA Properties. Notwithstanding anything to the contrary in the Loan Agreement, the Lender will not be permitted to declare a state an Applicable HOA State pursuant to the Loan Agreement, if the Lender

or its servicer (excluding any special servicer) has received a legal opinion from a nationally recognized law firm (or one with prominent standing in the applicable state or otherwise reasonably acceptable to the Lender) that if delivered by the Borrower and referencing the Loan Agreement would have resulted in such state not being declared an Applicable HOA State; and

- (ix) If subsequent to the Closing Date there is consummated a securitization of a single borrower single-family residential rental financing similar to the transactions described in this information circular and such financing contains HOA reporting and/or HOA opinion delivery requirements and/or HOA Funds reserve requirements that are less burdensome to the borrower thereunder than those required by the Loan Agreement, then, subject to the Required Parties' Approval, the Borrower will have the right to require the Lender to amend the Loan Agreement in a manner consistent with such less burdensome requirements.

"Applicable HOA Properties" means with respect to any Applicable HOA State, (a) all HOA Properties located in such Applicable HOA State except for any Properties (i) as to which any liens for HOA Fees are expressly subordinated to the lien of the Mortgages and the applicable Title Insurance Policy insures against any loss sustained by the Lender if such liens for HOA Fees, including after-arising HOA liens, have Priority over the lien of the Mortgages or (ii) with respect to which (x) the Borrower has delivered to the Lender an opinion, reasonably satisfactory to the Lender, from a nationally recognized law firm (or one with prominent standing in the applicable state) that affirmatively concludes that any liens for HOA Fees (including future-arising liens for HOA Fees) would not have Priority with respect to such Property (which may be based on the particular terms of the HOA declarations for such Property as set forth in the HOA opinion delivered by counsels to the Borrower on the Closing Date for that state subject to certification by OS National LLC or a similar title service) and (y) the Borrower has delivered to the Lender, within twenty (20) Business Days after each June 30 and December 31, commencing with December 31, 2017, an updated legal opinion with the same conclusion (which may be in the form of a bring-down or date-down opinion with respect to an earlier delivered opinion) or (b) all HOA Properties located in such Applicable HOA State designated as an Applicable HOA Property pursuant to the Loan Agreement.

"Applicable HOA State" means (a) a state in which, pursuant to applicable Legal Requirements, (i) a lien in favor of a homeowner's association may be created through the non-payment of fees assessed against a residential property by such homeowner's association, (ii) any such lien would extinguish the lien of a mortgage upon the valid and proper foreclosure of such lien for homeowner's associations fees and (iii) any such lien would have priority over the lien of the related Mortgage or (b) a state designated as an Applicable HOA State by the Lender pursuant to the Loan Agreement as described above. For the avoidance of doubt, if any reported decision of a state appellate court would result in the foregoing clauses (a)(i), (a)(ii) and (a)(iii) applying in such state, then such state shall constitute an Applicable HOA State.

"HOA Property" means a Property which is subject to an HOA.

"Material Adverse Effect" means a material adverse effect on (a) the property, business, operations or financial condition of any Loan Party, (b) the use, operation or value of the Properties, taken as a whole, (c) the ability of the Borrower to repay the principal and interest of the Loan when due or to satisfy any of the Borrower's other obligations under the Loan Documents or (d) the enforceability or validity of any Loan Document, the perfection or priority of any lien created under any Loan Document or the rights, interests and remedies of the Lender under any Loan Document.

"Priority" means, with respect to any HOA Property, that the valid and proper foreclosure of a lien for HOA Fees would extinguish the lien of a Mortgage with respect to such HOA Property.

Calculation Date Reports

The Lender will be required, within forty-five (45) days of receipt of the updated Quarterly Properties Schedule, the compliance certificate for the related calendar quarter and related information delivered by Borrower and based on the information included therein, to prepare and deliver to Borrower a report (the "Calculation Date Report" setting forth, among other things, the results of Lender's calculations of the Loan Debt Service Coverage Ratio, Debt Yield and Loan LTV (in each case, including the components thereof), based on the information delivered by the Borrower with such adjustments as Lender deems necessary or appropriate in its reasonable discretion. Concurrently with delivery of the Calculation Date Report, Lender will be required to deliver to Borrower a statement setting forth Lender's determination of the Property Value for each Property (the "Quarterly Valuation Statement" based on the Property Value in the immediately preceding Quarterly Valuation Statement with such adjustments (if any) based on the use of the Fannie Mae HPI index or other nationally recognized index and any other adjustments Lender deems necessary or appropriate in its reasonable discretion. The Quarterly Valuation Statement will also set forth any adjustments to the Allocated Loan Amounts for the Properties such that the Allocated Loan Amount for each Property

is equal to such Property's ratable portion of the outstanding principal balance of the Loan based on the updated Property Values as determined by Lender as described in the immediately preceding sentence.

Annual Budget

The Borrower will be required to submit to the Lender by November 1 of each year the Annual Budget relating to the Properties for the succeeding Fiscal Year. During the continuance of a Trigger Period, the Lender will have the right to approve each Annual Budget (which approval shall not be unreasonably withheld, conditioned or delayed so long as no Loan Event of Default is continuing). If the Lender has the right to approve an Annual Budget, neither the Borrower nor the Manager is permitted to change or modify the Annual Budget that has been approved by the Lender without the prior written consent of the Lender (which consent shall not be unreasonably withheld, conditioned or delayed so long as no Loan Event of Default is continuing). If during any Trigger Period, the Borrower has submitted an Annual Budget and such Annual Budget has not been approved prior to the commencement of the calendar year to which such budget relates then the previously Approved Annual Budget will continue to be deemed to be the Approved Annual Budget for that calendar year, except that the line item for capital expenditures may not exceed the capital expenditures set forth in the Annual Budget approved by the Lender prior to the Closing Date.

Condition of Property; Legal Compliance; Renovation Standards; Physical Condition

Unless the Property has suffered a Casualty and is in the process of being restored in accordance with the Loan Agreement, the Borrower will be required to keep and maintain in all material respects each Property in a good, safe and habitable condition and repair and free of and clear of any damage or waste, and from time to time make, or cause to be made, in all material respects, all reasonably necessary repairs, renewals, replacements, betterments and improvements thereto that are necessary to comply with the Renovation Standards and applicable legal requirements in all material respects.

Each Property (including the leasing and intended use thereof) will be required to comply in all material respects with all applicable legal requirements, including, without limitation, building and zoning ordinances and codes and all certifications, permits, licenses and approvals, including without limitation, certificates of completion and occupancy permits, required for the legal leasing, use, occupancy, habitability and operation of the Property, all such certifications, permits, licenses and approvals are required to be maintained in full force and effect, except as would not reasonably be expected to have an Individual Material Adverse Effect on the Property. The Borrower will be required to obtain and maintain in full force and effect all consents, approvals, orders, certifications, permits, licenses and authorizations of, and make all filings with or notices to, any court or governmental authority related to the operation, use or leasing of the Property except where the failure to obtain would not reasonably be expected to have an Individual Material Adverse Effect with respect to the Property. The Borrower will not and will not permit any other Loan Party, any manager or any other person or entity in occupancy of or involved with the operation, use or leasing of the Property to commit any act or omission affording any governmental authority the right of forfeiture as against the Property or any part thereof.

Additional Indebtedness; Liens

The Borrower will not be permitted to create, incur, assume or suffer to exist, and will be required to cause each Borrower TRS not to create, incur, assume or suffer to exist, any indebtedness other than (i) the debt owed under the Loan Documents and (ii) unsecured trade payables incurred in the ordinary course of business relating to the ownership and operation of the Properties, which in the case of such unsecured trade payables (A) are not evidenced by a note, (B) do not exceed, at any time, a maximum aggregate amount of 3% of the original principal amount of the Loan and (C) are paid within 60 days of the date incurred. The Borrower will be required to cause each Equity Owner and each other SPC Party not to create, incur, assume or suffer to exist any indebtedness other than indebtedness incurred under the Equity Owner Guaranty, the Loan Agreement and the other Loan Documents to which the Equity Owners are a party and unsecured trade payables incurred in the ordinary course of business related to the ownership of (x) with respect to Equity Owner LP, its limited partnership interest in the Borrower and limited liability company interest in Borrower GP, (y) with respect to Borrower GP, its general partnership interest in the Borrower, and (z) with respect to Equity Owner GP, its general partnership interest in Equity Owner LP, in each case (A) do not exceed at any one time \$10,000.00 and (B) are paid within 60 days after the date incurred. Nothing contained in the Loan Agreement shall be deemed to require the Borrower or any Equity Owner to pay any unsecured trade payables so long as such Borrower or any Equity Owner, as applicable, is in good faith at its own expense, and by proper legal proceedings, diligently contesting the validity, amount or application thereof, provided that in each case, at the time of commencement of any such action or proceeding, and during the pendency of such action or proceeding (1) no Loan Event of Default is continuing, (2) no Property nor any material part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost and (3) such contest operates to suspend collection or enforcement, as the case may be, of the contested amount.

The Borrower will also not be permitted to create or suffer to exist (and is required to cause each other Loan Party not to create or suffer to exist) any liens upon or with respect to, any collateral for the Loan except for liens permitted under the Loan Documents (including, without limitation, Permitted Liens).

Transfer Restrictions

The Borrower and the Equity Owners and any other person or entity with a direct or indirect ownership or beneficial interest in the Borrower or any Loan Party will not be permitted to sell, convey, mortgage, grant, bargain, encumber, pledge, assign or transfer the Properties or any other Collateral for the Loan or any part thereof, or any interest, direct or indirect, in the Borrower or any Loan Party, whether voluntarily or involuntarily and whether directly or indirectly, by operation of law or otherwise, except for Permitted Transfers. A transfer includes (i) an installment sales agreement wherein the Borrower agrees to sell a Property or any part thereof for a price to be paid in installments; (ii) an agreement by the Borrower for the leasing of all or a substantial part of the Property for any purpose other than the actual occupancy by a space Tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, the Borrower's right, title and interest in and to any Leases or any Rents; (iii) if the Borrower, any Equity Owner or any general partner, managing member or controlling shareholder of the Borrower or any Equity Owner is a corporation, the voluntary or involuntary sale, conveyance or transfer of such corporation's stock (or the stock of any corporation directly or indirectly controlling such corporation by operation of law or otherwise) or the creation or issuance of new stock; (iv) if the Borrower, any Loan Party or any general partner, managing member or controlling shareholder of the Borrower or any Loan Party is a limited or general partnership, joint venture or limited liability company, the change, removal, resignation or addition of a general partner, managing partner, limited partner, joint venturer or member or the transfer of the partnership interest of any general partner, managing partner or limited partner or the transfer of the interest of any joint venturer or member; and (v) any pledge, hypothecation, assignment, transfer or other encumbrance of any direct or indirect ownership interest in the Borrower or any Loan Party.

Permitted Transfers

The following transfers (the "Permitted Transfers") will be permitted under the Loan Agreement without the Lender's consent:

- (A) an Eligible Lease entered into in accordance with the Loan Documents;
- (B) a Permitted Lien or any other lien expressly permitted under the terms of the Loan Documents;
- (C) a transfer of a Property in compliance with the Loan Agreement (see "*Description of the Loan—Transfer of Properties*" in this information circular);
- (D) a substitution in compliance with the Loan Agreement (see "*Description of the Loan—Substitution of Properties*" in this information circular);
- (E) except to the extent the following results in a Sponsor Change of Control, (i) the transfer of any direct or indirect legal or beneficial interests in the Loan Sponsor or any Sponsor Parent Entity or (ii) a Sponsor Corporate Transaction;
- (F) a transfer of any direct or indirect interest in the Borrower or any other Loan Party (other than any direct interest in the Borrower or other Loan Party which constitutes a portion of the Collateral but including, for the avoidance of doubt, a Transfer that would result in a Sponsor Change of Control) provided that:
 - (i) the Lender receives notice of the transfer not less than 30 days prior to the proposed transfer and the Borrower has paid any review fees owing to Fannie Mae concurrently therewith;
 - (ii) after giving effect to such transfer, a Qualified Transferee (a) owns not less than 51% of the direct or indirect legal and beneficial interests in the Borrower and the other Loan Parties and (b) continues to Control (directly or indirectly) the Borrower and each other Loan Party and each SPC Party;
 - (iii) each of the Borrower, Equity Owner LP, Borrower GP, Equity Owner GP and each SPC Party each continue to be a Special Purpose Bankruptcy Remote Entity;

- (iv) after giving effect to such transfer (a) Borrower GP remains the sole general partner of the Borrower owning not less than 1.0% of the partnership interest in the Borrower, (b) Equity Owner LP remains the sole limited partner of the Borrower and the sole member of Borrower GP, (c) Equity Owner GP remains the sole general partner of Equity Owner LP owning not less than 1.0% of the partnership interest in Equity Owner LP and (d) the Borrower remains the sole member of any Borrower TRS;
 - (v) the Properties continue to be managed by the Manager or by a Qualified Manager pursuant to a Replacement Management Agreement;
 - (vi) (a) no pledge or other encumbrance of any direct interests in any Restricted Pledge Party (other than pledges securing the obligations under the Loan Documents pursuant to the Collateral Documents) will be permitted, except that a pledge of the direct ownership interests in the most upper-tier Restricted Pledge Party will be permitted if such pledge directly or indirectly secures indebtedness that is also directly or indirectly secured by substantial assets other than the collateral for the Loan and (b) no Restricted Pledge Party may issue preferred equity that has the characteristics of mezzanine debt (such as a fixed maturity date, regular payments of interest, a fixed rate of return and rights of the equity holder to demand repayment of its investment); and
 - (vii) Borrower has paid any transfer fees owing to Fannie Mae prior to the consummation of the Permitted Transfer.
- (G) a transfer by the Loan Sponsor or one of its subsidiaries of less than a 50% indirect interest in the Borrower or any other Loan Party (other than any such interest in the Borrower or any other Loan Party which constitutes a portion of the collateral for the Loan); provided that, as determined by the Lender in its sole discretion (including with respect to the approval of any Qualified Manager and/or Replacement Management Agreement, as applicable), the following conditions precedent are satisfied:
- (i) the Lender receives notice of the transfer not less than 30 days prior to the proposed transfer and the Borrower has paid any review fees owing to Fannie Mae concurrently therewith;
 - (ii) after giving effect to such transfer and all prior transfers, the Loan Sponsor (a) owns not less than 51% of the direct or indirect legal and beneficial interests in the Borrower and the other Loan Parties and (b) continues to Control (directly or indirectly) the Borrower and each other Loan Party and each SPC Party;
 - (iii) each of the Borrower, Equity Owner LP, Borrower GP, Equity Owner GP and each SPC Party each continue to be a Special Purpose Bankruptcy Remote Entity;
 - (iv) after giving effect to such transfer (a) Borrower GP remains the sole general partner of the Borrower owning not less than 1.0% of the partnership interest in the Borrower, (b) Equity Owner LP remains the sole limited partner of the Borrower and the sole member of Borrower GP, (c) Equity Owner GP remains the sole general partner of Equity Owner LP owning not less than 1.0% of the partnership interest in Equity Owner LP and (d) the Borrower remains the sole member of any Borrower TRS;
 - (v) the Properties continue to be managed by the Manager or by a Qualified Manager pursuant to a Replacement Management Agreement; and
 - (vi) (a) no pledge or other encumbrance of any direct interests in any Restricted Pledge Party (other than pledges securing the obligations under the Loan Documents pursuant to the Collateral Documents) will be permitted, except that a pledge of the direct ownership interests in the most upper-tier Restricted Pledge Party will be permitted if such pledge directly or indirectly secures indebtedness that is also directly or indirectly secured by substantial assets other than the collateral for the Loan and (b) no Restricted Pledge Party may issue preferred equity that has the characteristics of mezzanine debt (such as a fixed maturity date, regular payments of interest, a fixed rate of return and rights of the equity holder to demand repayment of its investment).

Following a Permitted Transfer, if the Loan Sponsor (or any Subsequent Sponsor) no longer owns a majority of the direct or indirect interest in the Borrower or the Properties, the Loan Sponsor (or the Subsequent Sponsor) will be released from the Sponsor Guaranty for all liability accruing after the date of the Permitted Transfer, provided, that in each such case a Qualified Transferee has executed and delivered to the Lender a replacement guaranty in substantially the same form and substance as the Sponsor Guaranty covering all liability accruing from and after the date of such Permitted Transfer (but not any which may have accrued prior thereto). Additionally, if, following a Permitted Transfer, if the Environmental Indemnitor (or any subsequent Qualified Transferee that has assumed the obligations of the Environmental Indemnitor) no longer owns a majority of the direct or indirect interest in the Borrower or the Properties, the obligations of the Environmental Indemnitor under its guaranty must be assumed by a Qualified Transferee.

Upon a Qualified Transferee or Subsequent Sponsor executing a replacement guaranty pursuant to the Loan Agreement, such Qualified Transferee or Subsequent Sponsor (and not the Loan Sponsor or any prior Subsequent Sponsor) shall be solely responsible for complying with the Sponsor Financial Covenant and the reporting obligations applicable to the Loan Sponsor of the Loan Agreement with respect to certain reports required to be provided to the Lender. Upon a Qualified Transferee executing a replacement guaranty of the Environmental Indemnity Agreement, such Qualified Transferee (and not the Environmental Indemnitor) shall be solely responsible for guaranteeing all future obligations of the Borrower under the Environmental Indemnity Agreement.

The Borrower will be permitted to organize one or more subsidiaries that are "taxable REIT subsidiaries" (each a "Borrower TRS") and thereafter transfer one or more Properties to one or more Borrower TRS. If the Borrower organizes any Borrower TRS, the Borrower will be required (in addition to its other obligations), in any event prior to contributing any Properties or other collateral to such Borrower TRS, to (a) promptly after the formation of such Borrower TRS, cause such Borrower TRS to execute and deliver to the Lender: (i) a guaranty substantially in the form of the Equity Owner Guaranty, guaranteeing the Loan; (ii) a security agreement, substantially in the form of the Borrower Security Agreement, pursuant to which all personal property assets of such Borrower TRS are pledged as security for the Loan and (iii) an assumption of mortgage from such Borrower TRS and such other agreements, instruments, approvals, legal opinions, title endorsements or other documents as are reasonably requested by the Lender in order to create, perfect or establish the first priority of (subject to Permitted Liens) any lien purported to be covered by any such Collateral Documents (however, the lien of the Mortgage encumbering any Property contributed to the Borrower TRS will not be released at such time and no new mortgage shall be executed with respect to or recorded against any Property so contributed to such Borrower TRS); (b) promptly after the formation of such Borrower TRS and prior to the contribution of any Properties or other Collateral to such Borrower TRS, deliver promptly (i) an updated schedule to the Borrower Security Agreement reflecting the pledge of the Borrower's capital stock in such Borrower TRS as collateral for the Loan; (ii) a certificate evidencing all of the capital stock of such Borrower TRS; (iii) undated stock powers or other appropriate instruments of assignment executed in blank with signature guaranteed and (iv) such other agreements, instruments, approvals, legal opinions or other documents as are reasonably requested by the Lender in order to create, perfect or establish the first priority of (subject to Permitted Liens) Lender's lien in such capital stock or otherwise to effect the intent that such capital stock shall become collateral for the Loan; and (c) cause such Borrower TRS to execute and deliver to the Lender an assumption of the Mortgage related to such Property, in form and substance reasonably acceptable to the Lender and the Borrower.

"Control" means, with respect to any person or entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, through the ownership of voting securities, by contract or otherwise, and the terms Controlled, Controlling and Common Control shall have correlative meanings.

"Permitted Sponsor Transfer" means (A) the sale of publicly traded securities on a nationally recognized securities exchange or a Public Distribution or (B) a Qualified Public Sale. For the avoidance of doubt, any transaction that is a Permitted Sponsor Transfer will be deemed not to be a Sponsor Change of Control.

"Public Distribution" means any transaction in which the public sale of securities is not directed, directly or indirectly, by the transferor to any Person whose identity is known by the transferor to be the acquirer of such securities.

"Public Vehicle" means a Person whose securities are listed and traded on a national securities exchange and shall include a majority owned subsidiary of any such Person or any operating partnership through which such Person conducts all or substantially all of its business.

"Qualified Public Sale" means the sale, transfer or conveyance (but not a pledge), in one or a series of related transactions (i) of more than fifty percent (50%) of the direct or indirect legal or beneficial interests in the Loan

Sponsor or any Sponsor Parent Entity to a Qualified Public Vehicle or (ii) through which the Loan Sponsor or any Sponsor Parent Entity becomes, or is merged with or into, a Qualified Public Vehicle.

“Qualified Public Vehicle” means a Public Vehicle in which, after giving effect to the applicable Transfer, no single Person (individually or taken together with Affiliates of such Person) owns more than fifty percent (50%) of the direct or indirect legal or beneficial interests in such Public Vehicle.

“Qualified Transferee” means any person or entity that (i) has a net worth of not less than \$300,000,000 (exclusive of such person’s or entity’s direct or indirect interest in the Properties and the Borrower), (ii) has not been the subject of a voluntary or involuntary (to the extent the same has not been discharged) bankruptcy proceeding or any governmental or regulatory investigation which resulted in a final, nonappealable conviction for criminal activity involving moral turpitude, (iii) is (or is under common Control with a person or entity that is) regularly engaged in the management, ownership or operation of one- to four- unit residential rental properties, (iv) confirms in writing to Lender that the representation and warranty regarding the Patriot Act in respect of such person is true and correct and (v) with respect to the applicable transfer to such person or entity, the Borrower has obtained the Required Parties’ Approval.

“Restricted Pledge Party” means, collectively, each Borrower TRS, the Borrower, any Equity Owner, and any other direct or indirect equity holder in a Borrower TRS, the Borrower or any Equity Owner up to, but not including, the first direct or indirect equity holder that has substantial assets other than the Properties and the other collateral for the Loan.

“Sponsor Change of Control” means the acquisition after the Closing Date by any person (individually or taken together with affiliates of such person) in one or a series of transactions of fifty percent (50%) or more of the direct legal or beneficial ownership interests in the Loan Sponsor, other than as a result of a Permitted Sponsor Transaction.

“Sponsor Corporate Transaction” means (i) a merger or consolidation or other business combination of Sponsor Parent Entity and/or any of its Affiliates (other than the Borrower or any entity between Borrower and Sponsor Parent Entity) with or into any other person, (ii) the sale of all or substantially all of the direct or indirect assets of Sponsor Parent Entity and/or any of its affiliates (other than the Borrower or any entity between them and Sponsor Parent Entity or the assets of any of the foregoing Persons) to any other Person, (iii) a spin-off, spin-out or other similar transaction, the result of which is consistent with the foregoing clause (i) or (ii) or (iv) any combination of the foregoing clauses (i), (ii) and (iii) in one or more series of steps.

“Sponsor Parent Entity” means any person or entity that owns, directly or indirectly, 50% or more of the legal and beneficial interests in the Loan Sponsor.

“Subsequent Sponsor” means any Qualified Transferee that assumes the obligations of the Loan Sponsor under the Sponsor Guaranty following a permitted transfer.

Hazard, Liability and Other Insurance

The Borrower will be required to obtain and maintain insurance under the Loan Agreement which includes the following coverages:

- (i) comprehensive “all risk” or special causes of loss form insurance, as is available in the insurance market as of the Closing Date, including, but not limited to, loss caused by any type of windstorm (including hail) on the Properties (A) in an amount equal to one hundred percent (100%) of the full replacement cost of the Properties, which for purposes of the Loan Agreement means actual replacement value of the Properties, subject to a loss limit equal to \$50,000,000 per occurrence; (B) containing an agreed amount endorsement with respect to the improvements and personal property at any Property waiving all co-insurance provisions or to be written on a no co-insurance form and (C) providing for no deductible in excess of \$25,000 (however, so long as no default under any Loan Document or Loan Event of Default has occurred and is continuing (1) the Borrower will be permitted to utilize a \$5,000,000 aggregate deductible stop loss subject to a \$25,000 per occurrence deductible and a \$25,000 maintenance deductible following the exhaustion of the aggregate, (2) the aggregate stop loss does not contain any losses arising from named windstorm, earthquake or flood, (3) the perils of named windstorm or flood shall be permitted to have a per occurrence deductible of 10% of the total insurable value of the Properties subject to a loss (with a minimum deductible of \$250,000 per occurrence for any and all locations), (4) the peril of earth movement including but not limited to earthquake shall be permitted to have a per

occurrence deductible of 10% of the total insurable value of the Properties subject to a loss (with a minimum deductible of \$250,000 per occurrence for any and all locations) and (5) the peril of "other wind and hail" shall be permitted to have a per occurrence deductible of 10% of the total insurable value of the Properties subject to a loss (with a minimum deductible of \$250,000 per occurrence for any and all locations)). In addition, the Borrower will be required to obtain (x) if any portion of a Property is currently or at any time in the future located in a federally designated "special flood hazard area", flood hazard insurance in an amount equal to the maximum amount of such insurance available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended, plus excess amounts as the Lender shall require, (y) named storm insurance in an amount equal to or greater than \$25,000,000 in all states other than Florida and \$160,000,000 in Florida, provided that such coverage amount shall be increased if a higher coverage amount is indicated (and may be decreased if lower coverage amount is indicated) based upon a storm risk analysis on a 475 year event Probable Maximum Loss (PML) or Scenario Expected Limit (SEL) (such analysis to be secured by the Borrower utilizing a third-party engineering firm qualified to perform such storm risk analysis using the most current RMS software, or its equivalent, to include consideration of storm surge, if applicable and loss amplification, at the expense of the Borrower at least two times per year or more frequently as may reasonably be requested by the Lender and shared with the Lender presented by the Properties located in areas prone to named storm activity); and (z) earthquake insurance in an amount equal to or greater than \$35,000,000 in all states other than California and Washington and \$70,000,000 in California and Washington, provided that such coverage amount shall be increased if a higher coverage amount is indicated (and may be decreased if lower coverage amount is indicated) based upon a seismic risk analysis on a 475 year event Probable Maximum Loss (PML) or Scenario Expected Limit (SEL); provided that the insurance described under subclauses (x), (y) and (z) above shall be on terms consistent with the comprehensive all risk insurance policy described above provided further that with respect to any HOA Property for which an HOA provides one or more property insurance policies that covers a Casualty (each an "HOA Policy") such comprehensive all risk policies shall (1) cover the "walls-in" improvements and betterments and actual loss of rents sustained with respect to any covered loss at such HOA Property and (2) in the event that the insurance proceeds of the HOA Policy are inadequate to pay for the expected cost of restoration of such HOA Property, cover the balance of such expected cost either by (A) covering special assessments that the HOA levies to restore property damaged due to a covered loss or (B) in the event that the HOA cannot or does not complete restoration due to a covered loss, paying for the greater of (I) the actual cash value of the HOA Property, inclusive of the "walls-out" portion of the building in which the HOA Property is located or (II) the Allocated Loan Amount for such HOA Property, unless in either case such HOA Property is sold "as-is" before restoration is completed, in which case the net proceeds of such sale shall be deducted from the amount to be paid under the insurance policies;

- (ii) business income or rental loss insurance for the benefit of the Lender, written on an "Actual Loss Sustained Basis" in an amount equal to 100% of the aggregate projected net income from the operation of the Properties covering a period of at least twelve (12) months (which amount of insurance will be determined prior to the Closing Date and at least once each year thereafter based on the Borrower's reasonable estimate of the net income from each Property for the succeeding 12 month period) and containing an extended period of indemnity endorsement which provides that after the physical loss to the improvements and personal property at a Property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of ninety (90) days from the date that the applicable Property is repaired or replaced and operations are resumed, whichever first occurs;
- (iii) at all times during which structural construction, repairs or renovations are being made with respect to any Property, and only if each of the property coverage form and the liability insurance coverage form does not otherwise apply, (A) owner's contingent or protective liability insurance, otherwise known as "Owner Contractor's Protective Liability" (or its equivalent), covering claims not covered by or under the terms or provisions of the above mentioned commercial general liability insurance policy, (B) the insurance required to be provided by Borrower under the Loan Agreement written in a so-called builder's risk completed value form and (C) with an agreed amount endorsement waiving co-insurance provisions;
- (iv) commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about any Property with a combined limit of not less than

\$1,000,000.00 per occurrence; \$2,000,000.00 in the aggregate “per location” and overall \$20,000,000.00 in the aggregate;

- (v) automobile liability coverage for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence of \$1,000,000.00;
- (vi) if applicable, worker’s compensation subject to the worker’s compensation laws of the applicable state, and employer’s liability in amounts reasonably acceptable to the Lender;
- (vii) umbrella and excess liability insurance in an amount not less than \$50,000,000.00 per occurrence and in the aggregate on terms consistent with the commercial general liability insurance policy described above and including employer liability and automobile liability, if required; and
- (viii) upon 60 days’ written notice, such other reasonable insurance, and in such reasonable amounts as the Lender from time to time may reasonably request against such other insurable hazards which at the time are commonly insured against for properties similar to the Properties located in or around the region in which Properties are located.

All such insurance will be required to be obtained under valid and enforceable policies (collectively, the “Policies” or in the singular, the “Policy”) and are subject to the approval of the Lender as to form and substance, including insurance companies, amounts, deductibles, loss payees and insureds. Not less than thirty (30) days prior to the expiration dates of the Policies theretofore furnished to the Lender, certificates of insurance evidencing the Policies (and, upon the written request of the Lender, copies of such Policies) accompanied by evidence satisfactory to the Lender of payment of the premiums then due thereunder (the “Insurance Premiums”), will be required to be delivered by the Borrower to the Lender.

The Borrower will be permitted to obtain blanket insurance policies if they otherwise provide the same protection as would a separate Policy insuring only the Properties in compliance with the provisions of the Loan Agreement.

All Policies of insurance (other than the automobile liability policy) will be required to name the Borrower as the insured and the Lender and its successors and/or assigns as mortgagee and loss payee, as its interests may appear, and in the case of property damage, boiler and machinery, windstorm, flood and earthquake insurance, to contain a so-called New York standard non-contributing mortgagee clause in favor of the Lender providing that the loss thereunder shall be payable to the Lender unless below the threshold for the Borrower to handle such claim without Lender intervention. Additionally, if the Borrower obtains property insurance coverage in addition to or in excess of that required by the Loan Agreement, then such insurance policies will also be required to contain a so-called New York standard non-contributing mortgagee clause in favor of the Lender providing that the loss thereunder shall be payable to the Lender.

All Policies of insurance (other than the worker’s compensation policy) will be required to contain clauses or endorsements to the effect that (i) no act or negligence of the Borrower, or anyone acting for the Borrower, or of any Tenant or other occupant, or failure to comply with the provisions of any Policy, which might otherwise result in a forfeiture of the insurance or any part thereof, will in any way affect the validity or enforceability of the insurance insofar as the Lender is concerned, (ii) the Policy cannot be canceled without at least 30 days’ written notice to the Lender and any other party named therein as an additional insured (other than in the case of non-payment in which case only ten days prior notice, or the shortest time allowed by applicable legal requirement (whichever is longer), will be required) and will not be materially changed (other than to increase the coverage provided thereby) without such a 30 day notice, (iii) the Lender will not be liable for any Insurance Premiums thereon or subject to any assessments thereunder, and (iv) the issuers thereof will give notice to the Lender if a Policy has not been renewed 10 days prior to its expiration.

If at any time the Lender is not in receipt of written evidence that all insurance required under the Loan Agreement is in full force and effect, the Lender will have the right to take such action as the Lender deems necessary to protect its interest in the Properties, including to obtain insurance coverage as the Lender in its sole discretion deems appropriate and all premiums incurred by the Lender in connection with such action or in obtaining such insurance and keeping it in effect is required to be paid by the Borrower to the Lender upon demand, will be secured by the Collateral Documents and will bear interest at the Default Rate.

All Policies will be required to be issued by financially sound and responsible insurance companies authorized to do business in the states where the applicable Properties are located and having a rating of “A3” or better by Moody’s or, if Moody’s does not provide a rating of an applicable insurance company, a rating of “A-” or better by S&P or Fitch, provided, however, that if the Borrower elects to have its insurance coverage provided by a syndicate of insurers,

then, if such syndicate consists of five or more members, (A) at least 60% of the insurance coverage (or 75% if such syndicate consists of four or fewer members) and 100% of the first layer of such insurance coverage will be required to be provided by insurance companies having a rating of "A3" or better by Moody's or, if Moody's does not provide a rating of an applicable insurance company, a rating of "A-" or better by S&P or Fitch and (B) the remaining 40% of the insurance coverage (or the remaining 25% if such syndicate consists of four or fewer members) will be required to be provided by insurance companies having a rating of "Baa2" or better by Moody's or, if Moody's does not provide a rating of an applicable insurance company, a rating of "BBB" or better by S&P or Fitch. All Policies will be required to (i) name the Lender and its successors and/or assigns as their interest may appear; (ii) with respect to all property insurance policies and rental loss and/or business interruption insurance policies, contain a Lender's loss payable endorsement, or their equivalents, naming the Lender as the person to whom all payments made by such insurance company are to be paid; (iii) with respect to all liability policies, name the Lender and its successors and/or assigns as an additional insured and (iv) contain a waiver of subrogation against the Lender.

The Borrower will be permitted to obtain and maintain Policies with deductibles in excess of the amounts specified in the Loan Agreement, so long as the Borrower deposits an amount equal to the difference between such higher deductible and the applicable deductible into the Special Insurance Reserve Account.

DESCRIPTION OF THE CERTIFICATES

General

The Certificates to be issued pursuant to the Trust and Servicing Agreement (the “Certificates”) will consist of three classes (each, a “Class”), designated as the Class A, Class B and Class R Certificates. The Class A Certificates are referred to in this information circular as the “Offered Certificates” or, so long as no Fannie Mae Guaranty Termination has occurred, the “Guaranteed Certificates.” The Class A and Class B Certificates are referred to in this information circular as the “Principal Balance Certificates.” The Class B and Class R Certificates are referred to in this information circular as the “Non-Offered Certificates.”

Each Class of Principal Balance Certificates will have the initial Certificate Balance shown below and corresponds to a Component of the Loan set forth in the table below.

<u>Principal Balance Certificates</u>	<u>Initial Certificate Balance⁽¹⁾</u>	<u>Corresponding Component</u>
Class A	\$944,500,000	Component A
Class B	\$55,499,713	Component B

(1) Approximate, subject to a variance of plus or minus 5%. The Securitization Sponsor or a “majority-owned affiliate” of the Securitization Sponsor intends to retain the Class B Certificates in order to comply with the Risk Retention Rules, to the extent and for so long as required by such rules, as described in this information circular under “Credit Risk Retention”. The aggregate initial Certificate Balance of the Class A Certificates and the Class B Certificates will be equal to the Cut-off Date Loan Balance, which is the original principal balance of the Loan.

The Class R Certificates will not have a corresponding Component.

The Certificates will represent in the aggregate the entire beneficial ownership interest in the Trust and including, among other things, the Note, the Certificate Collection Account and the Distribution Account.

Upon issuance, the Class A Certificates will be transferred by the Depositor to Fannie Mae, which will deposit them into the Fannie Mae Grantor Trust 2017-T1 and issue Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates, Fannie Mae Grantor Trust 2017-T1, Class A Certificates backed by the Class A Certificates (the “Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates”), whereupon Fannie Mae will deliver the Fannie Mae Guaranteed Pass-Through Certificates in exchange for the Class A Certificates. The Depositor will offer the Fannie Mae Guaranteed Pass-Through Certificates for sale to investors through the Placement Agents. Certain payments of principal and interest on the Class A Certificates will be guaranteed by the Guarantor, as further described under “Description of the Certificates—Fannie Mae Guaranty and Rights of the Guarantor” in this information circular.

Payment on the Certificates

On or prior to each Remittance Date, prior to the remittance of funds to the Certificate Administrator for deposit in the Distribution Account as described in the following paragraph, the Servicer is required to withdraw funds from the Certificate Collection Account as described below (the order set forth below constituting an order of priority for such withdrawals):

- (i) to withdraw funds deposited in the Certificate Collection Account in error;
- (ii) concurrently, to pay the Servicing Fee to the Servicer, to pay the Certificate Administrator Fee to the Certificate Administrator, to pay the Trustee Fee to the Trustee and to pay to CREFC®, the CREFC® License Fee;
- (iii) to pay, in the following order, (a) to the Servicer or the Special Servicer, as applicable, as additional compensation, any income earned (net of losses, subject to certain limitations set forth in the Trust and Servicing Agreement) on the investment of funds deposited in the Certificate Collection Account, any Foreclosed Collateral Account and, to the extent interest is not payable to the Borrower, any reserve account established under the Loan (each, a “Reserve Account”), and (b) to the Special Servicer, the Special Servicing Fee, if any, the Work-out Fee, if any, and the Liquidation Fee, if any;
- (iv) to reimburse the Trustee and the Servicer, in that order, for (a) Advances made by each and not previously reimbursed from late payments received during the applicable period on the Loan, liquidation

proceeds, condemnation proceeds, insurance proceeds and other collections on the Loan; provided, that any Advance that has been determined to be a Nonrecoverable Advance will be reimbursed pursuant to clause (v) below and (b) unpaid interest on such Advances at the Advance Rate; provided, however, that, prior to (x) final liquidation of the Collateral or, following a Foreclosure Event with respect to the Equity Collateral, all Properties or (y) the final payment and release of all the Collateral, interest on such Advances will only be paid out of Default Interest or late payment charges collected in the related Collection Period and after (x) final liquidation of the Collateral or, following a Foreclosure Event with respect to the Equity Collateral, all Properties or (y) the final payment and release of all of the Collateral, interest on such Advances may be paid out of other amounts on deposit in the Certificate Collection Account to the extent Default Interest and late payment charges are not sufficient to pay for such interest on Advances;

(v) to reimburse the Trustee and the Servicer, in that order, for any Nonrecoverable Advances made by each and not previously reimbursed that are not covered by clause (iv)(a) above together with unpaid interest thereon at the Advance Rate; first, out of late payments received during the applicable period on the Loan, liquidation proceeds, condemnation proceeds, insurance proceeds, if any, received on the Loan, second, out of the principal portion of general collections on the Loan, and then, to the extent the principal portion of general collections is insufficient and with respect to such deficiency only, subject to any election at the sole discretion of the Trustee or the Servicer, as applicable, to defer reimbursement thereof pursuant the Trust and Servicing Agreement and as described below, out of other collections on the Loan;

(vi) to reimburse the Trustee, the Certificate Administrator, the Servicer and the Special Servicer, in that order, for expenses incurred by them in connection with the liquidation of the Collateral or following a Foreclosure Event with respect to the Equity Collateral, any of the Properties and not otherwise covered and paid by an insurance policy or deducted from the proceeds of liquidation;

(vii) to pay to the Servicer, the Special Servicer and the Custodian, as additional compensation, to the extent actually received from the Relevant Parties (and permitted by (or not otherwise prohibited by) and allocated as such pursuant to the terms of the Loan Documents or the Trust and Servicing Agreement) and deposited into the Certificate Collection Account by the Servicer, any payments in the nature of late payment charges (to the extent remaining after payments pursuant to clauses (iv) and (v) above) and Default Interest (to the extent remaining after payments pursuant to clauses (iv) and (v) above), Assumption Fees, Assumption Application Fees, substitution fees, release fees, Modification Fees, consent fees, amounts collected for checks returned for insufficient funds, charges for beneficiary statements or demands, loan processing fees, loan service transaction fees, safekeeping fees (other than with respect to the Custodian, the safekeeping fees of which are paid from the Certificate Administrator Fee) and similar fees and expenses (other than any Fannie Mae Loan Fee) and any income earned (net of losses) on the investment of funds deposited in the Certificate Collection Account, any Foreclosed Collateral Account and any Reserve Account to which the Servicer, the Special Servicer and the Custodian, as applicable, are entitled;

(viii) to pay or reimburse the Depositor, the Trustee, the Certificate Administrator (including in its capacity as Custodian), the Servicer, the Guarantor and the Special Servicer, in that order, for any indemnities, expenses and other amounts then due and payable or reimbursable to each pursuant to the terms of the Trust and Servicing Agreement and not previously paid or reimbursed pursuant to the preceding clauses (other than (x) the Fannie Mae Guaranty Fee and (y) and Class A Guarantor Entitlement Amount);

(ix) to the extent not previously paid or advanced, to pay to the Certificate Administrator (or set aside for eventual payment) any and all taxes imposed on the Trust, the Trust Fund or the Trust REMIC by federal or state governmental authorities; provided, that, if such taxes are the result of the Depositor's, Servicer's, Special Servicer's, Certificate Administrator's or Trustee's, as applicable, negligence, bad faith, fraud or willful misconduct, such amounts cannot be withdrawn from the Certificate Collection Account, but will be paid by such party that was negligent, acted in bad faith or engaged in fraud or willful misconduct pursuant to the indemnity provisions of the Trust and Servicing Agreement; and

(x) to remit any remaining funds after the withdrawals specified in clauses (i) through (ix) above to the Certificate Administrator for deposit in the Distribution Account.

The aggregate amount of such payments or withdrawals pursuant to clauses (i) through (ix) above with respect to any Remittance Date is referred to in this information circular as the "Available Funds Reduction Amount."

With respect to any Remittance Date, in no event will the Servicer be permitted to make a withdrawal pursuant to clause (ii), (iii), (iv), (vi) or (viii) if, as a result of such withdrawal, the amount on deposit in the Certificate Collection

Account after giving effect to the withdrawal would be less than the amount of the Required Advance Amount; provided, that the Servicer will be permitted to make withdrawals in the order of priority specified above to the extent of funds on deposit in the Certificate Collection Account until the amount remaining on deposit in the Certificate Collection Account after giving effect to such withdrawals is equal to the Required Advance Amount. Notwithstanding the foregoing, such withdrawal limitations will not apply upon (1) the final liquidation of the Collateral or following a Foreclosure Event with respect to the Equity Collateral, all the Properties, (2) the final payment of the Loan and release of the Collateral or (3) the determination that any Advance that would increase the currently unreimbursed Advances in the aggregate such that it would be a Nonrecoverable Advance.

The Servicer (or the Trustee) will be required to advance, to the extent it determines that such advance and interest on such advance will not be a Nonrecoverable Advance, Monthly Payment Advances on each Remittance Date as and to the extent described in “*Description of the Trust and Servicing Agreement—Advances*” in this information circular. Any determination by the Servicer or the Trustee that any Administrative Advance would constitute a Nonrecoverable Advance will not limit the right of other transaction parties to be reimbursed from the Trust for amounts that would otherwise have been paid to such parties by the Servicer had such Administrative Advance been made.

If the Servicer or the Trustee determines that an Advance is a Nonrecoverable Advance and funds in the Certificate Collection Account allocable to principal and available for distribution on the next Distribution Date are insufficient to fully reimburse the party entitled to reimbursement, then such party may elect, on a monthly basis, in its sole discretion, as applicable, to defer reimbursement of the portion that exceeds such amount allocable to principal (in which case interest will continue to accrue on the unreimbursed portion of the Advance at the Advance Rate) during the Collection Period ending on the then-current Determination Date for successive one-month periods for a total period not to exceed 12 months. At any time after such determination, the Servicer or the Trustee, as applicable, may, in its sole discretion, decide to obtain reimbursement, along with interest thereon at the Advance Rate, out of general collections on the Loan immediately (payable from principal collections prior to payment from other collections). The fact that a decision to recover a Nonrecoverable 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 Accepted Servicing Practices (or in the case of the Trustee, its reasonable business judgment) or a breach of the terms of the Trust and Servicing Agreement by any party thereto, or a violation of any fiduciary duty owed by any party thereto to the Certificateholders.

The “Required Advance Amount” with respect to any Distribution Date, means an amount equal to (a) the amount of the Monthly Payment Advance (taking into account any Calculated Portfolio Value Reduction Amount as of such Distribution Date) that would be required to be made on the related Remittance Date by the Servicer had the Borrower not made any portion of the Monthly Payment (or Assumed Monthly Payment) for the related Monthly Payment Date (or Assumed Payment Date) less (b) the aggregate compensation payable on such Remittance Date to the Servicer in respect of the Servicing Fee and CREFC® License Fee.

The “Distribution Date” means the 25th day of each month, or if such date is not a Business Day, the immediately succeeding Business Day, commencing in May 2017.

The “Determination Date” means, with respect to each Distribution Date, the 13th day of the calendar month in which such Distribution Date occurs or, if such day is not a Business Day, the immediately preceding Business Day.

“Fannie Mae Loan Fee” means any Fannie Mae Release Fee, Fannie Mae Review Fee, Fannie Mae Substitution Fee or Fannie Mae Transfer Fee, as the case may be. “Fannie Mae Release Fee” means the fees payable to Fannie Mae under the Loan Agreement in connection with a Property release request. “Fannie Mae Substitution Fee” means the fee payable to Fannie Mae in connection with a request for a Property substitution. “Fannie Mae Transfer Fee” means a fee payable at the time a Proposed Entity Interest Transfer occurs. “Fannie Mae Review Fee” means the fee payable to Fannie Mae in connection with a review of a transfer notice in connection with a Proposed Entity Interest Transfer.

The “Remittance Date” with respect to any Distribution Date means the Business Day immediately preceding such Distribution Date.

On each Remittance Date, the funds in the Certificate Collection Account received during the related Collection Period and remaining after withdrawing the Available Funds Reduction Amount will be required to be remitted into an account (the “Distribution Account”) established by the Certificate Administrator in the name of the Trustee and for the benefit of the Certificateholders.

On each Distribution Date, the Certificate Administrator will be obligated to remit funds from the Distribution Account to the holders of record of each Class of Certificates at the close of business on the related Record Date and to the Guarantor in the manner described below. Each holder of a Certificate will receive distributions in accordance with its Percentage Interest in the amounts payable to such Class of Certificates. With respect to each Distribution Date, the record date (the "Record Date") for the Classes of Certificates will be the close of business on the last Business Day of the calendar month immediately preceding the month in which such Distribution Date occurs. The "Percentage Interest" means, with respect to any Certificate (other than the Class R Certificates), the percentage interest evidenced thereby in distributions required to be made with respect to the related Class. With respect to any Principal Balance Certificate, the Percentage Interest is equal to the initial Certificate Balance of such Certificate divided by the initial Certificate Balance of all of the Certificates of the related Class. With respect to the Class R Certificates, the Percentage Interest is equal to the percentage specified on the Certificate held by the Holder of such Certificate.

Notwithstanding the foregoing, no payment will be made to the holder of a beneficial interest in a Temporary Regulation S Global Certificate unless and until such holder has delivered to Euroclear or Clearstream, as applicable, a Regulation S Certification. Any payments made to DTC and transferred to Euroclear or Clearstream, as applicable, with respect to the portion of a Temporary Regulation S Global Certificate owned by any such beneficial owner will be held by Euroclear or Clearstream, as the case may be, prior to receipt of the Regulation S Certification solely as agent for the Trust.

For each Distribution Date, interest will accrue on the outstanding Certificate Balance of each Class of Principal Balance Certificates at the Pass-Through Rate. The "Pass-Through Rate" applicable to the Principal Balance Certificates for each Distribution Date will be (a) in the case of the Class A Certificates, a fixed *per annum* rate equal to (x) 4.168% less (y) the Fannie Mae Guaranty Fee Rate as of the related Distribution Date and (b) in the case of the Class B Certificates, a fixed *per annum* rate equal to 4.168%. The Class R Certificates will have no Pass-Through Rate, and no interest will accrue on the Class R Certificates.

Calculations of interest on the Principal Balance Certificates will be made on the basis of a 30-day interest accrual period and a 360-day year.

"Interest Accrual Period" means, with respect to each Class of Principal Balance Certificates and for any Distribution Date, the calendar month immediately preceding the calendar month in which such Distribution Date occurs. The initial Interest Accrual Period will consist of 30 days.

Distributions on each Class of Certificates will be made on each Distribution Date from the Available Funds in the following order of priority:

first, to the Guarantor, the Fannie Mae Guaranty Fee for such Distribution Date;

second, to the holders of the Class A Certificates, up to the Interest Distribution Amount for such Class and such Distribution Date;

third, to the Guarantor, any Class A Guarantor Entitlement Amount due on such Distribution Date;

fourth, to the holders of the Class A Certificates, in reduction of the Certificate Balance thereof, in an amount equal to the Principal Distribution Amount for such Class and such Distribution Date until the Certificate Balance thereof is reduced to zero;

fifth, the case of a default under the Fannie Mae Guaranty, to the holders of the Class A Certificates, up to the amount of all Applied Realized Loss Amounts previously allocated to such Class and not reimbursed on prior Distribution Dates;

sixth, to the holders of the Class B Certificates, up to the Interest Distribution Amount for such Class and such Distribution Date;

seventh, to the holders of the Class B Certificates, in reduction of the Certificate Balance thereof, in an amount equal to the Principal Distribution Amount for such Class and such Distribution Date until the Certificate Balance thereof is reduced to zero;

eighth, to the holders of the Class B Certificates, up to the amount of all Applied Realized Loss Amounts previously allocated to such Class and not reimbursed on prior Distribution Dates; and

lastly, to the holders of the Class R Certificates, any remaining amounts.

In no event will any Class of Certificates receive distributions in reduction of its Certificate Balance that in the aggregate exceed the original Certificate Balance of such Class.

An “Applied Realized Loss Amount” means all amounts applied to reduce the Certificate Balance of a Class of Certificates in respect of Realized Losses as described in “*Description of the Certificates—Realized Losses*.”

The “Available Funds” on each Distribution Date will be equal to all amounts received in respect of the Loan (other than Yield Maintenance Premiums) during the related Collection Period or advanced in respect of principal and interest with respect to such Distribution Date (including, without limitation, any Repurchase Price, Depositor Indemnification Payments, Accommodation Loan Seller Indemnification Payments, liquidation proceeds, insurance proceeds or condemnation proceeds received by the Trust), reduced by the Available Funds Reduction Amount.

The “Collection Period” means (i) with respect to the first Distribution Date following the Closing Date, the period commencing on and including the Cut-off Date and ending on and including the Determination Date relating to such Distribution Date and (ii) with respect to any other Distribution Date, the period commencing on and including the date immediately following the Determination Date relating to the immediately preceding Distribution Date and ending on and including the Determination Date relating to such Distribution Date.

The “Current Interest Determination Amount” with respect to any Distribution Date for any Class of Principal Balance Certificates is equal to interest accruing during the related applicable Interest Accrual Period at the applicable Pass-Through Rate for such Interest Accrual Period on the Certificate Balance of such Class of Certificates as of the prior Distribution Date (after giving effect to distributions of principal and allocation of Realized Losses, if any, on such prior Distribution Date) or with respect to the first Distribution Date, the Closing Date.

The “Interest Distribution Amount” with respect to any Distribution Date for any Class of Principal Balance Certificates is the sum of the Current Interest Determination Amount for such Distribution Date and such Class of Certificates plus the aggregate unpaid Interest Shortfalls in respect of prior Distribution Dates for such Class of Certificates; provided that if the Certificate Balance of any such Class of Certificates is reduced to zero as described under “*Description of the Certificates—Realized Losses*,” any amounts available to pay Interest Shortfalls that accrued prior to the Certificate Balance of such Class being reduced to zero shall be paid to such Class.

An “Interest Shortfall” with respect to any Distribution Date for any Class of Principal Balance Certificates is the amount by which the Current Interest Determination Amount for such Class of Certificates exceeds the amount actually paid in respect of such Class on such Distribution Date (including any Class A Guaranteed Payment Amount made to holders of the Guaranteed Certificates on account of interest).

The “Principal Distribution Amount” for each Distribution Date and any Class of Principal Balance Certificates will equal the sum of (i) the Regular Principal Distribution Amount for such Distribution Date and such Class and (ii) the aggregate Principal Shortfalls in respect of prior Distribution Dates for such Class of Certificates; provided that if the Certificate Balance of any such Class of Certificates is reduced to zero as described under “*Description of the Certificates—Realized Losses*,” any amounts available to pay Principal Shortfalls that accrued prior to the Certificate Balance of such Class being reduced to zero shall be paid to such Class.

The “Regular Principal Distribution Amount” for each Distribution Date and any Class of Principal Balance Certificates will equal the sum of (i) all amounts collected or advanced in respect of principal with respect to the Loan during the related Collection Period and (ii) all amounts received with respect to such Distribution Date on account of any Repurchase Price, Depositor Indemnification Payments, Accommodation Loan Seller Indemnification Payments, liquidation proceeds, condemnation proceeds, insurance proceeds or otherwise in respect of principal on the Loan, in each case that are allocable to such Class of Principal Balance Certificates pursuant to the Trust and Servicing Agreement.

The “Principal Shortfall” for each Distribution Date and any Class of Principal Balance Certificates is the amount by which the Regular Principal Distribution Amount for such Class exceeds the amount actually distributed to such Class in respect of principal on such Distribution Date.

“Sequential Order” means, with respect to (A) distributions in respect of principal or interest on the Certificates on any Distribution Date, the Class A and Class B Certificates, in that order, in each case until the principal or interest, as applicable, then payable to each such Class is paid in full and (B) payments in respect of principal or interest on the Components on any Monthly Payment Date, to Component A and Component B in that order, in each case, until the principal or interest, as applicable, to which each such Component is entitled is paid in full.

The "Fannie Mae Guaranty Fee" for any Distribution Date, the amount payable to the Guarantor in respect of its guaranty obligations under the Trust and Servicing Agreement, which amount will accrue at the Fannie Mae Guaranty Fee Rate on a balance equal to the aggregate Certificate Balance of the Guaranteed Certificates as of the day immediately prior to such Distribution Date. The Fannie Mae Guaranty Fee will be calculated on the basis of a 360-day year and twelve 30-day months.

The "Fannie Mae Guaranty Fee Rate" is 1.27% *per annum*; provided, that following a Fannie Mae Guaranty Fee Termination Event, the Fannie Mae Guaranty Fee Rate will be equal to zero.

With respect to each Distribution Date, in addition to the amounts set forth above, following the timely receipt of a Notice of Claim as described under *"–Fannie Mae Guaranty and Rights of the Guarantor,"* Fannie Mae will, on the Business Day prior to the related Distribution Date, remit funds in the amount of the applicable Class A Guaranteed Payment Amount to the Guaranty Payment Account and the Certificate Administrator will distribute the amount on deposit in the Guaranty Payment Account directly to the holders of the Guaranteed Certificates on such Distribution Date.

The "Class A Guaranteed Payment Amount" is, for any Distribution Date and the Guaranteed Certificates the sum of:

- (i) the Class A Guaranteed Interest Deficiency Amount; and
- (ii) the Class A Guaranteed Principal Distribution Amount.

The "Class A Guaranteed Interest Deficiency Amount" is, for any Distribution Date and the Guaranteed Certificates, the amount, if any, by which the Current Interest Determination Amount in respect of the Guaranteed Certificates exceeds the amount of interest to be actually distributed to the holders of the Guaranteed Certificates on such Distribution Date (without giving effect to any Class A Guaranteed Payment Amount).

The "Class A Guaranteed Principal Distribution Amount" is, for any Distribution Date and the Guaranteed Certificates, to the extent not duplicative, the sum of:

- (i) with respect to the Guaranteed Certificates, the amount, if any, of Applied Realized Loss Amounts allocated to the Guaranteed Certificates; and
- (ii) with respect to the Guaranteed Certificates, on the Guaranty Principal Final Distribution Date, the related Class Principal Balance (after giving effect to all amounts distributable and allocable to principal for the Guaranteed Certificates but prior to giving effect to any Class A Guaranteed Payment Amount on the Guaranty Principal Final Distribution Date).

The "Guaranty Principal Final Distribution Date" is the Distribution Date in June 2027.

The "Class A Guarantor Entitlement Amount" means, for any Distribution Date, the sum of (a) any Class A Guarantor Reimbursement Amount and (b) any Class A Final Guaranty Additional Interest Amount.

The "Class A Guarantor Reimbursement Amount" is, with respect to any Distribution Date, the sum of (i) the Class A Guarantor Interest Reimbursement Amount and (ii) the Class A Guarantor Principal Reimbursement Amount.

The "Class A Guarantor Interest Reimbursement Amount" is, with respect to any Distribution Date, the sum of (i) any accrued but unpaid Fannie Mae Guaranty Fees, including the Fannie Mae Guaranty Fee due on such Distribution Date, and (ii) all amounts paid by the Guarantor in respect of the Class A Guaranteed Interest Deficiency Amounts on all prior Distribution Dates to the extent not previously reimbursed.

The "Class A Guarantor Principal Reimbursement Amount" is, with respect to any Distribution Date, all amounts paid by the Guarantor in respect of Class A Guaranteed Principal Distribution Amounts on all prior Distribution Dates to the extent not previously reimbursed.

The "Class A Final Distribution Guaranty Payment" is any payment made by the Guarantor in respect of the amount set forth in clause (ii) of the definition of Class A Guaranteed Principal Distribution Amount on the Guaranty Principal Final Distribution Date.

The "Class A Final Guaranty Additional Interest Amount" is, for any Distribution Date following a Class A Final Distribution Guaranty Payment to the extent such Class A Final Distribution Guaranty Payment has not been

reimbursed, the sum of (a) interest accrued at rate equal to the sum of the Class A Pass-Through Rate and the Fannie Mae Guaranty Fee Rate on an amount equal to the Class A Final Distribution Guaranty Payment calculated on the basis of a 360-day year with twelve 30-day months and (b) any amount calculated as described in clause (a) for prior Distribution Dates that remain unreimbursed.

Allocation of Yield Maintenance Premiums

On any Distribution Date, the Certificateholders of each Class of Principal Balance Certificates will be entitled to receive an amount, if any, of Yield Maintenance Premiums for the Loan prepayments as follows: (a) Yield Maintenance Premiums received with respect to Component A will be distributed to holders of the Class A Certificates and the Guarantor, pro rata, based on the Pass-Through Rate of the Class A Certificates and the Fannie Mae Guaranty Fee Rate and (b) Yield Maintenance Premiums received with respect to Component B will be distributed to the holders of the Class B Certificates. For a description of Yield Maintenance Premiums, see "*Description of the Loan—Prepayment*" in this information circular.

Distributions in Respect of the Loan after a Loan Event of Default and Foreclosed Collateral

Absent express provisions in the Loan Documents or if and to the extent that such terms authorize the Lender to use its discretion and in any event for purposes of calculating distributions under the Trust and Servicing Agreement after a Loan Event of Default, all amounts collected by or on behalf of the Trust in respect of the Loan in the form of payments from the Relevant Parties, liquidation proceeds, condemnation proceeds or insurance proceeds will be applied in the following order of priority:

first, as a recovery of any related and unreimbursed Advances plus interest accrued on such advances and, if applicable, unreimbursed liquidation expenses and unreimbursed Trust Fund Expenses;

second, as a recovery of Nonrecoverable Advances or interest on Nonrecoverable Advances to the extent previously reimbursed from principal collections with respect to the Loan;

third, to the extent not previously allocated pursuant to clause *first* above, as a recovery of accrued and unpaid interest on each Component of the Loan to the extent of the excess of (i) accrued and unpaid interest on such Component at the Regular Component Interest Rate of such Component (without giving effect to any increase in such Regular Component Interest Rate of such Component required under the Loan Agreement as a result of a default under the Loan) to, but not including, the date of receipt by or on behalf of the Trust (or, in the case of a full Monthly Payment from the Relevant Parties, through the related Loan Interest Accrual Period), over (ii) the cumulative amount of the reductions (if any) in the amount of the interest portion of the related Monthly Payment Advances for such Component that have occurred in connection with Calculated Portfolio Value Reduction Amounts (to the extent that collections have not been applied as a recovery of accrued and unpaid interest pursuant to clause *fifth* below on earlier dates) (such accrued and unpaid interest to be applied in Sequential Order);

fourth, as a recovery of principal of the Loan then due and owing, including by reason of acceleration of the Loan following a Loan Event of Default (or, if the Loan has been liquidated, as a recovery of principal to the extent of its entire remaining unpaid original principal balance) (such principal to be applied to the Components in Sequential Order, in each case until the outstanding principal balance of each such Component is reduced to zero);

fifth, as a recovery of accrued and unpaid interest on each Component of the Loan to the extent of the cumulative amounts of reductions (if any) in the amount of the interest portion of the related Monthly Payment Advances for such Component that have occurred in connection with related Calculated Portfolio Value Reduction Amounts (to the extent collections have not been applied as a recovery of accrued and unpaid interest pursuant to this clause *fifth* on earlier dates) (such accrued and unpaid interest to be applied in Sequential Order);

sixth, as a recovery of amounts to be currently applied to the payment of, or escrowed for the future payment of, real estate taxes, assessments and insurance premiums and similar items;

seventh, as a recovery of any other reserves to the extent then required to be held in escrow;

eighth, as a recovery of any Yield Maintenance Premium then due and owing under the Loan (such Yield Maintenance Premium to be applied in Sequential Order);

ninth, as a recovery of any Assumption Fees and Modification Fees then due and owing under the Loan;

tenth, as a recovery of any Default Interest or late charges then due and owing under the Loan;

eleventh, as a recovery of any other amounts then due and owing under the Loan other than remaining unpaid principal; and

twelfth, as a recovery of any remaining principal of the Loan to the extent of its entire remaining unpaid principal balance;

provided that, to the extent required under the REMIC Provisions of the Code, payments or proceeds received with respect to the release any portion of the Collateral, including the Properties (including following a condemnation) from the lien of the Collateral Documents (including, if applicable, the related Mortgage) must be allocated to reduce the principal balance of the Loan in the manner permitted by such REMIC Provisions if, immediately following such release, the loan-to-value ratio of the Loan exceeds 125% (based solely on real property and excluding any personal property and going concern value).

"Borrower Reimbursable Trust Fund Expenses" means the fees and expenses of the Servicer (other than the Servicing Fee), Special Servicer, Certificate Administrator and Trustee and any reasonable third-party fees and expenses, including, without limitation, Special Servicing Fees, Work-out Fees or Liquidation Fees and any other similar fees, and interest at the Advance Rate payable on Advances made by the Servicer or the Trustee, as applicable, and reasonable attorney's fees and disbursements and fees and expenses in connection with a prepayment, release of any Collateral, special servicing or work-out of the Loan, costs of Broker Price Opinions and Appraisals, or enforcement of the Loan Documents (other than the cost of regular annual inspections required to be borne by the Servicer pursuant to the terms of the Trust and Servicing Agreement), for which the Borrower will be obligated to reimburse the Trust pursuant to the Loan Agreement.

"REMIC Provisions" means the provisions of the Code relating to "real estate mortgage investment conduits," including Sections 860A through 860G of the Code, including the regulations promulgated thereunder, and the court decisions and published administrative pronouncements interpreting such sections of the Code.

"Trust Fund Expenses" means any unanticipated and certain other default related-expenses incurred by the Trust Fund (including, without limitation, all interest on Advances and all Borrower Reimbursable Trust Fund Expenses, to the extent not reimbursed by the Relevant Parties or deemed a Nonrecoverable Advance) and all other amounts (such as indemnification payments, Special Servicing Fees, Work-out Fees and Liquidation Fees) permitted to be retained by, reimbursed to, or withdrawn and remitted by the Servicer, the Special Servicer or the Certificate Administrator (on behalf of itself or the Trustee), as applicable, from the Certificate Collection Account or the Distribution Account pursuant to the Trust and Servicing Agreement.

Collections by or on behalf of the Trust in respect of any Foreclosed Collateral following a Foreclosure Event (exclusive of amounts to be applied to the payment of the costs of operating, managing, leasing, maintaining and disposing of such Foreclosed Collateral (or the Properties)) will be applied in the following order of priority:

first, as a recovery of any related and unreimbursed Advances plus interest accrued on such advances and, if applicable, unreimbursed liquidation expenses and unpaid Trust Fund Expenses;

second, as a recovery of Nonrecoverable Advances or interest on Nonrecoverable Advances to the extent previously reimbursed from principal collections with respect to the Loan;

third, to the extent not previously allocated pursuant to clause *first* above, as a recovery of accrued and unpaid interest on each Component of the Loan to the extent of the excess of (i) accrued and unpaid interest on such Component at the Regular Component Interest Rate of such Component (without giving effect to any increase in such Regular Component Interest Rate of such Component required under the Loan Agreement as a result of a default under the Loan) to, but not including, the Monthly Payment Date in the Collection Period in which such collections were received, over (ii) the cumulative amount of the reductions (if any) in the amount of the interest portion of the related Monthly Payment Advances for such Component that have occurred in connection with Calculated Portfolio Value Reduction Amounts (to the extent that collections have not been applied as a recovery of accrued and unpaid interest pursuant to clause *fifth* below on earlier dates) (such accrued and unpaid interest to be applied in Sequential Order);

fourth, as a recovery of principal of the Loan to the extent of its entire unpaid original principal balance (such principal to be applied to the Components in Sequential Order, in each case until the outstanding principal balance of each such Component is reduced to zero);

fifth, as a recovery of accrued and unpaid interest on each Component of the Loan to the extent of the cumulative amount of the reductions (if any) in the amount of the interest portion of the related Monthly Payment Advances for such Component that have occurred in connection with related Calculated Portfolio Value Reduction Amounts (to the extent that collections have not been applied as a recovery of accrued and unpaid interest pursuant to this clause fifth on earlier dates) (such accrued and unpaid interest to be applied in Sequential Order);

sixth, as a recovery of any Yield Maintenance Premium then due and owing under the Loan (such Yield Maintenance Premium to be applied in Sequential Order);

seventh, as a recovery of any Assumption Fees and Modification Fees then due and owing under the Loan;

eighth, as a recovery of any Default Interest or late charges then deemed to be due and owing under the Loan; and

ninth, as a recovery of any other amounts then due and owing under the Loan.

Realized Losses

The Certificate Administrator will allocate Realized Losses on the Loan *first*, to the Class B Certificates, *second*, to the Class A Certificates, until the Certificate Balance of that Class has been reduced to zero. As a result of such reductions, less interest will accrue on each such Class of Principal Balance Certificates than would otherwise be the case. Once a Realized Loss is allocated to a Certificate, no principal or interest will be distributable with respect to such written down amount except as described in “—*Payment on the Certificates*” above. For the purposes of determining Realized Losses, the outstanding Principal Balance of the Loan will be considered zero following a Final Recovery Determination.

Calculated Portfolio Value Reductions

Within 45 days after the occurrence of a Calculated Portfolio Value Reduction Event, the Special Servicer is required to:

(i) notify the Servicer, the Trustee, the Certificate Administrator and the Directing Certificateholder of such occurrence of a Calculated Portfolio Value Reduction Event;

(ii) order and use reasonable efforts to obtain from an independent person, Broker Price Opinions for all Properties; provided that, if the Special Servicer determines in accordance with Accepted Servicing Practices, or the Directing Certificateholder directs the Special Servicer, to determine that a Broker Price Opinion is not sufficient with respect to a Property, the Special Servicer shall order and use an Appraisal (in each case, the cost of which shall be paid by the Servicer as a Servicing Advance or Administrative Advance (or shall be a Trust Fund Expense if the Servicer determines that such Advance would constitute a Nonrecoverable Advance)); provided further that the Special Servicer will not be required to obtain a Broker Price Opinion or Appraisal, as the case may be, for any Property with respect to which there exists a Broker Price Opinion or Appraisal, as the case may be, which was performed less than nine (9) months prior to the Calculated Portfolio Value Reduction Event unless the Special Servicer is aware of any material change in the market or condition or value of the Properties;

(iii) determine on the basis of such Broker Price Opinions or Appraisals, the Adjusted Aggregate BPO/Appraised Value; and

(iv) using the Adjusted Aggregate BPO/Appraised Value determine whether there exists any Calculated Portfolio Value Reduction Amount; provided that, if there exists an Appraisal of the Equity Collateral which was performed less than nine (9) months prior to the Calculated Portfolio Value Reduction Event, the Adjusted Appraised Equity Value shall be used for purposes of calculating the Calculated Portfolio Value Reduction Amount.

Each Broker Price Opinion will be determined on an “as-is” basis based on an exterior review of the Property obtained from a vendor that is independent with respect to the Special Servicer.

The cost of obtaining the Broker Price Opinions or Appraisal, as the case may be, shall be paid by the Servicer as a Servicing Advance or an Administrative Advance unless it would constitute a Nonrecoverable Advance and in such case, as a Trust Fund Expense. Updates of the Broker Price Opinions or Appraisals, as the case may be, shall be obtained by the Special Servicer and paid for by the Servicer as a Servicing Advance or an Administrative Advance (or shall be a Trust Fund Expense if the Servicer determines that such Advance would constitute a Nonrecoverable Advance) every 12 months for so long as a Calculated Portfolio Value Reduction Event exists, and the Calculated Portfolio Value Reduction Amount shall be adjusted accordingly, and if required in accordance with any such adjustment, each Class of Certificates that has been notionally reduced as a result of Calculated Portfolio Value Reduction Amounts shall have its related Certificate Balance notionally restored to the extent required by such adjustment of the Calculated Portfolio Value Reduction Amount. Any Calculated Portfolio Value Reduction Amount determined pursuant to this paragraph is required to be set forth in a notice delivered by the Special Servicer to the Servicer, the Trustee, the Directing Certificateholder, the Certificate Administrator and the Directing Certificateholder/17g-5 Information Provider and the Certificate Administrator shall promptly post such Calculated Portfolio Value Reduction Amount to the Certificate Administrator website and the Directing Certificateholder/17g-5 Information Provider is required to promptly post such Calculated Portfolio Value Reduction Amount to the Directing Certificateholder/17g-5 Information Provider's website pursuant to the Trust and Servicing Agreement.

While a Calculated Portfolio Value Reduction Amount exists, (i) the amount of any Monthly Payment Advances with respect to delinquent payments of interest on the Loan will be reduced as described under “*Description of the Trust and Servicing Agreement—Advances*” in this information circular and may result in Interest Shortfalls borne by one or more Classes of Principal Balance Certificates as described in this information circular and (ii) the Voting Rights of certain Classes of Principal Balance Certificates will be reduced as described below under “*Voting Rights*” in this information circular.

The Certificate Balance of each of the Principal Balance Certificates will be notionally reduced (solely for purposes of determining (x) the Voting Rights of the related Class in certain limited circumstances as described in this information circular and (y) the amount of Monthly Payment Advances required to be made by the Servicer (or the Trustee) on any Distribution Date) to the extent of the Calculated Portfolio Value Reduction Amount allocated to such Class on such Distribution Date. The Calculated Portfolio Value Reduction Amount for any Distribution Date will be applied to notionally reduce the Certificate Balance of the Class B Certificates; provided that the Certificate Balance of the Class B Certificates may not be notionally reduced below zero. Calculated Portfolio Value Reduction Amounts will not be applied to notionally reduce the Certificate Balance of any Class A Certificate.

If (i) a Calculated Portfolio Value Reduction Event has occurred, (ii) either (A) no Broker Price Opinions or Appraisals, as applicable, have been obtained or conducted with respect to the Properties or the Equity Collateral during the twelve-month period prior to the date of such Calculated Portfolio Value Reduction Event or (B) a material change in the residential housing market has occurred based on the Burns Home Value Index™ or such other index as selected by the Special Servicer, and (iii) the required Calculated Portfolio Value has not been determined using new Broker Price Opinions or Appraisals, as applicable, within 45 days after the Calculated Portfolio Value Reduction Event has occurred, then (x) until the required Calculated Portfolio Value is determined using new Broker Price Opinions or Appraisals, as applicable, the Calculated Portfolio Value Reduction Amount will be calculated using the most recently calculated Calculated Portfolio Value as adjusted by the Special Servicer to reflect any decrease in the price of residential housing based on the Burns Home Value Index™ or such other index as selected by the Special Servicer, and (y) upon determination of the required Calculated Portfolio Value by the Special Servicer, the Calculated Portfolio Value Reduction Amount will be recalculated by the Special Servicer in accordance with the preceding sentence. Notwithstanding the foregoing, such deemed Calculated Portfolio Value Reduction Amounts will not be allocated to any Class of Certificates for purposes of determining the allocation of Voting Rights.

If a portion of one or more Monthly Payment Advances with respect to the Loan was reduced as a result of a Calculated Portfolio Value Reduction Event, the amount of the net liquidation proceeds to be applied to interest will be reduced by the aggregate amount of such reductions and the portion of such net liquidation proceeds to be applied to principal will be increased by such amount, and if the amounts of the net liquidation proceeds to be applied to principal have been applied to pay the principal of the Loan in full, any remaining net liquidation proceeds will then be applied to pay any remaining accrued and unpaid interest on the Loan in accordance with the Trust and Servicing Agreement.

"Calculated Portfolio Value Reduction Event" means, the earliest of:

- (i) 60 days after an uncured payment delinquency (other than a delinquency in respect of the Balloon Payment) occurs in respect of the Loan;
- (ii) 30 days after an uncured delinquency occurs in respect of the Balloon Payment for the Loan unless a refinancing is anticipated within 60 days after the Maturity Date of the Loan (as evidenced by a written refinancing commitment from an acceptable lender and reasonably satisfactory in form and substance to the Servicer that provides that such refinancing will occur within 60 days after the Maturity Date), in which case 60 days after such uncured delinquency;
- (iii) 10 days after an uncured failure by the Borrower to pay Borrower Reimbursable Trust Fund Expenses under the Loan;
- (iv) 60 days after a modification of the Loan has become effective that (a) results in a reduction in Monthly Payments or (b) results in a material adverse economic change with respect to the terms of the Loan;
- (v) 60 days after an extension of the Maturity Date of the Loan (except for an extension within the time periods described in clause (ii) above or in accordance with the Loan Documents);
- (vi) immediately after a receiver has been appointed in respect of any Collateral on behalf of the Trust or any other creditor;
- (vii) immediately after any Relevant Party declares bankruptcy or admits in writing the inability to pay its debts as they come due or makes an assignment for the benefit of creditors;
- (viii) immediately after any Relevant Party becomes the subject of a bankruptcy, insolvency or similar proceeding, which remains undismissed for a period of 60 days; or
- (ix) immediately following a Foreclosure Event.

"Calculated Portfolio Value Reduction Amount" means, as of any date of determination, an amount equal to the excess of (i) the outstanding principal balance of the Loan on such date plus the sum of (A) to the extent not previously advanced by the Servicer or the Trustee, all accrued and unpaid interest on each Component at the related Regular Component Interest Rate, (B) all unreimbursed Administrative Advances, Servicing Advances and interest on all Advances at the Advance Rate, (C) the amount of any Advances and interest thereon previously reimbursed from principal collections on the Loan that have not otherwise been recovered from the Borrower, (D) to the extent not duplicative of amounts in clause (ii) of the definition of Adjusted Aggregate BPO/Appraised Value, all currently due and unpaid real estate taxes and assessments and insurance premiums and all other amounts due and unpaid in respect of the Properties (which taxes, premiums and other amounts have not been the subject of an Advance) and (E) to the extent not duplicative of amounts in clauses (B), (C) or (D), all unpaid Trust Fund Expenses over (ii) the sum of (A) 90% of the Calculated Portfolio Value *plus* (B) any escrows, including for taxes and insurance premiums.

"Adjusted Aggregate BPO/Appraised Value" means, as of any date of determination, an amount equal to the excess of (i) the Aggregate BPO/Appraised Value of all Properties owned by the Borrower based on the most recent Broker Price Opinion or Appraisal obtained on each Property over (ii) the sum of (a) any liabilities included on the Borrower's most recent financial statement delivered pursuant to the Loan Agreement (other than the Loan), (b) any liens on the Equity Collateral, the Properties or other Collateral senior to the lien of the related Loan Documents (exclusive of Permitted Liens) and (c) to the extent the Special Servicer has actual knowledge of any other liabilities of the Borrower other than those covered by clause (a) or (b) or the Loan, such liabilities as determined by the Special Servicer in accordance with Accepted Servicing Practices would reduce the realization on the Collateral.

"Adjusted Appraised Equity Value" means the Appraised Equity Value (without taking into account the Loan) reduced by any liens on the Equity Collateral senior to the Loan Documents (exclusive of Permitted Liens).

"Aggregate BPO/Appraised Value" means, as of any date of determination, the aggregate BPO Value or Appraised Value, as applicable, of each Property based on the most recent Broker Price Opinion or Appraised Value, as the case may be.

“Appraisal” means, with respect to any Property or Foreclosed Property, an appraisal in accordance with the standards of the Appraisal Institute by an Independent Appraiser and certified by such Independent Appraiser as having been prepared in accordance with the requirements of the Standards of Professional Practice of the Appraisal Institute with an “MAI” designation and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, as well as the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended; provided that after an initial “Appraisal” has been obtained pursuant to the terms of the Trust and Servicing Agreement, an update of such initial Appraisal by such Independent Appraiser shall be considered an “Appraisal” for all purposes. With respect to an appraisal of the Equity Collateral, an “Appraisal” means an appraisal by an Independent Appraiser expert in real estate or mortgage loan matters with at least 5 years’ experience in valuing or investing in loans similar to the Loan, that has been selected with reasonable care by the Special Servicer to determine the enterprise value of the Borrower. All Appraisals (and updates thereof) of the Equity Collateral obtained pursuant to the terms of the Trust and Servicing Agreement shall include a valuation using the “income capitalization – discounted cash flow approach” and set forth the discount rate and terminal capitalization rate utilized by the Independent Appraiser, and will not take into account the Loan. All calculations under the Trust and Servicing Agreement requiring that a “value” or “appraised value” be used with respect to a Property, Foreclosed Property or Equity Collateral shall use the most recently determined appraised value set forth in an Appraisal (or update thereof) unless a different valuation is specifically required (such as the appraised value of a Property at origination).

“Appraised Equity Value” means the value determined under an Appraisal of the Equity Collateral as described under *“Description of the Trust and Servicing Agreement—Realization Upon the Loan”* in this information circular.

“Appraised Value”, with respect to a Property, means the most recent appraised value of the Property, based on the most recent Appraisal and with respect to the Equity Collateral, the most recent Appraised Equity Value, in each case as determined by an Independent Appraiser.

“Calculated Portfolio Value” means the Adjusted Aggregate BPO/Appraised Value unless the Special Servicer has obtained an Appraisal of the Equity Collateral as described under *“Description of the Trust and Servicing Agreement—Realization Upon the Loan”* in this information circular, in which case, the Calculated Portfolio Value shall be the Adjusted Appraised Equity Value.

“Foreclosed Property” means any Property which secures the Loan, title to which has been acquired by the Special Servicer on behalf of the Trust through foreclosure, deed in lieu of foreclosure or otherwise in the name of the Trustee or its nominee.

“Independent Appraiser” means an independent professional real estate appraiser who (i) is a member in good standing of the Appraisal Institute, (ii) if the state in which the subject Property or Foreclosed Property is located certifies or licenses appraisers, is certified or licensed in such state, and (iii) has a minimum of five (5) years’ experience in the appraisal of comparable properties in the geographic area in which the subject Property is located.

Fannie Mae Guaranty and Rights of the Guarantor

Fannie Mae will guaranty certain payments of interest and principal on the Class A Certificates to the extent described below (the *“Fannie Mae Guaranty”*). In consideration of its guaranty obligations under the Fannie Mae Guaranty, on each Distribution Date Fannie Mae will be entitled to receive the Fannie Mae Guaranty Fee as described in *“—Payment on the Certificates”* in this information circular. If Fannie Mae were unable to pay under the Fannie Mae Guaranty, the Class A Certificates could be subject to losses.

On or before the third Business Day preceding any Distribution Date, the Certificate Administrator will deliver to Fannie Mae a Notice of Claim, together with a Preliminary Distribution Date Statement. The Guarantor will review the Class A Guarantor Entitlement Amount contained in the Preliminary Distribution Date Statement and provide written confirmation (which may be in the form of email) to the Certificate Administrator of the Class A Guarantor Entitlement Amount or advise (which may be in the form of email) the Certificate Administrator of any questions with respect to the calculation. Following the timely receipt of a Notice of Claim, Fannie Mae will, on the Business Day prior to the related Distribution Date, remit funds in the amount of the applicable Class A Guaranteed Payment Amount to the Guaranty Payment Account, which will be part of the Trust REMIC. Notwithstanding the priority of distributions set forth in *“—Payment on the Certificates”* in this section, the Certificate Administrator will distribute the amount on deposit in the Guaranty Payment Account directly to the holders of the Guaranteed Certificates on such Distribution Date *pro rata* among the Class A Certificates based on their Percentage Interests. Upon its remittance of the Class A Guaranteed Payment Amount to the Guaranty Payment Account, the Guarantor will have satisfied in full its payment obligation to the Holders of the Guaranteed Certificates with respect to such Class A Guaranteed Payment Amount for the related Distribution Date.

Notwithstanding anything to the contrary anywhere in the Trust and Servicing Agreement, all rights of the Guarantor under the Trust and Servicing Agreement, except any rights to indemnification, will terminate (a "Rights Termination Event") upon the earlier of (A) the later to occur of (i) such time as the Class A Certificates are no longer outstanding and (ii) such time as the Class A Guarantor Entitlement Amount is equal to zero and (B) any purchase by the Accommodation Loan Seller of the Class A Certificates in accordance with the terms of the master addendum between Fannie Mae and the Accommodation Loan Seller, dated as of the Cut-off Date (an "ALS Purchase"). The Accommodation Loan Seller will provide to the Certificate Administrator, the Trustee, the Servicer and the Special Servicer at least 10 Business Days advance written notice of any ALS Purchase. Promptly following the completion of any ALS Purchase, the Accommodation Loan Seller will provide notice thereof to the Certificate Administrator, the Trustee, the Servicer and the Special Servicer, which notice will be clearly labeled "Notice of ALS Purchase." Notwithstanding anything to the contrary in the Trust and Servicing Agreement, if a Fannie Mae Default has occurred and is then continuing, Fannie Mae will have no rights under the Trust and Servicing Agreement except with respect to indemnification and any unpaid Class A Guarantor Entitlement Amount.

Fannie Mae will provide to the Certificate Administrator, the Trustee, the Servicer and the Special Servicer at least 10 Business Days advance written notice (a "Fannie Mae Transfer Notice") of any transfer of the Class A Certificates from the Fannie Mae Grantor Trust 2017-T1 to Fannie Mae or to any other Person (such transfer, a "Fannie Mae Grantor Trust 2017-T1 Trust Termination Transfer"). Promptly following the completion of any such Fannie Mae Grantor Trust 2017-T1 Trust Termination Transfer, Fannie Mae will provide notice (a "Fannie Mae Guaranty Termination Notice") thereof to the Certificate Administrator, the Directing Certificateholder/17g-5 Information Provider, the Trustee, the Servicer and the Special Servicer. Concurrent with a Fannie Mae Grantor Trust 2017-T1 Trust Termination Transfer, the Fannie Mae Guaranty will terminate with immediate effect (a "Fannie Mae Guaranty Termination"). Upon a Fannie Mae Guaranty Termination, the Certificate Administrator will post notice thereof on the Certificate Administrator's website and the Directing Certificateholder/17g-5 Information Provider will post such notice on the Directing Certificateholder/17g-5 Information Provider's website.

On each Distribution Date as compensation for its obligations, the Guarantor will be entitled to receipt of the Fannie Mae Guaranty Fee.

"Fannie Mae Default" means any payment default by Fannie Mae under the Fannie Mae Guaranty that is not cured within five (5) Business Days following its receipt of written notice of such default.

"Fannie Mae Guaranty Fee Termination Event" means any Rights Termination Event, a Fannie Mae Guaranty Termination or if a Fannie Mae Default has occurred and is continuing.

"Guaranty Payment Account" is a deposit account established and maintained by the Certificate Administrator for the benefit of the Class A Certificateholders, and which forms a part of the Trust REMIC for purposes of the REMIC Provisions.

"Notice of Claim" means a statement delivered by the Certificate Administrator to the Guarantor (with a copy sent to the Servicer and the Special Servicer) identifying the Class A Guaranteed Payment Amount with respect to a Distribution Date, and separately identifying the amounts attributable to principal and interest.

"Preliminary Distribution Date Statement" means a preliminary draft of the Distribution Date Statement prepared by the Certificate Administrator and made available to the Guarantor, based solely upon information supplied to it by the Servicer or the Special Servicer, as applicable, in accordance with the Trust and Servicing Agreement and required to be reported in the Distribution Date Statement including the amount of any Class A Guaranteed Payment Amount to be paid on the applicable Distribution Date.

Voting Rights

The Certificates (other than the Class R Certificates) will be allocated voting rights (the "Voting Rights") for purposes of certain actions that may be taken pursuant to the Trust and Servicing Agreement. At any time that any Principal Balance Certificates are outstanding, each Class of Principal Balance Certificates will be allocated a percentage of Voting Rights equal to a fraction, the numerator of which is the Certificate Balance of such Class (and in connection with certain votes described in this information circular, including, without limitation, votes related to the termination or replacement of the Servicer or the Special Servicer taking into account any notional reduction in the Certificate Balance for Calculated Portfolio Value Reduction Amounts allocated to such Class of Certificates) determined as of the prior Distribution Date, and the denominator of which is the aggregate Certificate Balance of all Classes of Principal Balance Certificates (and in connection with certain votes described in this information circular, including, without limitation, votes related to the termination or replacement of the Servicer or the Special Servicer

taking into account any notional reduction in the Certificate Balance for Calculated Portfolio Value Reduction Amounts allocated to such Class of Principal Balance Certificates), determined as of the prior Distribution Date.

The Class R Certificates will not be entitled to any Voting Rights.

Notwithstanding any of the foregoing, on any date prior to a Rights Termination Event and so long as no Fannie Mae Default has occurred and is continuing, all of the Voting Rights allocated to the Class A Certificates will be vested in the Guarantor.

CREFC® License Fee

With respect to the Loan (including following a Foreclosure Event), a license fee (the “CREFC® License Fee”) will be payable to CREFC® from amounts on deposit in the Certificate Collection Account for any Distribution Date, an amount per Interest Accrual Period equal to the product of (i) the CREFC® License Fee Rate multiplied by (ii) the outstanding principal balance of the Loan as of the Monthly Payment Date in the immediately preceding Collection Period (without giving effect to payments of principal on the Loan on such Monthly Payment Date). “CREFC® License Fee Rate” means 0.0005% *per annum*.

Delivery, Form, Transfer and Denomination

General

Each Class of Principal Balance Certificates sold in offshore transactions in reliance on Regulation S will initially be represented by a temporary Regulation S Global Certificate (the “Temporary Regulation S Global Certificate”) to be deposited on the Closing Date on behalf of the purchasers with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream. Beneficial interests in a Temporary Regulation S Global Certificate may only be held through Euroclear or Clearstream. Beneficial interests in a Temporary Regulation S Global Certificate will be exchanged for beneficial interests in a single permanent global certificate for the related Class of Certificates, in definitive, fully registered form without interest coupons (with respect to each Class of Certificates, the “Regulation S Global Certificate”) upon the later of (i) the Release Date and (ii) the first date on which the requisite certifications are provided to the Certificate Administrator as described under “—*Payments; Certifications by Holders of Temporary Regulation S Global Certificates*” below. The “Release Date” is the date 40 days after the later of (i) the commencement of the offering of the Certificates and (ii) the Closing Date. The Regulation S Global Certificate for each Class will be registered in the name of a nominee of DTC and deposited with a custodian for DTC for credit to Euroclear and Clearstream for the respective accounts of the holders of such Certificates. Beneficial interests in a Regulation S Global Certificate may be held through Euroclear, Clearstream or any other DTC participating organization.

Each Class of Principal Balance Certificates sold in reliance on Rule 144A will be represented by the related Rule 144A global certificate (a “Rule 144A Global Certificate”) in definitive, fully registered form without interest coupons. Each Rule 144A Global Certificate will be deposited with the Certificate Registrar or an agent of the Certificate Registrar, as custodian for DTC and registered in the name of a nominee of DTC. Interests in a Rule 144A Global Certificate will be subject to the restrictions on transfer described under, and each Rule 144A Global Certificate will bear the legend set forth in “*Notice to Investors*” in this information circular. The Class R Certificates will be issued as Definitive Certificates.

A beneficial interest in a Temporary Regulation S Global Certificate or a Regulation S Global Certificate may be transferred to a person who takes delivery in the form of an interest in the corresponding Rule 144A Global Certificate only upon receipt by the Certificate Registrar of, among other things, a written certification from the transferor in the form required by the Trust and Servicing Agreement to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional investor within the meaning of Rule 144A (“QIB”) in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in a Rule 144A Global Certificate may be transferred to a person who takes delivery in the form of an interest in the corresponding Temporary Regulation S Global Certificate or Regulation S Global Certificate, as the case may be, whether before, on or after the Release Date, upon receipt by the Certificate Registrar of a written certification from the transferor in the form required by the Trust and Servicing Agreement to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act, as applicable. Any beneficial interest in one of the global certificates that is transferred to a person who takes delivery in the form of an interest in another global certificate will, upon transfer, cease to be an interest in such global certificate and become an interest in such other global certificate, and accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other global certificate for as long as it remains such an interest.

As indicated above, the Offered Certificates may initially be represented by a global certificate registered in the name of the nominee of DTC, which is expected to be Cede & Co. No holder of a Class of Certificates in global form will be entitled to receive a certificate issued in fully registered, certificated form (each, a “Definitive Certificate”) representing its interest in such Class, except under the limited circumstances described below under “—Definitive Certificates” in this information circular. Unless and until Definitive Certificates are issued, all references to actions by holders of the Certificates in global form will refer to actions taken by DTC upon instructions received from holders of Certificates through its participating organizations (together with Clearstream and Euroclear participating organizations, the “Participants”), and all references in this information circular to payments, notices, reports, statements and other information to holders of such Certificates will refer to payments, notices, reports and statements to DTC or Cede & Co., as the registered holder of such Certificates, for distribution to holders of such Certificates through its Participants in accordance with DTC procedures; provided, however, that to the extent that the party to the Trust and Servicing Agreement responsible for distributing any report, statement or other information has been provided in writing with the name of the beneficial owner of such a Certificate (or the prospective transferee of such beneficial owner), such report, statement or other information will be provided to such beneficial owner (or prospective transferee).

Unless and until Definitive Certificates are issued in respect of the Certificates in global form, interests in the Certificates will be transferred on the book-entry records of DTC and its Participants. The Certificate Administrator will initially serve as certificate registrar (in such capacity, the “Certificate Registrar”) for purposes of recording and otherwise providing for the registration of the Certificates.

The Guaranteed Certificates will be transferred to the Fannie Mae Grantor Trust 2017-T1 upon issuance.

A “Certificateholder” or “Holder” under the Trust and Servicing Agreement will be the person in whose name a Certificate is registered in the certificate register maintained pursuant to the Trust and Servicing Agreement (including, solely for the purposes of providing, distributing or otherwise making available any reports, statements, communications or other information pursuant to the Trust and Servicing Agreement, beneficial owners of Certificates to the extent the person providing, distributing or making such information available has received certification in the form provided for in the Trust and Servicing Agreement that such person is a beneficial owner), except that solely for the purpose of the taking of any action or the giving of any consent, waiver, request or demand pursuant to the Trust and Servicing Agreement (except as set forth in the following sentence), any Certificate beneficially owned by the Trustee, Fannie Mae, the Certificate Administrator, the Servicer or the Special Servicer (or any person actually known to a responsible officer of the Trustee or the Certificate Administrator to be a sub-servicer of the Servicer or the Special Servicer), any Relevant Party, any Manager, or any affiliate of any of the foregoing will be deemed not to be outstanding and the Voting Rights to which they are entitled will not be taken into account in determining whether the requisite percentage of Voting Rights necessary to take any such action or effect any such consent, waiver, request or demand has been obtained; provided, however, for purposes of obtaining the consent of Certificateholders to an amendment of the Trust and Servicing Agreement, any Certificate beneficially owned by the Trustee, Fannie Mae, the Certificate Administrator, the Servicer, the Special Servicer or any of their affiliates will be deemed to be outstanding, provided, that such amendment does not relate to the compensation, termination or replacement of the Trustee, Fannie Mae, the Certificate Administrator, the Servicer or Special Servicer, as applicable, or benefit the Trustee, the Certificate Administrator, the Servicer or Special Servicer, as applicable, in its capacity as such or any of its affiliates (other than solely in its capacity as a Certificateholder) in any material respect, in which case such Certificate will be deemed not to be outstanding. The restrictions above shall not apply (a) to the exercise of the rights of the Servicer, Fannie Mae, the Special Servicer or an affiliate of the Servicer or the Special Servicer, if any, as a member of the Controlling Class or (b) if the Trustee, Fannie Mae, the Certificate Administrator, the Servicer or the Special Servicer, as the case may be, and/or their Affiliates, own the entire Class of each Class of Certificates affected by such action, vote, consent or waiver. The Trustee, the Certificate Administrator and the Certificate Registrar may obtain and conclusively rely upon an Officer’s Certificate of the Depositor, the Servicer, the Special Servicer, Fannie Mae, the Certificate Administrator (in the case of the Trustee), the Trustee (in the case of the Certificate Administrator), a Relevant Party, a Manager or any sub-servicer to determine whether a Certificate is beneficially owned by an affiliate of any of them.

Book-Entry Registration

Holders of Certificates in global form may hold their Certificates through DTC (in the United States) or Clearstream or Euroclear (in Europe) if they are participants of such system, or indirectly through organizations that are participants in such systems. Clearstream and Euroclear will hold omnibus positions on behalf of the Clearstream Participants and the Euroclear Participants, respectively, through customers’ securities accounts in Clearstream’s and Euroclear’s names on the books of their respective depositories (collectively, the “Depositories”), which in turn will hold such positions in customers’ securities accounts in the Depositories’ names on the books of DTC. DTC is a limited purpose trust company organized under the New York Banking Law, a “banking organization”

within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and to facilitate the clearance and settlement of securities transactions between Participants through electronic computerized book-entries, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to the DTC system also is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (“Indirect Participants”).

Transfers between DTC participants will occur in accordance with DTC Rules. Transfers between Clearstream Participants and Euroclear Participants will occur in accordance with the applicable rules and operating procedures of Clearstream and Euroclear.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly through Clearstream Participants or Euroclear Participants, on the other, will be effected in DTC in accordance with the DTC Rules on behalf of the relevant European international clearing system by its Depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its Depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to the Depositaries.

Because of time-zone differences, it is possible credits of securities in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during the subsequent securities settlement processing, dated the Business Day following the DTC settlement date, and such credits or any transactions in such securities settled during such processing will be reported to the relevant Clearstream Participant or Euroclear Participant on such Business Day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream Participant or a Euroclear Participant to a DTC participant will be received with value on the DTC settlement date due to time zone differences may be available in the relevant Clearstream or Euroclear cash account only as of the Business Day following settlement in DTC.

The holders of Certificates in global form that are not Participants or Indirect Participants but desire to purchase, sell or otherwise transfer ownership of, or other interests in, such Certificates may do so only through Participants and Indirect Participants. In addition, holders of Certificates in global form will receive all distributions of principal and interest from the Certificate Administrator through the Participants who in turn will receive them from DTC. Under a book-entry format, holders of such Certificates may experience some delay in their receipt of payments, since such payments will be forwarded by the Certificate Administrator to Cede & Co., as nominee for DTC. DTC will forward such payments to its Participants, which thereafter will forward them to Indirect Participants or holders of such Certificates. Except as otherwise provided in this information circular, Certificate owners will not be recognized by the Trustee, the Certificate Administrator, the Special Servicer or the Servicer as holders of record of Certificates and Certificate owners will be permitted to receive information furnished to Certificateholders and to exercise the rights of Certificateholders only indirectly through DTC and its Participants and Indirect Participants. See “*Risk Factors—Risks Relating to Book-Entry Registration*” above.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “DTC Rules”), DTC is required to make book-entry transfers of Certificates in global form among Participants on whose behalf it acts with respect to such Certificates and to receive and transmit distributions of principal of, and interest on, such Certificates. Participants and Indirect Participants with which the holders of such Certificates have accounts with respect to such Certificates similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective holders of such Certificates. Accordingly, although the holders of such Certificates will not possess the physical Certificates evidencing their interest in the Certificates, the DTC Rules provide a mechanism by which Participants will receive payments on such Certificates and will be able to transfer their interest.

DTC has no knowledge of the actual certificate owners of the book-entry certificates; DTC’s records reflect only the identity of the direct Participants to whose accounts those certificates are credited, which may or may not be the certificate owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Participants, by Participants to Indirect Participants, and by Participants and Indirect Participants to certificate owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Distributions on the book-entry certificates will be made to DTC. DTC's practice is to credit Participants' accounts on the related distribution date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on that date. Disbursement of those distributions by Participants to certificate owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of that Participant (and not of DTC, the Depositor, the Certificate Administrator, the Trustee or Servicer), subject to any statutory or regulatory requirements as may be in effect from time to time. Under a book-entry system, certificate owners may receive payments after the related distribution date.

Generally, with respect to book-entry certificates, the only Certificateholder of record will be the nominee of DTC, and the certificate owners will not be recognized as Certificateholders under the agreement pursuant to which the certificates are issued. Certificate owners will be permitted to exercise the rights of Certificateholders under that agreement only indirectly through the Participants who in turn will exercise their rights through DTC. The Depositor is informed that DTC will take action permitted to be taken by a Certificateholder under that agreement only at the direction of one or more Participants to whose account with DTC interests in the book-entry certificates are credited.

Because DTC can only act on behalf of Participants, who in turn act on behalf of Indirect Participants and certain banks, the ability of a holder of Certificates in global form to pledge such Certificates to persons or entities that do not participate in the DTC system, or to otherwise act with respect to such Certificates, may be limited due to the lack of a physical certificate for such Certificates.

DTC has advised the Depositor that it will take any action permitted to be taken by a holder of a Certificate in global form under the Trust and Servicing Agreement only at the direction of one or more Participants to whose accounts with DTC such certificates are credited. DTC may take conflicting actions with respect to other undivided interests to the extent that such actions are taken on behalf of Participants whose holdings include such undivided interests.

Although DTC, Euroclear and Clearstream have implemented the foregoing procedures in order to facilitate transfers of interests in global certificates among Participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to comply with the foregoing procedures, and the foregoing procedures may be discontinued at any time.

Except as required by law, none of the Depositor, the Borrower, the Servicer, the Special Servicer, the Certificate Administrator or the Trustee will have any liability for any actions taken by DTC, Euroclear, Clearstream or any of their respective Participants and Indirect Participants of their nominees, including, without limitation, actions for any aspect of the records relating to or payments made on account of beneficial interests in the Certificates held by Cede & Co., as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Clearstream is incorporated under the laws of Luxembourg and is a global securities settlement clearing house. Clearstream holds securities for its participating organizations ("Clearstream Participants") and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Transactions may be settled in Clearstream in numerous currencies, including United States dollars. Clearstream provides to its Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. Clearstream is regulated as a bank by the Luxembourg Monetary Institute. Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the Placement Agents. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

Euroclear was created in 1968 to hold securities for participants of the Euroclear system ("Euroclear Participants") and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in any of numerous currencies, including United States dollars. The Euroclear system includes various other services, including

securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described above. Euroclear is operated by Euroclear Bank SA/NV (the “Euroclear Operator”), under contract with Euroclear Clearance System, S.C., a Belgian cooperative corporation (the “Cooperative”). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for the Euroclear system on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Placement Agents. Indirect access to the Euroclear system is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear Operator is the Belgian branch of a New York banking corporation that is a member bank of the Federal Reserve System. As such, it is regulated and examined by the Board of Governors of the Federal Reserve System and the New York State Banking Department, as well as the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law (collectively, the “Terms and Conditions”). The Terms and Conditions govern transfers of securities and cash within the Euroclear system, withdrawal of securities and cash from the Euroclear system, and receipts of payments with respect to securities in the Euroclear system. All securities in the Euroclear system are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants and has no record of or relationship with persons holding through Euroclear Participants.

The information in this information circular concerning DTC, Clearstream and Euroclear and their book-entry systems has been obtained from sources believed to be reliable, but none of the Depositor, the Servicer, the Special Servicer, the Certificate Administrator, the Trustee, the Borrower or the Placement Agents take any responsibility for the accuracy or completeness of such information.

Definitive Certificates

Definitive Certificates will be issued to certificate owners of interests in Certificates or their nominees, respectively, rather than to DTC or its nominee, only under the limited conditions set forth below in this section or under “—*Institutional Accredited Investor Certificates*” below.

Owners of beneficial interests in a Class of global certificates will be entitled to receive physical delivery of Definitive Certificates and have Certificates registered in their names if (i) DTC notifies the Certificate Registrar in writing that DTC is unwilling or unable to continue as depository for such global certificates and a qualifying successor depository is not appointed by DTC and the Certificate Registrar within 90 days of such notification or (ii) the Certificate Administrator or the Trustee has instituted or has been directed to institute any judicial proceeding in a court to enforce the rights of the Certificateholders under the Trust and Servicing Agreement and under such global certificate and the Certificate Administrator or the Trustee, as the case may be, has been advised by counsel that in connection with such proceeding it is necessary or appropriate for the Certificate Administrator or the Trustee to obtain possession of such global certificate; provided, that under no circumstances will Definitive Certificates be issued to beneficial owners of a Temporary Regulation S Global Certificate.

As provided in the Trust and Servicing Agreement, if (a) any mutilated Certificate is surrendered to the Certificate Registrar, or the Certificate Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Certificate and (b) there is delivered to the Certificate Registrar such security or indemnity as may be required by it to save it harmless, then in the absence of actual notice to the Certificate Registrar that such Certificate has been acquired by a bona fide purchaser, the Certificate Registrar will execute, authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like tenor and interest in the Trust Fund. In connection with the issuance of any new Certificate, the Certificate Registrar may require the payment of a sum sufficient to cover any expenses (including the fees and expenses of the Certificate Registrar) connected with such issuance.

Payments; Certifications by Holders of Temporary Regulation S Global Certificates

A holder of a beneficial interest in a Temporary Regulation S Global Certificate must provide Euroclear or Clearstream, as the case may be, with a certificate in the form required by the Trust and Servicing Agreement certifying that the beneficial owner of the interest in such global certificate is not a U.S. Person (as defined in Regulation S) (the “Regulation S Certification”), and Euroclear or Clearstream, as the case may be, must provide to the Certificate Registrar a certificate in the form required by the Trust and Servicing Agreement prior to (i) the

payment of interest or principal with respect to such holder's beneficial interest in the Temporary Regulation S Global Certificate and (ii) any exchange of such beneficial interest for a beneficial interest in a Regulation S Global Certificate.

Institutional Accredited Investor Certificates

The Class B Certificates sold to institutional investors that are "Accredited Investors" within the meaning of Rule 501(A)(1), (2) (3) or (7) of Regulation D under the Securities Act ("Regulation D") and an entity in which all of the equity owners come within Rule 501(A)(1), (2), (3) or (7) of Regulation D ("Institutional Accredited Investors") will be issued as Definitive Certificates and will be registered in the name of such purchasers or their nominees. The Definitive Certificates sold to such purchasers will bear the legends, and will be subject to the restrictions on transfer, described under "*Notice to Investors*" and contained in the Trust and Servicing Agreement. Certificates issued to Institutional Accredited Investors may not be transferred in the form of Definitive Certificates and may only be transferred to persons that will hold beneficial interests in a global certificate upon delivery to the Certificate Administrator of a written certificate (in the form provided in the Trust and Servicing Agreement) to the effect that the transfer will comply with the appropriate transfer restrictions applicable to the global certificate.

The Class R Certificates

The Class R Certificates may only be issued as Definitive Certificates and transferred to and owned by QIBs and will be subject to the additional restrictions on transfer set forth in the following paragraphs, and each of the Class R Certificates will contain a legend describing such restrictions. Certain capitalized terms used in this section are defined as set forth below.

Under the Trust and Servicing Agreement, each person acquiring or holding a Class R Certificate is required to be a Permitted Transferee and may not acquire or hold such Class R Certificate as agent (including a broker, nominee or other middleman) on behalf of any person that is not a Permitted Transferee. Any such person is required to promptly notify the Certificate Registrar of any change or impending change in its status (or the status of the beneficial owner of such residual ownership interest) as a Permitted Transferee. Any acquisition of a Class R Certificate by a person who is not a Permitted Transferee or by a person who is acting as an agent of a person who is not a Permitted Transferee will be void *ab initio* and of no effect, and the immediately preceding owner who was a Permitted Transferee will be restored to registered and beneficial ownership of the Class R Certificate as soon and as fully as possible.

No Class R Certificate may be transferred, and no such transfer may be registered in the certificate register, without the express written consent of the Certificate Registrar, and the Certificate Registrar will not recognize the transfer, and such proposed transfer will not be effective, without such consent with respect thereto. In connection with any proposed transfer of any Class R Certificate, other than in connection with the initial transfer thereof to the Placement Agents, the Certificate Registrar will, as a condition to such consent, (x) require the proposed transferee to deliver, and the proposed transferee will deliver to the Certificate Registrar and to the proposed transferor, a transferee affidavit in substantially the form attached to the Trust and Servicing Agreement of the proposed transferee (A) that such proposed transferee is a Permitted Transferee and (B) stating that (1) the proposed transferee historically has paid its debts as they have come due and intends to do so in the future, (2) the proposed transferee understands that, as the holder of a Class R Certificate, it may incur liabilities in excess of cash flows generated by the residual interest, (3) the proposed transferee intends to pay taxes associated with holding the Class R Certificate as they become due, (4) the proposed transferee will not cause income with respect to the Class R Certificate to be attributable to a foreign permanent establishment or fixed base, within the meaning of an applicable income tax treaty, of such proposed transferee or any other U.S. Person, (5) the proposed transferee will not transfer the Class R Certificate to any person that does not provide a transferee affidavit or as to which the proposed transferee has actual knowledge that such person is not a Permitted Transferee or is acting as an agent (including a broker, nominee or other middleman) for a person that is not a Permitted Transferee and (6) the proposed transferee expressly agrees to be bound by and to abide by the transfer restrictions set forth in the Trust and Servicing Agreement and (y) other than in connection with the initial issuance of a Class R Certificate, require a transferor letter from the proposed transferor substantially in the form attached to the Trust and Servicing Agreement, that the proposed transferor has no actual knowledge that the proposed transferee is not a Permitted Transferee and has no actual knowledge or reason to know that the proposed transferee's statements in the preceding clauses (x)(B)(1) or (3) are false.

Notwithstanding the delivery of a transferee affidavit by a proposed transferee, if a responsible officer of the Certificate Registrar has actual knowledge that the proposed transferee is not a Permitted Transferee, no transfer to such proposed transferee will be effected and such proposed transfer may not be registered on the certificate register; provided, however, the Certificate Registrar will not be required to conduct any independent investigation to determine whether a proposed transferee is a Permitted Transferee. Upon notice to the Certificate Registrar that

there has occurred a transfer to any person that is a Disqualified Organization or an agent thereof (including a broker, nominee or middleman) in contravention of the foregoing restrictions, and in any event not later than 60 days after a request for information from the transferor of such Class R Certificate or such agent, the Certificate Registrar and the Certificate Administrator agree to furnish to the IRS and the transferor of such Class R Certificate or such agent such information necessary to the application of Section 860E(e) of the Code as may be required by the Code, including, but not limited to, the present value of the total anticipated excess inclusions with respect to such Class R Certificate (or portion thereof) for periods after such transfer. At the election of the Certificate Registrar, the Certificate Registrar may charge a reasonable fee for computing and furnishing such information to the transferor or to such agent referred to above; provided, however, such persons will in no event be excused from furnishing such information.

A “Permitted Transferee” is any person or agent of such person other than (a) a Disqualified Organization, (b) any other person so designated by the Certificate Registrar who is unable to provide an opinion of counsel (provided at the expense of such person or the person requesting the transfer) to the effect that the transfer of an ownership interest in any Class R Certificate to such person would not cause the Trust REMIC to fail to qualify as one or more REMICs at any time that the Certificates are outstanding, (c) a Disqualified Non-U.S. Tax Person, (d) any partnership if any of its interests are (or under the partnership agreement are permitted to be) owned, directly or indirectly (other than through a U.S. corporation), by a Disqualified Non-U.S. Tax Person or (e) a U.S. Person with respect to whom income from the Class R Certificate is attributable to a foreign permanent establishment or fixed base, within the meaning of an applicable income tax treaty, of the transferee or any other U.S. Person.

A “Disqualified Non-U.S. Tax Person” means with respect to the Class R Certificates, any Non-U.S. Person or agent thereof other than (i) a Non-U.S. Person that holds such Class R Certificate in connection with the conduct of a trade or business within the United States and has furnished the transferor and the Certificate Administrator with an effective IRS Form W-8ECI or other prescribed form or (ii) a Non-U.S. Person that has delivered to both the transferor and the Certificate Administrator an opinion of counsel of a nationally recognized tax counsel to the effect that the transfer of such Class R Certificate to it is in accordance with the requirements of the Code and the regulations promulgated thereunder and that such transfer of such Class R Certificate will not be disregarded for federal income tax purposes under Treasury Regulations Section 1.860G-3.

A “Disqualified Organization” is either (a) the United States, a State, or any agency or instrumentality of any of the foregoing (other than an instrumentality that is a corporation if all of its activities are subject to tax and, except for the Federal Home Loan Mortgage Corporation, a majority of its board of directors is not selected by any such governmental unit), (b) a foreign government, International Organization or agency or instrumentality of either of the foregoing, (c) an organization that is exempt from tax imposed by Chapter 1 of the Code (including the tax imposed by Code Section 511 on unrelated business taxable income) on any excess inclusions (as defined in Code Section 860E(c)(1)) with respect to the Class R Certificates (except certain farmers’ cooperatives described in Code Section 521), (d) rural electric and telephone cooperatives described in Code Section 1381(a)(2) or (e) any other person so designated by the Certificate Administrator based upon an opinion of counsel to the effect that any transfer to such person may cause the Trust REMIC to fail to qualify as a REMIC at any time that the Certificates are outstanding. The terms “United States,” “State” and “International Organization” have the meanings set forth in Code Section 7701 or successor provisions.

The Class R Certificates may not be purchased by or transferred to a Plan or a person acting on behalf of, or using the assets of, a Plan. Each prospective transferee of a Class R Certificate will be required to deliver to the seller, the Certificate Registrar and the Certificate Administrator a representation letter, substantially in the form of an exhibit to the Trust and Servicing Agreement, stating that the prospective transferee is not a Plan or a person acting on behalf of or using the assets of a Plan. The Trust and Servicing Agreement will provide that any attempted or purported transfer in violation of these transfer restrictions will be null and void *ab initio* and will vest no rights in any purported transferee and will not relieve the seller of any obligations with respect to the applicable Certificates.

Denominations

The Certificates of each Class of Principal Balance Certificates that are initially offered and sold to purchasers will be issued in minimum denominations of \$100,000 and integral multiples of \$1 in excess thereof.

TRANSACTION PARTIES

Description of the Depositor

The Depositor is IH Asset Receiving Limited Partnership (the “Depositor”). The Depositor is a special purpose limited partnership organized in the State of Delaware on November 18, 2014, for the purpose of engaging in the business, among other things, of acquiring and depositing mortgage assets in trust in exchange for certificates

evidencing interest in such trusts and selling or otherwise distributing such certificates. The principal executive offices of the Depositor are located at 1717 Main Street, Suite 2000, Dallas, TX 75201. The telephone number of the Depositor is (972) 421-3600. The Depositor's capitalization is nominal. The general partner of the Depositor is IH Asset Receiving G.P. LLC and all limited partnership interest in the Depositor are held by the Loan Sponsor. The Depositor is an affiliate of the Loan Sponsor and Document Defect Repurchase Guarantor, the Environmental Guarantor, the Borrower, the Equity Owners and the Manager.

The Depositor does not have, nor is it expected in the future to have, any significant assets and is not engaged in activities unrelated to the securitization of mortgage assets. The Depositor will not have any business operations other than securitizing mortgage assets and related activities.

The Depositor has minimal ongoing duties with respect to the Certificates and the Loan. The Depositor's duties pursuant to the Trust and Servicing Agreement include, without limitation, the duty (i) to repurchase the Loan in connection with certain Material Document Defects, (ii) to appoint a successor Trustee or Certificate Administrator in the event of the resignation or removal of the Trustee or the Certificate Administrator, as applicable, (iii) to provide information in its possession to the Certificate Administrator or its designee with respect to the Trust REMIC to the extent necessary to perform tax administration and (iv) to indemnify the Trust against certain expenses and liabilities resulting from the Depositor's willful misconduct, bad faith, fraud or negligence.

In connection with the sale of the Loan by the Depositor to the Issuing Entity, a legal opinion will be required to be rendered, based on certain facts and assumptions and subject to certain qualifications, 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 (i) the Loan and payments thereunder and proceeds thereof are not property of the estate of the Depositor under Bankruptcy Code section 541 and (ii) the automatic stay arising pursuant to Bankruptcy Code section 362 upon the commencement of a bankruptcy case involving the Depositor is not applicable to payments on the Certificates.

Such legal opinion will be based on numerous assumptions, and there can be no assurance that all of such assumed facts are true, or will continue to be true. Moreover, there can be no assurance that a court would rule as anticipated in the foregoing legal opinion. Accordingly, although the Depositor has been structured as a bankruptcy remote entity, and the transfer of the Loan from the Depositor to the Issuing Entity, have been structured as a sale, there can be no assurance that the Depositor will not be subject to a bankruptcy proceeding or that the sale of the Loan will not be recharacterized as a pledge, with the result that the Issuing Entity is deemed to be a creditor of the Depositor rather than an owner of the Loan. See *"Risk Factors— Each of the Accommodation Loan Seller and the Depositor is Subject to Bankruptcy or Insolvency Laws That May Affect the Trust Fund's Ownership of the Loan."*

Description of the Securitization Sponsor and Document Defect Repurchase Guarantor

Invitation Homes Operating Partnership LP ("IH OP"), in its capacity as the "Securitization Sponsor", will organize and initiate the issuance of the Certificates by causing the creation of the Loan, retaining the Accommodation Loan Seller to act as the accommodation loan seller, causing the transfer of the Loan by the Accommodation Loan Seller to the Depositor and from the Depositor to the Issuing Entity, causing Fannie Mae to issue its guaranty of the principal and interest of the Class A Certificates as described herein and delivering the Class A Certificates to Fannie Mae in exchange for the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates.

In its capacity as the "Document Defect Repurchase Guarantor", IH OP will guaranty the Depositor's limited repurchase obligations with respect to certain material document defects with respect to the documents to be delivered pursuant to the Trust and Servicing Agreement.

On February 6, 2017, Invitation Homes Inc. ("IH Pub Co") closed its initial public offering. IH OP is the wholly-owned operating partnership of IH Pub Co. In connection with the initial public offering (the "IPO transaction"), the holding entities (the "IH Holding Entities") that constitute the Invitation Homes platform became wholly-owned subsidiaries of IH OP. Invitation Homes is a national platform focused on acquiring, renovating, maintaining and managing single-family residential properties and leasing them to residents. References to "Invitation Homes" in this information circular, refer to IH OP and its wholly-owned subsidiaries, including the IH Holding Entities and their various subsidiaries.

The Securitization Sponsor and Document Defect Repurchase Guarantor is the same entity as the Loan Sponsor. See *"Description of the Relevant Parties and the Manager—Description of the Loan Sponsor"* in this information circular. The Document Defect Repurchase Guarantor is also an affiliate of the Depositor, the Environmental Indemnitor, the Borrower, the Equity Owners and the Manager.

Description of the Accommodation Loan Seller

Wells Fargo Bank, National Association

Wells Fargo Bank, National Association ("Wells Fargo Bank") a national banking association, is a wholly-owned subsidiary of Wells Fargo & Company (NYSE: WFC). Wells Fargo Bank is an affiliate of Wells Fargo Securities, LLC, one of the Placement Agents. The principal office of Wells Fargo Bank's commercial mortgage origination division is located at 45 Fremont Street, 9th Floor, San Francisco, California 94105, and its telephone number is (415) 396-7697. Wells Fargo Bank is engaged in a general consumer banking, commercial banking, and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. Wells Fargo Bank is a national banking association chartered by the Office of the Comptroller of the Currency (the "OCC") and is subject to the regulation, supervision and examination of the OCC. Wells Fargo Bank is also the successor by merger to Wachovia Bank, National Association ("Wachovia Bank"), which, together with Wells Fargo Securities, LLC (formerly known as Wachovia Capital Markets, LLC), was previously a subsidiary of Wachovia Corporation. On December 31, 2008, Wachovia Corporation merged with and into Wells Fargo & Company. As a result of this transaction, Wachovia Bank and Wells Fargo Securities, LLC became wholly-owned subsidiaries of Wells Fargo & Company, and affiliates of Wells Fargo Bank. On March 20, 2010, Wachovia Bank merged with and into Wells Fargo Bank.

Wells Fargo Bank will enter into the Loan Agreement on the Closing Date and use the proceeds of the issuance of the Certificates to fund the Loan, which will immediately be sold by the Accommodation Loan Seller to the Depositor pursuant to the Loan Purchase Agreement. The Accommodation Loan Seller is acting solely as an accommodation lender to enable the Borrower to obtain financing through the transactions described in this information circular and under the terms described in this information circular. In connection with the creation of the Loan, Fannie Mae delegated certain underwriting functions with respect to Fannie Mae's underwriting criteria to the Accommodation Loan Seller. In connection with the creation of the Loan, Fannie Mae delegated certain underwriting functions with respect to Fannie Mae's underwriting criteria to the Accommodation Loan Seller. The Accommodation Loan Seller will perform certain asset management functions for Fannie Mae in its role as the Directing Certificateholder. As compensation for taking on this role with respect to the transaction, the Loan Sponsor will pay the Accommodation Loan Seller an arrangement fee. The Accommodation Loan Seller will also be entitled to receive a portion of the Fannie Mae Guaranty Fee. See "*Risk Factors—Neither the Accommodation Loan Seller Nor Any Other Person Will Make Any Representation Regarding the Terms of the Loan in Favor of the Issuing Entity*" in this information circular.

None of Wells Fargo Bank nor any of its affiliates will insure or guarantee distributions on the Certificates. The Certificateholders will have no rights or remedies against Wells Fargo Bank for any losses or other claims in connection with the Certificates or the Loan except in respect of the repurchase obligation for a Material Breach of the representations and warranties made by the Accommodation Loan Seller in the Loan Purchase Agreement. See "*Description of the Loan Purchase Agreement*" in this information circular.

In connection with the sale of the Loan by the Accommodation Loan Seller to the Depositor, a legal opinion will be required to be rendered, based on certain facts and assumptions and subject to certain qualifications, to the effect that if the Accommodation Loan Seller 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 (i) the Loan and payments thereunder and proceeds thereof are not property of the estate of the Accommodation Loan Seller under Bankruptcy Code section 541 and (ii) the automatic stay arising pursuant to Bankruptcy Code section 362 upon the commencement of a bankruptcy case involving the Accommodation Loan Seller is not applicable to payments on the Certificates.

Such legal opinion will be based on numerous assumptions, and there can be no assurance that all of such assumed facts are true, or will continue to be true. Moreover, there can be no assurance that a court would rule as anticipated in the foregoing legal opinion. Accordingly, although the transfer of the Loan from the Accommodation Loan Seller to the Depositor, have been structured as a sale, there can be no assurance that the sale of the Loan will not be recharacterized as a pledge, with the result that the Depositor is deemed to be a creditor of the Accommodation Loan Seller rather than an owner of the Loan. See "*Risk Factors—Each of the Accommodation Loan Seller and the Depositor is Subject to Bankruptcy or Insolvency Laws That May Affect the Trust Fund's Ownership of the Loan.*"

Description of the Issuing Entity

Invitation Homes 2017-SFR1 Trust, the issuing entity (the "Issuing Entity"), will be a New York common law trust, formed on the Closing Date pursuant to the Trust and Servicing Agreement.

The only activities that the Issuing Entity may perform are those set forth in the Trust and Servicing Agreement, which are generally limited to owning and administering the Loan and any Foreclosed Collateral, disposing of the Loan and Foreclosed Collateral after default, issuing the Certificates, making distributions, providing reports to Certificateholders and other activities described in this information circular. Accordingly, the Issuing Entity may not issue securities other than the Certificates, or invest in securities, other than investing of funds in the Certificate Collection Account and other accounts maintained under the Trust and Servicing Agreement in certain short-term permitted investments. The Issuing Entity may not lend or borrow money, except that the Servicer, the Special Servicer, and the Trustee may make Advances to the Issuing Entity, but only to the extent it deems such Advances to be recoverable from the Loan. Such Advances are intended to provide liquidity, rather than credit support. The Trust and Servicing Agreement may be amended as set forth in this information circular under *"Description of the Trust and Servicing Agreement—Amendments"* in this information circular. The Issuing Entity administers the Loan through the Trustee, the Certificate Administrator, the Servicer and the Special Servicer. A discussion of the duties of the Trustee, the Certificate Administrator, the Servicer and the Special Servicer, including any discretionary activities performed by each of them, is set forth under *"Description of the Trust and Servicing Agreement"* in this information circular.

The only assets of the Issuing Entity other than the Loan and any Foreclosed Collateral (and ownership of the Properties through ownership of the Equity Collateral following a Foreclosure Event with respect to the Equity Collateral) are the Distribution Account and other accounts maintained pursuant to the Trust and Servicing Agreement and the short-term investments in which funds in the Certificate Collection Account and other accounts are invested. The Issuing Entity has no present liabilities, but has potential liability relating to ownership of the Loan and any Foreclosed Collateral (and ownership of the Properties through ownership of the Equity Collateral following a Foreclosure Event with respect to the Equity Collateral) and certain other activities described in this information circular, and indemnity obligations to the Trustee, the Certificate Administrator, the Depositor, the Servicer and the Special Servicer. The fiscal year of the Trust is the calendar year. The Issuing Entity has no executive officers or board of directors and acts through the Trustee, the Certificate Administrator, the Servicer and the Special Servicer.

The Depositor is transferring the Loan to the Issuing Entity in exchange for the Certificates. The Depositor is purchasing the Loan from the Accommodation Loan Seller, as described in this information circular under *"Description of the Loan Purchase Agreement."*

Since the Issuing Entity is a common law trust, it may not be eligible for relief under the Bankruptcy Code, unless it can be characterized as a "business trust" for purposes of the Bankruptcy Code. Bankruptcy courts look at various considerations in making this determination, so it is not possible to predict with any certainty whether or not the Issuing Entity would be characterized as a "business trust."

Description of the Servicer and Special Servicer

Midland Loan Services, a Division of PNC Bank, National Association, a national banking association (*"Midland"*), will be the servicer (the *"Servicer"*) and in this capacity will be responsible for the servicing and administration of the Loan pursuant to the Trust and Servicing Agreement. Midland will also will be appointed as Special Servicer (the *"Special Servicer"*), and in such capacity, will be responsible for the servicing and administration of the Loan if there is a default or reasonably foreseeable default that would give rise to a transfer of servicing to the Special Servicer and any foreclosed collateral. Midland's principal servicing office is located at 10851 Mastin Street, Building 82, Suite 300, Overland Park, Kansas 66210.

Midland is a real estate financial services company that provides loan servicing, asset management and technology solutions for large pools of commercial and multifamily real estate assets. Midland is approved as a master servicer, special servicer and primary servicer for investment-grade commercial and multifamily mortgage-backed securities (*"CMBS"*) by S&P, Moody's, Fitch and Morningstar. Midland has received the highest rankings as a master and primary servicer of real estate assets under U.S. CMBS transactions from S&P, Fitch and Morningstar and the highest rankings as a special servicer of real estate assets under U.S. CMBS transactions from S&P and Morningstar. For each category, S&P ranks Midland as *"Strong"* and Morningstar ranks Midland as *"CS1."* Fitch ranks Midland as *"1"* for master servicer and primary servicer, and *"2+"* for special servicer. Midland is also a HUD/FHA-approved mortgagee and a Fannie Mae-approved multifamily loan servicer.

Midland has detailed operating procedures across the various servicing functions to maintain compliance with its servicing obligations and the servicing standards under Midland's servicing agreements, including procedures for managing delinquent and specially serviced loans. The policies and procedures are reviewed annually and centrally managed. Furthermore, Midland's disaster recovery plan is reviewed annually.

Midland will not have primary responsibility for custody services of original documents evidencing or securing the Loan. Midland may from time to time have custody of certain of such documents as necessary for enforcement actions. To the extent that Midland has custody of any original documents for servicing purposes, such documents will be maintained in a manner consistent with the Accepted Servicing Practices.

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

From time to time Midland is a party to lawsuits and other legal proceedings as part of its duties as a loan servicer (e.g., enforcement of loan obligations) or arising in the ordinary course of business. Midland does not believe that any such lawsuits or legal proceedings would, individually or in the aggregate, have a material adverse effect on its business or its ability to service the Loan pursuant to the Trust and Servicing Agreement.

Midland currently maintains an Internet-based investor reporting system, CMBS Investor Insight®, that contains performance information at the portfolio, loan and property levels on the various commercial mortgage-backed securities transactions that it services. Certificateholders, prospective transferees of the Certificates and other appropriate parties may obtain access to CMBS Investor Insight® through Midland's website at www.pnc.com/midland. Midland may require registration and execution of an access agreement in connection with providing access to CMBS Investor Insight.

PNC Bank and its affiliates may use some of the same service providers (e.g., legal counsel, accountants and appraisal firms) as are retained on behalf of Invitation Homes 2017-SFR1 Trust. In some cases, fee rates, amounts or discounts may be offered to PNC Bank and its affiliates by a third party vendor which differ from those offered to the trust fund as a result of scheduled or ad hoc rate changes, differences in the scope, type or nature of the service or transaction, alternative fee arrangements, and negotiation by PNC Bank or its affiliates other than Midland.

As of December 31, 2016, Midland was master and primary servicing approximately 29,990 commercial and multifamily mortgage loans with a principal balance of approximately \$407 billion. The collateral for such loans is located in all 50 states, the District of Columbia, Puerto Rico, Guam and Canada. Approximately 9,727 of such loans, with a total principal balance of approximately \$149 billion, pertain to commercial and multifamily mortgage-backed securities, of which 915 loans with a total principal balance of approximately \$17 billion is related to Single Family Rental securitizations. The related loan pools include multifamily, office, retail, hospitality and other income-producing properties. As of December 31, 2016, Midland was named the special servicer in approximately 245 commercial mortgage-backed securities transactions with an aggregate outstanding principal balance of approximately \$121 billion of which 25 transactions with an aggregate outstanding principal balance of approximately \$12 billion is related to Single Family Rental securitizations. With respect to such commercial mortgage-backed securities transactions as of such date, Midland was administering approximately 87 assets with an outstanding principal balance of approximately \$659 million.

Midland has been servicing mortgage loans in CMBS transactions since 1992. The table below contains information on the size of the portfolio of commercial and multifamily loans and leases in CMBS and other servicing transactions for which Midland has acted as master and/or primary servicer from 2014 to 2016.

Portfolio Growth – Master/Primary	Calendar Year-End (Approximate amounts in billions)		
	2014	2015	2016
CMBS.....	\$157	\$149	\$149
Other.....	\$179	\$255	\$294
Total	\$336	\$404	\$444

Midland has acted as a special servicer for commercial and multifamily mortgage loans in CMBS transactions since 1992. The table below contains information on the size of the portfolio of specially serviced commercial and multifamily mortgage loans and REO properties that have been referred to Midland as special servicer in CMBS transactions from 2014 to 2016.

Portfolio Size – CMBS Special Servicing	Calendar Year-End (Approximate amounts in billions)		
	2014	2015	2016
Total.....	\$85	\$110	\$121

Midland may enter into one or more arrangements with the Directing Certificateholder, a Controlling Class Certificateholder, any Directing Certificateholder, any Companion Loan Holder, the other Certificateholders (or an affiliate or a third-party representative of one or more of the preceding) or any other person with the right to appoint or remove and replace the special servicer to provide for a discount, waiver and/or revenue sharing with respect to certain of the special servicer compensation in consideration of, among other things, Midland's appointment (or continuance) as special servicer under the Trust and Servicing Agreement and any related co-lender agreement and limitations on the right of such person to remove the special servicer.

The foregoing information under the heading “—Description of the Servicer and Special Servicer” has been provided by Midland. Midland does not make any representations as to the validity or sufficiency of the Trust and Servicing Agreement (other than as to it being a valid obligation of Midland as Servicer), the Certificates, the Loan, this information circular (other than as to the accuracy of the information provided by Midland) or any related documents.

Either the Servicer or the Special Servicer may resign under the Trust and Servicing Agreement as described under “The Trust and Servicing Agreement—Certain Matters Regarding the Depositor, the Certificate Administrator, the Trustee, the Servicer and the Special Servicer and the Guarantor” in this information circular.

Description of the Trustee

Wilmington Trust, National Association (“WTNA”) (formerly called M&T Bank, National Association) will act as trustee (the “Trustee”) on behalf of the Certificateholders pursuant to the Trust and Servicing Agreement. WTNA is a national banking association with trust powers incorporated in 1995. WTNA's principal place of business is located at 1100 North Market Street, Wilmington, Delaware 19890. WTNA is an affiliate of Wilmington Trust Company and both WTNA and Wilmington Trust Company are subsidiaries of Wilmington Trust Corporation, and Wilmington Trust Corporation is a wholly-owned subsidiary of M&T Bank Corporation. Since 1998, Wilmington Trust Company has served as trustee in numerous asset-backed securities transactions. As of December 31, 2016, WTNA served as trustee on over 1,500 mortgage-backed related securities transactions having an aggregate original principal balance in excess of \$200 billion, of which approximately 227 transactions were commercial mortgage-backed securities transactions having an aggregate original principal balance of approximately \$144 billion.

The transaction parties may maintain banking and other commercial relationships with WTNA and its affiliates. In its capacity as trustee on commercial mortgage securitizations, WTNA and its affiliates are generally required to make an advance if the related servicer or special servicer fails to make a required advance. In the past three years, WTNA and its affiliates have not been required to make an advance on a commercial mortgage-backed securities transaction.

WTNA is subject to various legal proceedings that arise from time to time in the ordinary course of business. WTNA does not believe that the ultimate resolution of any of these proceedings will have a material adverse effect on its services as trustee.

The foregoing information concerning the Trustee has been provided by WTNA. WTNA does not make any representations as to the validity or sufficiency of the Trust and Servicing Agreement (other than as to it being a valid obligation of WTNA as Trustee), the Certificates, the Loan, this information circular (other than as to the accuracy of the information provided by WTNA) or any related documents and will not be accountable for the use or application by or on behalf of the Servicer or the Special Servicer of any funds paid to the Servicer or any Special Servicer in respect of the Certificates or the Loan, or any funds deposited into or withdrawn from the Certificate Collection Account or any other account by or on behalf of the Servicer or any Special Servicer.

Description of the Certificate Administrator and Custodian

Wells Fargo Bank, National Association ("Wells Fargo Bank") will act as Certificate Administrator (in such capacity, the "Certificate Administrator"), and custodian (in such capacity, the "Custodian") under the Trust and Servicing Agreement. Wells Fargo Bank is a national banking association and a wholly-owned subsidiary of Wells Fargo & Company. A diversified financial services company, Wells Fargo & Company is a U.S. bank holding company with approximately \$1.9 trillion in assets and approximately 269,000 employees as of September 30, 2016, which provides banking, insurance, trust, mortgage and consumer finance services throughout the United States and internationally. Wells Fargo Bank provides retail and commercial banking services and corporate trust, custody, securities lending, securities transfer, cash management, investment management and other financial and fiduciary services. The transaction parties may maintain banking and other commercial relationships with Wells Fargo Bank and its affiliates. Wells Fargo Bank maintains its principal corporate trust offices at 9062 Old Annapolis Road, Columbia, Maryland 21045-1951 (among other locations) and its office for certificate transfer services is located at 600 South Fourth Street, 7th Floor MAC: N9300-070, Minneapolis, Minnesota 55479.

Under the terms of the Trust and Servicing Agreement, Wells Fargo Bank is responsible for securities administration, which includes Loan performance calculations, distribution calculations and the preparation of monthly distribution reports. As Certificate Administrator, Wells Fargo Bank is responsible for the preparation and filing of all REMIC tax returns on behalf of the trust. Wells Fargo Bank has been engaged in the business of securities administration since June 30, 1995, and in connection with commercial mortgage-backed securities since 1997. As of September 30, 2016, Wells Fargo Bank was acting as securities administrator with respect to more than \$410 billion of outstanding commercial mortgage-backed securities.

Wells Fargo Bank is acting as custodian of the loan file pursuant to the Trust and Servicing Agreement. In that capacity, Wells Fargo Bank is responsible to hold and safeguard the Note and other contents of the loan file on behalf of the Trustee and the Certificateholders. Wells Fargo Bank maintains the loan file in a separate file folder marked with a unique bar code to assure loan-level file integrity and to assist in inventory management. Files are segregated by transaction or investor. Wells Fargo Bank has been engaged in the mortgage document custody business for more than 25 years. Wells Fargo Bank maintains its commercial document custody facilities in Minneapolis, Minnesota. As of September 30, 2016, Wells Fargo Bank was acting as custodian of more than 202,000 commercial mortgage loan files.

For three CMBS transactions in its portfolio, Wells Fargo Bank disclosed material noncompliance on its related 2016 Annual Statement of Compliance furnished pursuant to Item 1123 of Regulation AB to the required recipients for the transactions. For one CMBS transaction, an administrative error caused an overpayment to a certain class and a correlating underpayment to a certain class for two consecutive distributions. Each of the affected distributions was revised the next month to correct the error. For two CMBS transactions, distributions for one month were paid one day late as a result of an inadvertent payment systems error that occurred in connection with a conversion to a new payment system. For one of these two CMBS transactions, distributions were one day late for the next month due to an unrelated delay in posting funds received from the servicer to the appropriate account.

On June 18, 2014, a group of institutional investors filed a civil complaint in the Supreme Court of the State of New York, New York County, against Wells Fargo Bank, N.A., in its capacity as trustee under 276 residential mortgage backed securities ("RMBS") trusts, which was later amended on July 18, 2014, to increase the number of trusts to 284 RMBS trusts. On November 24, 2014, the plaintiffs filed a motion to voluntarily dismiss the state court action without prejudice. That same day, a group of institutional investors filed a putative class action complaint in the United States District Court for the Southern District of New York (the "District Court") against Wells Fargo Bank, alleging claims against the bank in its capacity as trustee for 274 RMBS trusts (the "Federal Court Complaint"). In December 2014, the plaintiffs' motion to voluntarily dismiss their original state court action was granted. As with the prior state court action, the Federal Court Complaint is one of six similar complaints filed contemporaneously against RMBS trustees (Deutsche Bank, Citibank, HSBC, The Bank of New York Mellon and US Bank) by a group of institutional investor plaintiffs. The Federal Court Complaint against Wells Fargo Bank alleges that the trustee caused losses to investors and asserts causes of action based upon, among other things, the trustee's alleged failure to: (i) notify and enforce repurchase obligations of mortgage loan sellers for purported breaches of representations and warranties, (ii) notify investors of alleged events of default, and (iii) abide by appropriate standards of care following alleged events of default. Relief sought includes money damages in an unspecified amount, reimbursement of expenses, and equitable relief. Other cases alleging similar causes of action have been filed against Wells Fargo Bank and other trustees in the District Court by RMBS investors in these and other transactions, and these cases against Wells Fargo are proceeding before the same District Court judge. A similar complaint was also filed May 27, 2016 in New York state court by a different plaintiff investor. On January 19, 2016, an order was entered in connection with the Federal Court Complaint in which the District Court declined to exercise jurisdiction over 261 trusts at issue in the Federal Court Complaint; the District Court also allowed plaintiffs to file amended complaints as

to the remaining, nondismissed trusts, if they so chose, and three amended complaints have been filed. On December 17, 2016, the investor plaintiffs in the 261 trusts dismissed from the Federal Court Complaint filed a new complaint in New York state court (the “State Court Complaint”). Motions to dismiss all of the actions are pending except for the recently filed State Court Complaint. There can be no assurances as to the outcome of the litigations, or the possible impact of the litigations on the trustee or the RMBS trusts. However, Wells Fargo Bank denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of any losses to investors, and that it has meritorious defenses, and it intends to contest the plaintiffs’ claims vigorously.

Description of the Guarantor

General

Fannie Mae is a government-sponsored enterprise that was chartered by Congress in 1938 to support liquidity, stability and affordability in the secondary mortgage market, where existing mortgage-backed assets are purchased and sold. Fannie Mae’s charter does not permit it to originate loans and lend money directly to consumers in the primary mortgage market. Fannie Mae’s most significant activities are securitizing mortgage loans originated by lenders into Fannie Mae mortgage-backed securities and purchasing mortgage loans and mortgage-backed securities for its mortgage portfolio. Fannie Mae has been securitizing mortgage loans since 1981 and has issued over \$9.7 trillion of mortgage-related securities during that time. Fannie Mae has been the largest issuer of mortgage-related securities on an annual basis since 1990. Fannie Mae serves as the trustee of all its for its mortgage-related securities.

Fannie Mae obtains funds to purchase mortgage-backed assets for its mortgage portfolio by issuing a variety of debt securities in the domestic and international capital markets. Fannie Mae also make other investments that increase the supply of affordable housing. As discussed below, Fannie Mae is currently in conservatorship.

Fannie Mae Conservatorship

The Federal Housing Finance Agency (“FHFA”) is an independent agency of the federal government with general supervisory and regulatory authority over Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. FHFA was established in July 2008, assuming the duties of Fannie Mae’s former safety and soundness regulator, the Office of Federal Housing Enterprise Oversight, and our former mission regulator, the U.S. Department of Housing and Urban Development (“HUD”). HUD remains Fannie Mae’s regulator with respect to fair lending matters.

On September 6, 2008, the Director of FHFA appointed FHFA as Fannie Mae’s conservator pursuant to its authority under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the 2008 Reform Act (together, the “GSE Act”). Upon its appointment, FHFA immediately succeeded to all of the rights, titles, powers and privileges of Fannie Mae and those of any stockholder, officer, or director of Fannie Mae with respect to Fannie Mae and its assets. The conservatorship is a statutory process designed to preserve and conserve Fannie Mae’s assets and property and put the company in a sound and solvent condition. The conservatorship has no specified termination date, and there continues to be uncertainty regarding the future of Fannie Mae, including how long it will continue to exist, the extent of its role in the market and what form it will have. For more information on the risks to Fannie Mae’s business relating to the conservatorship and uncertainties regarding the future of Fannie Mae’s company and business, see “RISK FACTORS” in its most recent Form 10-K.

In September 2008, Fannie Mae, through FHFA as its conservator, entered into two agreements with the U.S. Department of the Treasury (“Treasury”). The first agreement is a senior preferred stock purchase agreement, under which Fannie Mae issued one million shares of senior preferred stock to Treasury and which provided it with Treasury’s commitment to provide it with funding, under certain conditions, to eliminate deficiencies in its net worth (the “commitment”). The senior preferred stock purchase agreement was amended and restated on September 26, 2008. The amended and restated agreement was later amended on May 6, 2009, December 24, 2009 and August 17, 2012 (as amended, the “senior preferred stock purchase agreement”). Fannie Mae generally may draw funds under the commitment on a quarterly basis when its total liabilities exceed its total assets on its consolidated balance sheet prepared in accordance with GAAP as of the end of the preceding quarter.

From 2009 through the first quarter of 2012, Fannie Mae received a total of \$116.1 billion from Treasury under the senior preferred stock purchase agreement. This funding provided Fannie Mae with the capital and liquidity needed to fulfill its mission of providing liquidity and support to the nation’s housing finance markets and to avoid triggering mandatory receivership under the GSE Act. Fannie Mae has not received funds from Treasury under the agreement since the first quarter of 2012. Beginning in 2013, the dividend amount payable to Treasury on the senior preferred stock for each dividend period from January 1, 2013 through and including December 31, 2017 is the

amount, if any, by which Fannie Mae's net worth as of the end of the immediately preceding fiscal quarter exceeds an applicable capital reserve. This capital reserve is \$1.2 billion for each quarter of 2016, will decrease to \$600 million for each quarter of 2017, and will decrease to zero in 2018. For each dividend period beginning in 2018, the dividend amount will be the entire amount of Fannie Mae's net worth, if any, as of the end of the immediately preceding fiscal quarter. Fannie Mae's net worth, for purposes of this dividend calculation, is the amount by which its total assets (with some exclusions) exceed its total liabilities (with some exclusions) as reflected on its balance sheet prepared in accordance with GAAP. If Fannie Mae does not have a positive net worth as of the end of a fiscal quarter, or if its net worth does not exceed the applicable capital reserve at the end of a fiscal quarter, then no dividend will accrue or be payable with regard to the senior preferred stock for the applicable dividend period.

Under the terms of the senior preferred stock purchase agreement, dividend payments do not offset prior Treasury draws, and Fannie Mae is not permitted to pay down draws it has made under the agreement except in limited circumstances. Accordingly, the current aggregate liquidation preference of the senior preferred stock is \$117.1 billion, due to the initial \$1.0 billion liquidation preference of the senior preferred stock (for which Fannie Mae did not receive cash proceeds) and the \$116.1 billion Fannie Mae has drawn from Treasury.

While Fannie Mae had a positive net worth as of March 31, 2016, in some future periods it could have a net worth deficit particularly as its capital reserve amount approaches or reaches zero. If that were to occur, it would be required to obtain funding from Treasury under the commitment to avoid being placed into receivership. As of the date of this information circular, the maximum amount of remaining available funding under the commitment is \$117.6 billion. If Fannie Mae were to draw additional funds from Treasury under the commitment in a future period, the amount of remaining available funding would be reduced by the amount of its draw. The senior preferred stock purchase agreement provides that Treasury's funding commitment will terminate under any of the following circumstances:

- the completion of Fannie Mae's liquidation and fulfillment of Treasury's obligations under its funding commitment at that time,
- the payment in full of, or reasonable provision for, all of Fannie Mae's liabilities (whether or not contingent, including mortgage guaranty obligations), or
- the funding by Treasury of the maximum amount that may be funded under the agreement.

In addition, Treasury may terminate its funding commitment and declare the senior preferred stock purchase agreement null and void if a court vacates, modifies, amends, conditions, enjoins, stays or otherwise affects the appointment of the conservator or otherwise curtails the conservator's powers. Treasury may not terminate its funding commitment under the agreement solely by reason of Fannie Mae's being in conservatorship, receivership or other insolvency proceeding, or due to its financial condition or any adverse change in its financial condition. The senior preferred stock purchase agreement provides that most provisions of the agreement may be waived or amended by mutual written agreement of the parties; however, no waiver or amendment of the agreement is permitted that would decrease Treasury's aggregate funding commitment or add conditions to Treasury's funding commitment if the waiver or amendment would adversely affect in any material respect the holders of Fannie Mae's debt securities or guaranteed Fannie Mae MBS, including the Certificates offered by this information circular.

The other agreement with Treasury is a warrant to purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae (the "warrant") on a fully diluted basis. The senior preferred stock and the warrant were issued as an initial commitment fee for Treasury's commitment. The senior preferred stock purchase agreement and the warrant contain covenants that significantly restrict Fannie Mae's operations and that are described in its most recent Form 10-K.

Fannie Mae continues to rely on support from Treasury to eliminate any net worth deficits that it may experience in the future, which would otherwise trigger it being placed into receivership. Based on consideration of all the relevant conditions and events affecting its operations, including Fannie Mae's reliance on the U.S. government, it continues to operate as a going concern and in accordance with its delegation of authority from FHFA. Fannie Mae remains liable for all of its obligations, including its guaranty obligations, associated with the certificates and other mortgage-backed securities issued by Fannie Mae. The senior preferred stock purchase agreement is intended to enhance Fannie Mae's ability to meet its obligations. Certificateholders have certain limited rights to bring proceedings against Treasury if Fannie Mae fails to pay under the Fannie Mae Guaranty. See "*Transaction Parties—Description of the Guarantor.*"

Possibility of Future Receivership

FHFA must place Fannie Mae into receivership if the Director of FHFA makes a written determination that its assets are less than its obligations (a "net worth deficit") or if it has not been paying its debts, in either case, for a period of 60 days after the deadline for the filing with the SEC of its annual report on Form 10-K or its quarterly report on Form 10-Q, as applicable. Although Treasury committed to providing Fannie Mae with funds in accordance with the terms of the senior preferred stock purchase agreement, Treasury may not provide these funds within the required 60 days if it has exhausted its borrowing authority or if there is a government shutdown. In addition, Fannie Mae could be put into receivership at the discretion of the Director of FHFA at any time for other reasons, including conditions that FHFA has already asserted existed at the time the former Director of FHFA placed it into conservatorship.

A receivership would terminate the conservatorship. The appointment of FHFA as Fannie Mae's receiver would not only grant FHFA the powers that it currently has as its conservator but would also terminate all rights and claims that certificateholders may have against its assets or under its charter arising from their status as certificateholders, other than their right to payment, resolution or other satisfaction of their claims as permitted under the 2008 Reform Act. Unlike a conservatorship, the purpose of which is to conserve Fannie Mae's assets and return Fannie Mae to a sound and solvent condition, the purpose of a receivership is to liquidate its assets and resolve claims against it.

DESCRIPTION OF THE LOAN PURCHASE AGREEMENT

Under the Loan Purchase Agreement the Accommodation Loan Seller will transfer all right, title and interest under the Loan and the related Loan Documents to the Depositor, together with all principal and interest received with respect to the Loan from and after the Cut-off Date. The Accommodation Loan Seller will represent and warrant with respect to the Loan that, as of the Closing Date:

- (i) the Accommodation Loan Seller is the sole owner of the Loan and related assets and will transfer the Loan and related assets to the Depositor free and clear of any liens, pledges, charges, security interests or encumbrances of any nature;
- (ii) the Loan constitutes a whole loan and not a participation interest or certificate;
- (iii) to the best of the Accommodation Loan Seller's Knowledge, (A) there is no monetary or material non-monetary Loan Event of Default, (B) no event has occurred that has been identified by the Accommodation Loan Seller as an event that, with the passage of time or with notice and the expiration of any applicable grace or cure period, would constitute a material Loan Event of Default, and (C) the Accommodation Loan Seller has not waived any Loan Event of Default; and
- (iv) the Loan is a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Code (but without regard to the rule in Treasury Regulations Section 1.860G-2(f)(2) that treats certain defective loans as qualified mortgages). Any prepayment premium and yield maintenance charges applicable to the Loan constitute "customary prepayment penalties" for loans of this type within the meaning of Treasury Regulations Section 1.860G-1(b)(2).

"Accommodation Loan Seller's Knowledge" means the actual knowledge of any employee of the Accommodation Loan Seller who was actively involved in the origination, administration, servicing and/or sale of the Loan.

If there is a Material Breach, upon discovery by any party to the Loan Purchase Agreement of such Material Breach, such party shall give prompt notice thereof to the Accommodation Loan Seller. Additionally, upon discovery by any party to the Trust and Servicing Agreement of such Material Breach, such party will give prompt notice thereof to each party to the Trust and Servicing Agreement, the Accommodation Loan Seller, and the Directing Certificateholder and, upon receipt of such notice, the Servicer or the Special Servicer, as applicable, will use efforts consistent with Accepted Servicing Practices to cause the Accommodation Loan Seller, to the extent obligated to do so under the Loan Purchase Agreement, to cure such Material Breach, repurchase the Loan or indemnify the Trust for losses directly related to such Material Document Defect as provided in the Trust and Servicing Agreement, it being understood and agreed that none of such parties has an obligation to conduct any investigation with respect to such matters.

Within 90 days of the receipt by the Accommodation Loan Seller of notice of such Material Breach, the Accommodation Loan Seller must either (i) repurchase the Loan at an amount equal to the Repurchase Price, (ii) promptly cure such Material Breach in all material respects or (iii) if such Material Breach is not related to the Loan not being a "qualified mortgage" within the meaning of the REMIC Provisions, indemnify the Trust for losses directly related to such Material Breach (any resulting indemnification payment by the Accommodation Loan Seller, a "Accommodation Loan Seller Indemnification Payment"); provided, that if (a) such Material Breach is capable of being cured but not within such 90-day period, (b) such Material Breach is not related to the Loan not being a "qualified mortgage" within the meaning of the REMIC Provisions and (c) the Accommodation Loan Seller has commenced and is diligently proceeding with the cure of such Material Breach, the Accommodation Loan Seller will have an additional 90 days to complete such cure; provided, further, that with respect to such additional 90-day period, the Accommodation Loan Seller shall have delivered an officer's certificate to the Trustee, the Directing Certificateholder and the Servicer setting forth the reason why such Material Breach is not capable of being cured within the initial 90-day period and what actions the Accommodation Loan Seller is pursuing in connection with the cure thereof and stating that the Accommodation Loan Seller anticipates that such Material Breach will be cured within the additional 90-day period. Notwithstanding the foregoing, if there is a Material Breach, the Accommodation Loan Seller will promptly reimburse the Directing Certificateholder for all expenses incurred by the Directing Certificateholder in respect of enforcing the remedies for such Material Breach. For the avoidance of doubt, no Liquidation Fee shall be paid by the Accommodation Loan Seller in connection with a repurchase of the Loan due to a Material Breach pursuant to the Loan Purchase Agreement or payment of an Accommodation Loan Seller Indemnification Payment. The sole remedy of the Depositor, the Trustee, the Certificate Administrator, the Servicer, the Special Servicer and the Certificateholders against the Accommodation Loan Seller in connection with a Material Breach is to enforce or cause to be enforced the repurchase claim or the Accommodation Seller Indemnification Payment in accordance with the provisions of the Loan Purchase Agreement. The Repurchase Price will become part of the amounts to be

distributed to holders of Certificates as described in “*Description of the Certificates—Payment on the Certificates*” in this information circular. Any such repurchase will have substantially the same effect as if the Loan had been prepaid in full by the Borrower and without payment of a yield maintenance premium, which may adversely affect the yield to maturity of certain Classes of Certificates.

The “Repurchase Price” is an amount (without duplication) equal to the sum of (i) the unpaid principal balance of the Loan, (ii) accrued and unpaid interest on the Loan and the Components at the Regular Component Interest Rate (exclusive of the Default Rate) to and including the last day of the related Interest Accrual Period in which the repurchase is to occur, (iii) unreimbursed Servicing Advances and Administrative Advances together with interest on such Advances, (iv) an amount equal to all interest on outstanding Monthly Payment Advances, (v) any unpaid Trust Fund Expenses and (vi) any other expenses reasonably incurred or expected to be incurred by the Servicer, Special Servicer, Certificate Administrator or Trustee arising out of the enforcement of the repurchase obligation. No Liquidation Fee will be paid by (a) the Depositor in connection with a repurchase of the Loan or payment of a Depositor Indemnification Payment by the Depositor pursuant to Trust and Servicing Agreement as a result of a Material Document Defect (provided such repurchase or payment occurs within the applicable cure period) (b) the Document Defect Repurchase Guarantor in connection with a repurchase of the Loan by the Document Defect Repurchase Guarantor pursuant to the Document Defect Repurchase Guaranty as a result of a Material Document Defect (provided such repurchase occurs within the applicable cure period) or (c) the Accommodation Loan Seller in connection with a repurchase of the Loan by the Accommodation Loan Seller or payment of an Accommodation Loan Seller Indemnification Payment pursuant to the Loan Purchase Agreement as a result of a Material Breach.

Other than the limited representations or warranties made by the Accommodation Loan Seller described above, no other person or party including any other transaction party will make any representations or warranties with respect to the Loan or Properties or with respect to any characteristics or attributes of the Loan or Properties. The Accommodation Loan Seller’s cure and repurchase obligation is very limited. It is possible that the Loan may contain defects that are not covered by the representations and warranties of the Accommodation Loan Seller or by the delivery obligations of the Depositor under the Trust and Servicing Agreement described under “*Description of the Trust and Servicing Agreement—Assignment of the Loan*” in this information circular, in which event no claim could be made against the Accommodation Loan Seller or the Depositor (or the Document Defect Repurchase Guarantor), as applicable.

DESCRIPTION OF THE TRUST AND SERVICING AGREEMENT

The following is a summary of certain provisions of the Trust and Servicing Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Trust and Servicing Agreement, a copy of the form of which may be obtained upon request to the Depositor or, after the Closing Date, will be made available on the Certificate Administrator’s website at www.ctslink.com.

Assignment of the Loan

On the Closing Date, the Depositor will assign or cause the assignment of the Loan, without recourse, to the Trustee for the benefit of the Certificateholders, the interest accrued on Component A and Component B at their applicable Component Rates from and including April 1, 2017 to but excluding the Cut-off Date, plus the Certificate Administrator Fee and the Trustee Fee for one month (the “Initial Deposit”). In connection with such sale, transfer and assignment, on or prior to the date occurring thirty (30) days after the Closing Date (such date, the “Delivery Date”), except with respect to the items listed in clauses (i) and (ii) below, which will be delivered and deposited on or before the Closing Date, and subject to the terms of the Trust and Servicing Agreement, the Depositor will deliver or cause to be delivered to the Custodian (or in the case of clause (ii) below, the Certificate Administrator):

- (i) the original Note, endorsed without recourse to the order of the Trustee, in trust for the benefit of the Certificateholders;
- (ii) the original certificates evidencing the Equity Collateral (along with appropriate stock powers or assignments thereof in blank);
- (iii) an original or a copy of the Mortgage with respect to each Property, together with originals or copies of any and all intervening assignments thereof prior to the assignment to the Trustee, in each case (unless the particular item has been delivered to but not returned from the applicable recording office) with evidence of recording indicated thereon (and if the Mortgage relates to more than one Property, the Mortgage will identify the property number or street address of each such Property or other applicable identifier of such Property);

- (iv) an original or copy of each executed assignment, in recordable form (except for recording information not yet available if the instrument being assigned has not been returned from the applicable recording office), of each Mortgage, in favor of the Trustee for the benefit of the Certificateholders in each case (unless the particular item has been delivered to but not returned from the applicable recording office) with evidence of recording indicated thereon (and if the assignment relates to more than one Property, the assignment will identify the property number or street address of each such Property or other applicable identifier of such Property);
- (v) the original Loan Agreement, including all amendments thereto;
- (vi) an original or copy of the Borrower Security Agreement, Equity Owner LP Security Agreement and Borrower GP Security Agreement;
- (vii) an original or copy of the Equity Owner Guaranty;
- (viii) an original or copy of the Sponsor Guaranty and the Environmental Indemnitor Guaranty;
- (ix) an original or copy of the Environmental Indemnity Agreement;
- (x) an original or copy of the Management Agreement and the Assignment of Management Agreement;
- (xi) an original or copy of the blocked account control agreement;
- (xii) an original or copy of the Property Account Control Agreement and any assignment and assumption agreement executed in connection therewith;
- (xiii) an original or copy of the assignment of Loan Documents in favor of the Trustee;
- (xiv) for each Property, the lender's title insurance policies (which may be in electronic form), together with any endorsements thereto, obtained in connection with the origination of the Loan (or marked, signed commitments to insure or pro forma title insurance policies signed by, or accompanied by escrow instructions signed by, the applicable title company evidencing its commitment to insure);
- (xv) where applicable, a copy of each UCC-1 financing statement, together with a fully executed UCC-3 financing statement, in a form that is complete and suitable for filing, disclosing the assignment from the secured party named in such UCC-1 financing statement to the Trustee of the security interest in the personal property and other UCC collateral constituting security for repayment of the Loan;
- (xvi) all other instructions, if any, constituting additional security for the repayment of the Loan and any other Loan Documents, in each case executed and delivered by the Borrower, the Equity Owner LP, the Borrower GP or the Loan Sponsor with or in favor of the Lender in connection with the closing of the Loan and any legal opinions delivered in connection with the closing of the Loan; and
- (xvii) any and all amendments, modifications and supplements to, and waivers related to, any of the foregoing (all documents and instruments described in clauses (i) through (xvii) collectively, the "Loan File");

provided that in light of the anticipated simultaneous closing of the Loan and the Trust and Servicing Agreement, the delivery of any document or instrument into escrow subject to instructions that the same is to be delivered to the Custodian (or in the case of clause (ii) above, the Certificate Administrator) upon closing will be deemed to satisfy the delivery obligations of the Depositor with respect to that document; provided, further, that if the Depositor cannot deliver, or cause to be delivered, any of the documents and/or instruments referred to in clauses (iii), (iv) and (xv) above with evidence of filing or recording thereon (if intended to be recorded or filed), solely because of a delay caused by the public filing or recording office where such document or instrument has been delivered for filing or recordation, or because the timing of the Delivery Date is such that it would not be feasible to obtain such documents from such public filing or recording office in sufficient time to meet the delivery requirements, the delivery requirements will be deemed to have been satisfied on a provisional basis as of the Delivery Date as to such non-delivered document or instrument, and such non-delivered document or instrument will be deemed to have been included in the Loan File, if a duplicate original or a photocopy of such non-delivered document or instrument (certified by the applicable public filing or recording office, the applicable title insurance company or the Accommodation Loan Seller or the Depositor to be a true and complete copy of the original thereof submitted for filing or recording) is delivered to the Custodian on or before the Delivery Date, and either the original of such non-

delivered document or instrument, or a photocopy thereof is delivered to the Custodian within 180 days of the Closing Date (or within such longer period, not to exceed 270 days, after the Closing Date as the Custodian may consent to, which consent will not be unreasonably withheld so long as the Depositor is, as certified in writing to the Custodian no less often than every 90 days, attempting in good faith to obtain from the appropriate public filing office or county recorder's office such original or photocopy).

The Depositor will be required to provide the Servicer promptly following the Closing Date, at its own expense, with copies of all such documents in its possession constituting part of the Loan File and all documents and records in the Depositor's possession (or under its control) relating to the Loan that are not required to be a part of a Loan File but that are reasonably required to service the Loan (all such other documents and records, the "Servicing File"); provided, the Depositor will not be required to deliver, and the Servicing File will not be deemed to include drafts of Loan Documents, attorney-client or internal communications of the Accommodation Loan Seller or its affiliates or Accommodation Loan Seller's credit underwriting or due diligence analyses or related data (as distinguished from financial statements, credit reports, title reports, structural and engineering reports, appraisals and other reports, analyses or data provided by the Borrower or third parties other than the Accommodation Loan Seller's attorneys).

In addition, the Depositor will be required to deliver or cause to be delivered (i) to the Certificate Administrator, with a copy to the Servicer, a schedule of the Equity Collateral in such form as the Certificate Administrator will reasonably request and (ii) to the Servicer for its review, all required insurance policies or certificates issued by the insurers showing such insurance to be in effect on the Closing Date, together with proof of payment of premiums relating thereto (which may consist of such policies or certificates).

Each assignment of Mortgage, assignment of a Collateral Document (to the extent such documents are required to be recorded or filed) and UCC-3 financing statements to be filed in the appropriate filing offices or record depositories will be filed or recorded, as applicable, by the Depositor, with instructions to return all such recorded documents, or other evidences of filing issued by the applicable governmental offices, to the Custodian, with a copy to the Servicer.

The Custodian (or in the case of clause (ii) above, the Certificate Administrator) will hold or cause to be held such documents in trust for the benefit of the Certificateholders. The Custodian will review or cause to be reviewed such documents (except with respect to clause (i) and clause (ii) above, in which case the review will be made on the Closing Date) within 60 days following the Delivery Date and make certain certifications and report any defects in such documents to the Trustee, the Certificate Administrator, the Directing Certificateholder/17g-5 Information Provider (who will promptly post such notice to the Directing Certificateholder/17g-5 Information Provider's website), the Depositor, the Servicer, the Special Servicer and the Directing Certificateholder. Upon the conveyance of the original Note and delivery of the original Equity Collateral with the assignment as provided in clauses (i) and (ii) above and receipt by the Custodian of an original or copy of the Document Defect Repurchase Guaranty, the Certificate Administrator will authenticate and deliver the Certificates at the written direction of the Depositor.

If any document required to be delivered by the Depositor under the Trust and Servicing Agreement is not delivered as and when required or is not properly executed or is defective (any of the foregoing, a "Defect") and such Defect materially and adversely affects the value of the Loan or the interest of the Trust (or the Certificateholders) therein or causes the Loan to be other than a "qualified mortgage" (within the meaning of Section 860G(a)(3) of the Code, without regard to the rule of Treasury Regulations Section 1.860G-2(f)(2) which causes a defective mortgage loan to be treated as a "qualified mortgage") (a "Material Document Defect"), upon discovery by any party to the Trust and Servicing Agreement of such Material Document Defect, such party will give prompt notice thereof to each party to the Trust and Servicing Agreement and the Directing Certificateholder and, upon receipt of such notice, the Servicer or the Special Servicer, as applicable, will use efforts consistent with Accepted Servicing Practices to cause the Depositor, to the extent obligated to do so under the Trust and Servicing Agreement, to cure such Material Document Defect, repurchase the Loan or indemnify the Trust for losses directly related to such Material Document Defect as provided in the Trust and Servicing Agreement, it being understood and agreed that none of such parties has an obligation to conduct any investigation with respect to such matters. Notwithstanding the foregoing, no Defect (except for a Defect with respect to the Note, certificates evidencing the Equity Collateral, Mortgages, assignment agreements and UCC financing statements described in the Loan Purchase Agreement) will be considered to be a Material Document Defect unless the document with respect to which the Defect exists is required in connection with (i) an imminent enforcement of the mortgagee's rights or remedies under the Loan or the Equity Owner Guaranty; (ii) defending any claim asserted by any Borrower or third party with respect to the Loan; (iii) establishing the validity or priority of any lien on any collateral securing the Loan or the Equity Owner Guaranty; or (iv) any immediate significant servicing obligations, including without limitation, making a claim under a title policy.

Within 90 days of the receipt by the Depositor of notice of such Material Document Defect the Depositor must (i) repurchase the Loan at an amount equal to the Repurchase Price, (ii) promptly cure such Material Document

Defect in all material respects or (iii) if such Material Document Defect is not related to the Loan not being a Qualified Mortgage, indemnify the Trust for losses directly related to such Material Document Defect (any resulting indemnification payment by the Depositor, a “Depositor Indemnification Payment”); provided, that if (a) such Material Document Defect is capable of being cured but not within such 90-day period, (b) such Material Document Defect is not related to the Loan not being a “qualified mortgage” within the meaning of the REMIC Provisions and (c) the Depositor has commenced and is diligently proceeding with the cure of such Material Document Defect, the Depositor will have an additional 90 days to complete such cure; provided, further, that with respect to such additional 90-day period, the Depositor will have delivered an officer’s certificate to the Trustee, the Directing Certificateholder and the Servicer setting forth the reason why such Material Document Defect is not capable of being cured within the initial 90-day period and what actions the Depositor is pursuing in connection with the cure thereof and stating that the Depositor anticipates that such Material Document Defect will be cured within the additional 90-day period. In connection with any Material Document Defect, in lieu of or in addition to directing the Depositor to repurchase the Loan, if the Depositor is required to and has failed to cure a Material Document Defect within the required time period, the Trustee will be authorized to make demand upon the Document Defect Repurchase Guarantor for the performance of its obligations under the Document Defect Repurchase Guaranty or otherwise use commercially reasonable efforts to cause the Document Defect Repurchase Guarantor to perform its obligations under the Document Defect Repurchase Guaranty. Notwithstanding the foregoing, if the Depositor is liable for such breach, it will promptly reimburse the Directing Certificateholder for all expenses incurred by the Directing Certificateholder in respect of enforcing the remedies for such breach. The Document Defect Repurchase Guarantor will guaranty the repurchase obligations of the Depositor pursuant to the Document Defect Repurchase Guaranty delivered to the Certificate Administrator on the Closing Date. The sole remedy of the Trustee, the Guarantor, the Certificate Administrator, the Servicer, the Special Servicer and the Certificateholders against the Depositor or the Document Defect Repurchase Guarantor in connection with a Material Document Defect is to enforce the repurchase claim in accordance with the provisions of the Trust and Servicing Agreement or the Document Defect Repurchase Guaranty, as applicable. For the avoidance of doubt, no Liquidation Fee will be paid by the Depositor or the Document Defect Repurchase Guarantor in connection with a repurchase of the Loan or payment of a Depositor Indemnification Payment due to a Material Document Defect pursuant to the Trust and Servicing Agreement or the Document Defect Repurchase Guaranty, provided such repurchase or payment occurs during the applicable cure period.

The Repurchase Price will become part of the amounts to be distributed to holders of Certificates as described in “*Description of the Certificates—Payment on the Certificates*” in this information circular. Any such repurchase will have substantially the same effect as if the Loan had been prepaid in full by the Borrower and without payment of a yield maintenance premium, which may adversely affect the yield to maturity of certain Classes of Offered Certificates.

Other than the limited representations or warranties made by the Accommodation Loan Seller described in this information circular under the heading “*Description of the Loan Purchase Agreement*,” no other person or party including any other transaction party will make any representations or warranties with respect to the Loan or Properties or with respect to any characteristics or attributes of the Loan or Properties. It is possible that the Loan may contain defects that are not covered by the representations and warranties of the Accommodation Loan Seller or by the delivery obligations of the Depositor under the Trust and Servicing Agreement, in which event no claim could be made against the Accommodation Loan Seller or the Depositor (or the Document Defect Repurchase Guarantor), as applicable.

Notwithstanding the sale, transfer and assignment of the Loan by the Depositor to the Trustee, the Trustee on behalf of the Trust Fund will grant to the Depositor an irrevocable, exclusive license to enforce the obligation of the Accommodation Loan Seller under the Loan Purchase Agreement to execute substitute documents if any assignment of mortgage, any assignment of a Collateral Document or any UCC-3 financing statement contemplated to be filed in a filing office or record depository is determined to be defective or not to be in compliance with the requirements of the applicable filing office or recording depository, or if any such document is lost or returned unrecorded because of a defect therein.

Servicing of the Loan

Responsibilities of the Servicer and the Special Servicer

The Servicer and Special Servicer are required to service and administer the Loan and any Foreclosed Collateral (and, following a Foreclosure Event with respect to the Equity Collateral, any Properties owned by the Borrower) solely on behalf of the Trust Fund in the best interest of and for the benefit of all the Certificateholders, as a collective whole as if such Certificateholders constituted one lender (as determined by the Servicer or Special Servicer, as applicable, in the exercise of its good faith and reasonable judgment), in accordance with applicable law (including

the REMIC Provisions), the terms of the Trust and Servicing Agreement, the Loan Documents, and, to the extent consistent with the foregoing, further as follows (the “Accepted Servicing Practices”):

(i) the higher of:

(a) the same manner in which and with the same care, skill, prudence and diligence with which the Servicer or Special Servicer, as applicable, services and administers similar loans and foreclosed collateral and residential properties for other third-party portfolios, giving due consideration to customary and usual standards of practice of prudent institutional mortgage lenders and commercial real estate related mezzanine loan lenders in servicing their own loans and administering their own foreclosed collateral and residential properties, or

(b) with the care, skill, prudence and diligence the Servicer or Special Servicer, as applicable, uses for loans that it owns or for foreclosed collateral and residential properties it owns and administers;

(ii) with a view to the timely collection of (a) all scheduled payments of principal and interest under the Loan or, if the Loan comes into and continues in default and if no satisfactory arrangements can be made for the collection of the delinquent payments, the maximization of the recovery on the Loan to the Certificateholders (as a collective whole as if such Certificateholders constituted a single lender) on a net present value basis and (b) the Borrower Reimbursable Trust Fund Expenses; and

(iii) without regard to:

(A) any relationship that the Servicer or Special Servicer or any affiliate of the Servicer or the Special Servicer may have with the Relevant Parties, the Manager, the Accommodation Loan Seller, the Depositor or any of their respective affiliates,

(B) the ownership of any Certificate or Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates by the Servicer or Special Servicer or by any affiliate of the Servicer or the Special Servicer,

(C) in the case of the Servicer, its obligation to make Advances,

(D) the right of the Servicer or Special Servicer (or any affiliate of the Servicer or the Special Servicer) to receive reimbursement of costs, compensation or other fees (other than Advances), or the sufficiency of any compensation payable to it under the Trust and Servicing Agreement or with respect to any particular transaction or

(E) the ownership, servicing or management for others of any other loans or property by the Servicer or the Special Servicer.

The Servicer is permitted to utilize a sub-servicer at its own expense and with certain limitations as provided in the Trust and Servicing Agreement. The Servicer will not be relieved of any obligation carried out by its sub-servicer. The Special Servicer is not permitted to utilize a sub-servicer. The Servicer may only enter into sub-servicing agreements with sub-servicers (other than sub-servicers performing functions for which the Servicer may, for the purposes of the Exchange Act reporting requirements pursuant to applicable Commission guidance, take responsibility for the assessment of compliance with the servicing criteria of the Servicer (an “Excluded Sub-Servicer”)) that were pre-approved by the Directing Certificateholder. Under certain circumstances, each of the Servicer and the Special Servicer will be permitted to delegate certain of its duties and obligations to an Affiliate or to utilize agents or attorneys at the expense of the Trust in connection with performing certain servicing obligations. However, neither the Servicer nor the Special Servicer may engage any affiliate in connection with any sale of the Loan or sale of the Foreclosed Collateral or following a Foreclosure Event with respect to the Equity Collateral, any Property and the Special Servicer and its affiliates will be prohibited from receiving or retaining any compensation or any other remuneration (including, without limitation, in the form of any commissions, brokerage fees, appraisal fees or fees for Broker Price Opinions, rebates, or as a result of any other fee-sharing arrangement) from any person (including, without limitation, the Trust, any Relevant Party, any agent of any Relevant Party, or any other person purchasing the Loan, any Foreclosed Collateral or following a Foreclosure Event with respect to the Equity Collateral, the Properties) in connection with the disposition, workout or foreclosure of the Loan or the management or disposition of the Foreclosed Collateral or, following a Foreclosure Event with respect to the Equity Collateral, any Property or the performance of any other special servicing duties under the Trust and Servicing Agreement, other

than as specifically described below under “*Servicing Fee and Special Servicing Fee*” or any Permitted Special Servicer/Affiliate Fees.

Notwithstanding anything to the contrary in the Trust and Servicing Agreement, the Directing Certificateholder will have the right to direct the Servicer to terminate any sub-servicer if (i) the Directing Certificateholder determines that such sub-servicer is servicing the Loan other than in accordance with the Trust and Servicing Agreement or (ii) such sub-servicer becomes an affiliate of the Trustee; provided, however, that any termination in connection with clauses (i) or (ii) will be at the expense of the Servicer. If a sub-servicer is terminated pursuant to clauses (i) or (ii) in the immediately preceding sentence, then such sub-servicer will have the right to sell its sub-servicing to either the Servicer or another sub-servicer, other than an Excluded Sub-Servicer, reasonably acceptable to the Directing Certificateholder, which acceptance will not be unreasonably withheld or delayed. Except as provided in the Trust and Servicing Agreement, in no event will any termination fees and expenses payable to a sub-servicer upon the removal thereof be charged to (or paid from) the Directing Certificateholder, the Depositor, the Servicer, the Special Servicer, the Trustee and the Certificate Administrator. Except as expressly set forth in the Trust and Servicing Agreement, the Trust will not be liable for any costs or expenses associated with the termination of any sub-servicer.

“Permitted Special Servicer/Affiliate Fees” will be any commercially reasonable treasury management fees, banking fees, insurance commissions or fees, property condition and report fees received or retained by the Special Servicer or any of its affiliates in connection with any services performed by such party with respect to the Loan or Foreclosed Collateral (or following a Foreclosure Event with respect to the Equity Collateral, the Properties) in accordance with the Trust and Servicing Agreement.

The Trust and Servicing Agreement will provide that during the continuance of a Special Servicing Loan Event with respect to the Loan, the Special Servicer is required to determine the effect on net present value of various courses of action with respect to the Loan, including without limitation, work-out of the Loan or foreclosure on the Collateral and pursue, subject to the terms of the Trust and Servicing Agreement, the course of action that it determines would maximize recovery on the Loan on a net present value basis. All net present value calculations and determinations made under the Trust and Servicing Agreement with respect to the Loan, Collateral or Foreclosed Collateral (including for purposes of the definition of “Accepted Servicing Practices”), will be done using a discount rate appropriate for the type of cash flows being discounted, namely (i) for principal and interest payment on the Loan, sale of the Loan, Collateral or Properties (where the Property or Collateral is not valued on an income-based approach), the highest of (1) the rate determined by the Servicer or Special Servicer, as applicable, that approximates the market rate that would be obtainable by the Borrower on similar debt of the Borrower as of such date of determination and (2) the Weighted Average Regular Component Interest Rate and (ii) for all other cash flows (including rental cash flows), including property cash flow, the Servicer or Special Servicer will use the greater of (i) the Special Servicer’s best estimate of the “capitalization rate” and (ii) the rate in clause (1) plus 3%. For purposes of clarity, references in clause (ii) with respect to the Properties refer to an income-based approach calculation as to the value of the Properties and references to the Properties in clause (i) refer to discounting the sale price for the Properties until the time of sale.

The “Weighted Average Regular Component Interest Rate” will be a *per annum* rate equal to the weighted average Regular Component Interest Rates of the Components based on their outstanding principal balances.

Servicing Fee and Special Servicing Fee

The principal compensation to be paid to the Servicer in respect of its servicing activities will be a servicing fee (the “Servicing Fee”). The Servicing Fee will be payable monthly out of amounts that represent interest collected on the Loan that is on deposit in the Certificate Collection Account and will consist of an amount computed on the basis of the same principal amount, in the same manner and for the same period respecting which any related interest payment on the Loan is computed at a rate of 0.06% *per annum* (the “Servicing Fee Rate”). If a Special Servicing Loan Event occurs, a special servicing fee will be payable to the Special Servicer, computed on the basis of the same principal amount, in the same manner and for the same period respecting which any related interest payment on the Loan is computed at a rate of 0.25% *per annum* (the “Special Servicing Fee”), until such Special Servicing Loan Event no longer exists.

In addition, if a Special Servicing Loan Event is terminated following resolution of such Special Servicing Loan Event by a written agreement with the applicable Relevant Parties negotiated by the Special Servicer, the Special Servicer will be entitled to an additional fee equal to 0.75% (the “Work-out Fee”) of each payment of principal and interest (other than Default Interest) made on the Loan following such written agreement for so long as another Special Servicing Loan Event does not occur, provided, that any such Work-out Fee will be reduced by the Net Modification Fees paid by the Borrower with respect to the Loan received and retained by the Special Servicer, but only to the extent those fees have not previously been deducted from a Work-out Fee or Liquidation Fee and

provided, further, that no Work-out Fee will be payable following resolution of a Special Servicing Loan Event in clause (iii) of the definition thereof and the related collection of principal and interest is received within two months following the Maturity Date as a result of the Loan being refinanced or otherwise repaid in full, but the Special Servicer may collect from the Borrower and retain (x) a work-out fee, (y) such other fees as are provided for in the related Loan Documents and (z) other appropriate fees in connection with such workout. For purposes of clarity, no Work-out Fee will be payable if and to the extent that the Loan became a Specially Serviced Loan under clause (vii) of the definition of "Special Servicing Loan Event" and no event of default actually occurs, unless the Loan is modified by the Special Servicer in accordance with the terms of the Trust and Servicing Agreement or the Loan subsequently qualifies as a Specially Serviced Loan for a reason other than under clause (vii) of the definition of a Special Servicing Loan Event.

The Special Servicer will be entitled to receive a liquidation fee with respect to all liquidated Collateral (including any liquidated Property) or the liquidation of the Loan or the Note, whether through judicial foreclosure, sale or otherwise, or in connection with the sale, discounted payoff or other liquidation of the Loan, as to which the Special Servicer receives liquidation proceeds (including by way of discounted payoff) (the "Liquidation Fee"); provided, that the Special Servicer will not be entitled to receive any Liquidation Fees in connection with (i) (a) a repurchase of the Loan or any Depositor Indemnification Payment by the Depositor in connection with a Material Document Defect pursuant to the Trust and Servicing Agreement, provided such repurchase or payment occurs within the applicable cure period, (b) a repurchase of the Loan by the Document Defect Repurchase Guarantor in connection with a Material Document Defect pursuant to the Document Defect Repurchase Guaranty (provided such repurchase occurs within the applicable cure period), or (c) a repurchase of the Loan or any Accommodation Loan Seller Indemnification Payment by the Accommodation Loan Seller in connection with a Material Breach pursuant to the Loan Purchase Agreement, (ii) a sale of the Loan by the Special Servicer to an Interested Person pursuant to the Trust and Servicing Agreement; or (iii) if a Special Servicing Loan Event in clause (iii) of the definition thereof has occurred and the related liquidation proceeds are received within two months following the Maturity Date as a result of the Loan being refinanced or otherwise repaid in full (provided, that the Special Servicer may collect from the Borrower and retain (x) a liquidation fee, (y) such other fees as are provided for in the related Loan Documents and (z) other appropriate fees in connection with such liquidation); provided, further, that such Liquidation Fee will be reduced by the Net Modification Fees paid by any Relevant Party with respect to the Loan received and retained by the Special Servicer, but only to the extent those fees have not previously been deducted from a Work-out Fee or a Liquidation Fee. The Liquidation Fee will be payable from the related net liquidation proceeds and will be equal to the product of 0.75% of the net liquidation proceeds subject to reduction with respect to Net Modification Fees. Each of the foregoing fees will be payable from funds on deposit in the Certificate Collection Account out of amounts otherwise available to make distributions on the Certificates as described in "*Description of the Certificates—Payment on the Certificates*" in this information circular. The Special Servicer will also be entitled to retain as additional servicing compensation any income earned (net of losses to the extent provided in the Trust and Servicing Agreement) on the investment of funds deposited in the Foreclosed Collateral Accounts.

"Modification Fees" means, with respect to the Loan, any and all fees with respect to a modification, extension, waiver or amendment that modifies, extends, amends or waives any term of the Loan Documents (as evidenced by a signed writing) agreed to by the Servicer or the Special Servicer (other than all Assumption Fees, Assumption Application Fees, consent fees, Special Servicing Fees, Liquidation Fees or Work-out Fees). With respect to each of the Servicer and Special Servicer, the Modification Fees collected and earned by such person from the Borrower (taken in the aggregate with any other Modification Fees collected and earned by such person from the Borrower) will in each case be subject to a cap of \$1,500,000. Such cap will apply separately to the Servicer and the Special Servicer.

"Net Modification Fees" means, with respect to the Loan, the sum of (A) the remainder, if any, of (i) any and all Modification Fees with respect to a modification, waiver, extension or amendment of any of the terms of the Loan, *minus* (ii) all unpaid or unreimbursed additional expenses (including, without limitation, reimbursement of Advances and interest on Advances to the extent not otherwise paid by (or on behalf of) or reimbursed by (or on behalf of) the Borrower but excluding Special Servicing Fees, Work-out Fees and Liquidation Fees) either outstanding or previously incurred on behalf of the Trust with respect to the Loan and reimbursed from such Modification Fees and (B) expenses previously paid or reimbursed from Modification Fees as described in the preceding clause (A), which expenses have been subsequently recovered from the Borrower or otherwise.

"Special Servicing Loan Event" means, with respect to the Loan:

- (i) the Borrower has not made two consecutive Monthly Payments (and has not cured at least one such delinquency by the next Monthly Payment Date under the Loan Documents) in respect of the Loan;

- (ii) the Servicer, and/or the Trustee have made two consecutive Monthly Payment Advances with respect to the Loan (regardless of whether such Monthly Payment Advances have been reimbursed);
- (iii) the Borrower fails to make the Balloon Payment when due, and the Borrower has not delivered to the Servicer, on or before the due date of such Balloon Payment, a written and binding refinancing commitment from an acceptable lender and reasonably satisfactory in form and substance to the Servicer that provides that such refinancing will occur within 60 days after the date on which such Balloon Payment will become due (provided, that a Special Servicing Loan Event will occur if either (x) such refinancing does not occur before the expiration of the time period for refinancing specified in such binding commitment or (y) the Servicer and/or the Trustee is required to make a Monthly Payment Advance at any time prior to such refinancing);
- (iv) the Servicer or the Special Servicer has received notice that the Borrower or any other Relevant Party has become the subject as debtor of any bankruptcy, insolvency or similar proceeding, admitted in writing the inability to pay its debts as they come due or made an assignment for the benefit of creditors;
- (v) the Servicer or the Special Servicer has received notice of a foreclosure or threatened foreclosure of any lien on any Equity Collateral securing the Loan or in the case of Properties, Properties for which the aggregate Allocated Loan Amount exceeds 5% of the outstanding principal balance of the Loan;
- (vi) the Borrower has expressed in writing to the Servicer or the Special Servicer an inability to pay the amounts owed under the Loan in a timely manner;
- (vii) in the judgment of the Servicer (consistent with the Accepted Servicing Practices), and with the consent of the Directing Certificateholder, a default in the payment of principal or interest under the Loan is reasonably foreseeable; or
- (viii) a default under the Loan of which the Servicer or the Special Servicer has notice (other than a failure by the Borrower to pay principal or interest) and that materially and adversely affects the interests of the Certificateholders has occurred and remains unremedied for the applicable grace period specified in the Loan Documents (or, if no grace period is specified, 60 days);

provided, that a Special Servicing Loan Event will cease (a) with respect to the circumstances described in clauses (i), (ii) and (iii) above, when the Borrower has brought the Loan current and, with respect to clauses (i) and (ii) above, thereafter made three consecutive full and timely Monthly Payments on the Loan, and in the case of any of clauses (i), (ii) and (iii) above, pursuant to the workout of the Loan or (b) with respect to the circumstances described in clauses (iv), (v), (vi), (vii) and (viii) above, when such circumstances cease to exist in the judgment of the Servicer (consistent with the Accepted Servicing Practices); provided, in any case, that at that time no other circumstance exists (as described above) that would constitute a Special Servicing Loan Event. The Loan, while required to be serviced by the Special Servicer during the occurrence and continuation of a Special Servicing Loan Event, is referred to in this information circular as the "Specially Serviced Loan."

"Monthly Payment" means (i) with respect to the Loan and any Distribution Date, the scheduled payment of interest and principal, if any, on the Loan pursuant to the Loan Agreement, including the Balloon Payment, as applicable, in each case which is due and payable on the immediately preceding Monthly Payment Date and (ii) with respect to any Component and any Distribution Date, the scheduled payment of interest and principal, if any, on such Component pursuant to the Loan Agreement and the related Balloon Payment, in each case which is due and payable on the immediately preceding Monthly Payment Date.

If the Borrower prepays the Loan in whole or in part, after the Monthly Payment Date but on or before 4:00 p.m. (New York time) on the Business Day immediately preceding a Distribution Date (the "Remittance Date") in any calendar month, the amount of interest (net of related Servicing Fees) accrued on such prepayment from such Monthly Payment Date to, but not including, the date of prepayment (or any later date through which interest accrues) will, to the extent actually collected (without regard to any prepayment premium or yield maintenance premium actually collected), constitute a "Prepayment Interest Excess." Conversely, if the Borrower prepays the Loan in whole or in part after the Remittance Date in any Interest Accrual Period and does not pay interest on such prepayment through the end of the related Loan Interest Accrual Period, then the shortfall in a full month's interest (net of related Servicing Fees) on such prepayment will constitute a "Prepayment Interest Shortfall."

The Servicer will be required to deliver to the Certificate Administrator for deposit in the Distribution Account on each Remittance Date, without any right of reimbursement thereafter, with respect to the Loan (other than a Specially Serviced Loan or a previously Specially Serviced Loan with respect to which the Special Servicer has waived or amended the prepayment restrictions) for which the Servicer has accepted a voluntary principal prepayment (other than (A) in accordance with the terms of the Loan Documents, (B) in connection with the payment of insurance proceeds or condemnation proceeds, (C) subsequent to a default under the Loan Documents (provided that the Servicer reasonably believes that acceptance of such prepayment is consistent with Accepted Servicing Practices), (D) pursuant to applicable law or a court order or (E) at the request of or with the consent of the Special Servicer or the Directing Certificateholder) resulting in a Prepayment Interest Shortfall, a cash payment (a "Compensating Interest Payment"), in an amount equal to the lesser of (x) the aggregate amount of Prepayment Interest Shortfalls incurred in connection with such voluntary principal prepayments received in respect of the Loan during the related Collection Period, and (y) the aggregate of (A) that portion of its Servicing Fees (calculated for this purpose at 0.03% *per annum* that is being paid in such Collection Period with respect to the Loan (other than a Specially Serviced Loan) and (B) all Prepayment Interest Excesses received during the related Collection Period on the Loan (other than a Specially Serviced Loan). The Servicer's obligations to pay any Compensating Interest Payment, and the rights of the Certificateholders to offset of the aggregate Prepayment Interest Shortfalls against those amounts, will not be cumulative.

Additional Servicing Compensation

The following items will be retained by the Servicer or Special Servicer as additional servicing compensation, as set forth in the Trust and Servicing Agreement: Modification Fees, Assumption Fees, Assumption Application Fees, consent fees, amounts collected for checks returned for insufficient funds, charges for beneficiary statements or demands actually paid by the Borrower, other loan processing fees, Prepayment Interest Excesses, interest or other income earned on deposits in the collection or other accounts maintained by the Servicer and Special Servicer (but only to the extent of the net investment earnings, if any, with respect to any such account for each Collection Period and, further, in the case of a servicing account or reserve account, only to the extent such interest or other income is not required to be paid to the Borrower under applicable law or under the Loan Documents), and late payment fees and Default Interest, to the extent not used to offset other expenses or interest on Advances. The Servicer will also be entitled to receive as additional servicing compensation, to the extent such items are actually collected on the Loan, a fee of \$250 with respect to each request for release for a single Property from the Capital Expenditure Reserve Account, a fee of \$250 per released Property (or \$250 per mortgage at maturity or prepayment in full) and a fee of \$500 per Property in connection with the transfer of any Substitute Property.

"Assumption Application Fees" means, with respect to the Loan, any and all assumption application fees actually paid by the Borrower in accordance with the Loan Documents, with respect to any application submitted to the Servicer or the Special Servicer for a proposed assumption or substitution transaction or proposed transfer of an interest in the Borrower.

"Assumption Fees" means any and all assumption and/or substitution fees actually paid by the Borrower in accordance with the Loan Documents, with respect to any assumption or substitution agreement entered into by the Servicer or the Special Servicer or paid by the Borrower with respect to any transfer of an interest in the Borrower.

Servicing of the Loan; Inspections

Until the principal and interest on the Loan are paid in full, the Servicer is required to use efforts consistent with the Accepted Servicing Practices to collect all payments called for under the terms and provisions of the Loan and is required to follow such collection procedures as are consistent with the Trust and Servicing Agreement and in accordance with the Accepted Servicing Practices and the Loan Documents.

During each calendar year, beginning in 2018, the Servicer, if no Special Servicing Loan Event has occurred or is continuing as of the first day of such year, or the Special Servicer, if a Special Servicing Loan Event has occurred and is continuing as of the first day of such year, is required to inspect Properties designated for inspection in accordance with the next succeeding paragraph using such first day of the year as the "Inspection Reference Date"; provided, however, that (a) if a Special Servicing Loan Event occurs during any calendar year, (i) the Servicer will not be required thereafter during such calendar year to cause any inspections of Properties otherwise required to be inspected but not yet then inspected and (ii) during the remainder of such year, if not less than 90 days remain in such calendar year, the Special Servicer is required to inspect Properties designated for inspection in accordance with the next succeeding paragraph using the first day of the first calendar month commencing after such Special Servicing Loan Event as the "Inspection Reference Date"; (b) if a Special Servicing Loan Event was in effect on the first day of a calendar year and ceases to exist during such calendar year, (i) the Special Servicer thereafter will not be required to cause any inspections of Properties otherwise required to be inspected by it but not yet then inspected

and (ii) during the remainder of such year, if not less than 90 days remain in such calendar year, the Servicer will be required to inspect Properties selected for inspection in accordance with the next succeeding paragraph using the first day of the first calendar month commencing after such Special Servicing Loan Event ceased to exist as the "Inspection Reference Date"; and (c) if the same person or entity is both the Servicer and Special Servicer when a Special Servicing Loan Event occurs, or ceases to exist, during a calendar year, such person or entity will be entitled to elect for the remainder of such year either to proceed in accordance with the preceding clause (ii)(a) or clause (ii)(b) (as applicable) or to cause the continuation and completion of inspections for which such person or entity is otherwise responsible without regard to the preceding clause (ii)(a) or clause (ii)(b).

If the Servicer or the Special Servicer is required to cause the inspection of Properties under the preceding paragraph, the Properties to be so inspected at the direction of the Servicer or the Special Servicer (as the case may be) is required to consist of all Properties that were vacant as of the Inspection Reference Date; provided, however, that (1) the Servicer or the Special Servicer (as the case may be) will have no obligation to inspect a number of Properties that exceeds 10% of the number of Properties owned by the Borrower as of the Inspection Reference Date; (2) if the number of Properties that were vacant as of the Inspection Reference Date exceeds 10% of the number of Properties owned by the Borrower as of the Inspection Reference Date, the Servicer or the Special Servicer (as the case may be) is required to (a) inspect Properties in an aggregate number equal to 10% of the number of Properties (whether or not vacant) owned by the Borrower as of the Inspection Reference Date, (b) allocate such aggregate number to the various MSAs pro rata according to the number of Properties in each MSA that were vacant as of the Inspection Reference Date as a percentage of the total number of all Properties owned by the Borrower and vacant as of the Inspection Reference Date, and (c) to the extent feasible, randomly select for inspection, and inspect, Properties within each MSA that were vacant as of the Inspection Reference Date, which Properties in such MSA are in an aggregate number equal to the allocation result for such MSA determined under the preceding clause (b); and (3) if a Property otherwise required to be inspected under the foregoing provisions of this sentence ceases to be vacant before its inspection, such inspection will be restricted to an observation of the exterior condition of the Property and street photo of such Property. For the purposes of this paragraph, all Properties (regardless of geography) not located in any MSA will together be treated as one MSA that is distinct from all other MSAs. For the purposes of this paragraph, the Servicer or the Special Servicer will be entitled to rely on information provided by the Borrower with respect to the Properties that are vacant at any time.

The cost of the inspections for which the Servicer is responsible under the two foregoing paragraphs will be an expense of the Servicer. The cost of such inspections for which the Special Servicer is responsible will be a Trust Fund Expense and, if paid by the Servicer, will constitute a Servicing Advance or an Administrative Advance.

In addition, the Servicer (for as long as no Special Servicing Loan Event has occurred or is continuing) or the Special Servicer (for as long as a Special Servicing Loan Event has occurred and is continuing) will be required to cause the further inspection, or cause the inspection, of each Property for which it receives information that such Property has been materially damaged or abandoned, or if waste is being committed there. The cost of the inspections for which the Servicer or the Special Servicer is responsible under this paragraph will be a Trust Fund Expense and, if paid by the Servicer, will constitute a Servicing Advance or an Administrative Advance.

The Servicer or the Special Servicer, as the case may be, is required to cause all inspections for which it is responsible to be performed in such manner as is consistent with the Accepted Servicing Practices. With respect to the inspections conducted, the Servicer or the Special Servicer, as the case may be, will prepare an annual inspection report and deliver it in electronic format to (x) the Certificate Administrator who will post such report on the Certificate Administrator's website (y) to the Directing Certificateholder/17g-5 Information Provider (who will post it to the Directing Certificateholder/17g-5 Information Provider's website).

Pursuant to the Trust and Servicing Agreement, if a Special Servicing Loan Event occurs, the Special Servicer will be required to prepare and deliver an Asset Status Report with respect to the Loan and the Properties, together with such other data and supporting information, within 90 days after the occurrence of such Special Servicing Loan Event to the Directing Certificateholder, the Certificate Administrator, the Directing Certificateholder/17g-5 Information Provider (who will be required to make such report available on its website) and the Servicer. In addition, the Special Servicer shall send a Servicer Recommendation to the Directing Certificateholder with respect to such Asset Status Report.

An "Asset Status Report" means a report prepared by the Special Servicer recommending the taking of certain actions following a Special Servicing Loan Event, containing the following information to the extent reasonably determinable:

- (i) a summary of the status of the Loan and any negotiations with the Borrower;

(ii) a discussion of the legal and environmental considerations reasonably known at such time to the Special Servicer, consistent with the Accepted Servicing Practices, that are applicable to the exercise of remedies as aforesaid and to the enforcement of any related guaranties or other collateral for the Loan and whether outside legal counsel has been retained;

(iii) the most recent quarterly financial information provided by the Borrower to the Lender as described under “*Description of the Loan—Reporting*” in this information circular;

(iv) the Special Servicer’s recommendations on how the Loan might be returned to performing status or otherwise realized upon;

(v) the most recent Calculated Portfolio Value, the Aggregate BPO/Appraised Value and, if applicable, the Appraised Equity Value;

(vi) the status of any foreclosure actions or related proceedings, any proposed workouts with respect thereto and the status of any negotiations with respect to such workouts, and an assessment of the likelihood of additional Loan Events of Default;

(vii) a description of any actions taken or proposed to be taken;

(viii) the alternative courses of action considered by the Special Servicer in connection with any actions taken or proposed to be taken;

(ix) the decision that the Special Servicer made or intends or proposes to make, including a narrative analysis setting forth the Special Servicer’s rationale for its proposed decision, including its rejection of the alternatives and an analysis of whether or not taking such action is reasonably likely to produce a greater recovery on a present value basis than not taking such action, setting forth (A) the basis on which the Special Servicer made such determination and (B) the net present value calculation (including the applicable discount rate used) and all related assumptions;

(x) a summary of the status of any action that was described in the most recent prior Asset Status Report and subsequently effected by the Special Servicer; and

(xi) such other information as the Special Servicer deems relevant in light of the proposed action and the Accepted Servicing Practices.

“Final Asset Status Report” means, with respect to the Specially Serviced Loan and the Properties, each related Asset Status Report, together with such other data or supporting information provided by the Special Servicer to the Directing Certificateholder, in each case, which does not include any communication (other than the related Asset Status Report) between the Special Servicer and Directing Certificateholder with respect to the Specially Serviced Loan and related Properties. No Asset Status Report will be considered to be a Final Asset Status Report unless the Directing Certificateholder has either finally approved of and consented to the actions proposed to be taken in connection therewith, or has exhausted all of its rights of approval and consent, or has been deemed to have approved or consented to such action or the Asset Status Report is otherwise implemented by the Special Servicer in accordance with the Trust and Servicing Agreement.

“Directing Certificateholder/17g-5 Information Provider” means the Certificate Administrator.

“Servicer Recommendation” means with respect to any matter, a written recommendation and analysis with respect to such matter delivered to the Directing Certificateholder by the Servicer or the Special Servicer, as applicable.

If the Special Servicer has not received any communication from the Directing Certificateholder within 10 days of delivery of any such Asset Status Report, the Special Servicer will redeliver such report clearly labeled “SECOND DELIVERY OF DRAFT ASSET STATUS REPORT IH FNMA 2017-1/IMMEDIATE RESPONSE REQUESTED” to the Directing Certificateholder. If within thirty (30) days of receiving an Asset Status Report, the Directing Certificateholder does not disapprove or request additional information regarding such Asset Status Report in writing, the Special Servicer will implement the recommended action as outlined in such Asset Status Report provided, however, that the Special Servicer may not take any action that is contrary to applicable law, Accepted Servicing Practices or the terms of the Loan Documents. If the Directing Certificateholder disapproves such Asset Status Report within thirty (30) days of receipt and the Special Servicer has not made the determination described below,

the Special Servicer will revise such Asset Status Report and deliver a new Asset Status Report as soon as practicable, but in no event later than thirty (30) days after such disapproval, to the Directing Certificateholder, the Servicer, the Trustee, the Certificate Administrator and the Directing Certificateholder/17g-5 Information Provider (which will promptly post such revised Asset Status Report on the Directing Certificateholder/17g-5 Information Provider's website). The Special Servicer will revise such Asset Status Report as described above until the Directing Certificateholder fails to disapprove or request additional information regarding such revised Asset Status Report in writing within thirty (30) days of receiving such revised Asset Status Report, until the Directing Certificateholder's approval is no longer required or until the Special Servicer makes the determination described below. If the Special Servicer has not received any communication from the Directing Certificateholder within 10 days of delivery of any such revised Asset Status Report, the Special Servicer will redeliver such report clearly labeled "SECOND DELIVERY OF REVISED DRAFT ASSET STATUS REPORT IH FNMA 2017-1/IMMEDIATE RESPONSE REQUESTED" to the Directing Certificateholder. Notwithstanding the foregoing, the Special Servicer may, following the occurrence of an extraordinary event with respect to any Property or the Loan or, if a failure to take any such action at such time would be inconsistent with Accepted Servicing Practices, take any action set forth in such Asset Status Report before the expiration of a thirty (30) day period; provided, however, that such Asset Status Report is not intended to replace or satisfy any other specific consent or approval right which the Directing Certificateholder may have pursuant to the Trust and Servicing Agreement.

The Special Servicer will be required to (x) deliver to the Certificate Administrator a summary of any Final Asset Status Report in an electronic format (which will be a brief summary of the current status of the Collateral (and the Properties) and current strategy with respect to the resolution and workout of the Loan), and the Certificate Administrator will be required to post the applicable summary (but not the Final Asset Status Report) on its website and (y) implement the applicable Final Asset Status Report in the form delivered to the Directing Certificateholder/17g-5 Information Provider. The Special Servicer may, from time to time, modify any Asset Status Report it has previously delivered and will deliver such modified Asset Status Report to the Directing Certificateholder/17g-5 Information Provider, which will post such updated Asset Status Report to the Directing Certificateholder/17g-5 Information Provider's website. Upon such modification, the Special Servicer will prepare an updated summary and deliver the updated summary to the Certificate Administrator which will post such updated summary to the Certificate Administrator's website.

The Directing Certificateholder

Except as described herein regarding the Loan, in addition to the other consent and advisory rights, the Directing Certificateholder will be entitled to advise (1) the Special Servicer, with respect to the Loan after a Special Servicing Loan Event, (2) the Special Servicer, with respect to the Loan prior to a Special Servicing Loan Event, as to all matters for which the Servicer must obtain the consent or deemed consent of the Special Servicer and (3) the Special Servicer, with respect to any extension of maturity being considered by the Special Servicer or by the Servicer, subject to consent or deemed consent of the Special Servicer.

Except as otherwise described in the succeeding paragraphs below, both (a) the Servicer will not be permitted to take any of the following actions (each, a "Major Decision") unless it has obtained the consent of the Special Servicer unless such actions are part of a Final Asset Status Report approved under the Trust and Servicing Agreement (after delivery of a written recommendation and analysis to the Special Servicer and information reasonably requested by the Special Servicer) and (b) the Special Servicer will not be permitted to consent to the Servicer's taking any of the following actions, nor will the Special Servicer itself be permitted to take any of the following actions, as to which the Directing Certificateholder has objected in writing within thirty (30) days after receipt of a Servicer Recommendation and information reasonably requested by the Directing Certificateholder from the Special Servicer:

- (i) any substitution or release of Properties or the Collateral, except in each case as expressly permitted by the Loan Documents and for which there is no material lender discretion;
- (ii) any waiver of, consent to, or determination not to enforce a "due-on-sale" or "due-on-encumbrance" clause (unless such clause is not exercisable under applicable law or such exercise is reasonably likely to result in successful legal action by the Borrower);
- (iii) any transfer of a Property or any portion of a Property (other than in connection with a pending or threatened condemnation), or any transfer of any direct or indirect ownership interest in the Borrower, a Borrower TRS, either Equity Owner or Borrower GP to the extent the Lender's consent is required under the Loan Documents, except in each case as expressly permitted by the Loan Documents;
- (iv) any consent to incurrence of additional debt by the Borrower or mezzanine debt by a direct or indirect parent of the Borrower (including each Equity Owner and Borrower GP), including

modification of the terms of any document evidencing or securing any such additional debt and of any intercreditor or subordination agreement executed in connection therewith and any waiver of or amendment or modification to the terms of any such document or agreement, in each case to the extent the Lender's approval is required by the Loan Documents;

(v) any instruction to direct or cause any tenant to pay any amount other than as provided in the Loan Agreement;

(vi) approval of the termination or replacement of the Manager, in each case to the extent the Lender's approval is required by the Loan Documents;

(vii) any proposed or actual foreclosure upon or comparable conversion of the Collateral including Foreclosed Properties;

(viii) any modification, consent to a modification or waiver of (A) any monetary term (other than late fees and Default Interest but including, without limitation, the timing of payments and the acceptance of discounted payoffs), (B) any requirements with respect to the cash management and reserve account terms of the Loan, including without limitation any decrease in the required amounts of any reserve account, or (C) any other material non-monetary term of the Loan or any other Loan Document or any extension of the maturity date of the Loan except, in each case as expressly permitted by the Loan Documents and where the conditions to the extension do not include the exercise of Lender discretion;

(ix) following a default with respect to the Loan or a Loan Event of Default, any exercise of remedies, including the acceleration of the Loan or initiation of judicial, bankruptcy or similar proceedings under the Loan Documents or with respect to the Borrower or the Collateral;

(x) any sale of (A) the Loan for less than the Repurchase Price, (B) any Foreclosed Property for less than the applicable Allocated Loan Amount or (C) following a Foreclosure Event with respect to the Equity Collateral, any Property for less than the applicable Allocated Loan Amount;

(xi) (A) any release of Cash Collateral Funds during a Trigger Period or prior to the second consecutive Calculation Date following a Trigger Period or (B) any other releases of any escrow accounts, reserve accounts or letters of credit held as performance escrows or reserves, except in each case those required pursuant to the specific terms of the Loan and for which there is no lender discretion;

(xii) any acceptance of an assumption agreement releasing the Borrower or other Relevant Party from liability under the Loan or the Loan Documents, except in each case pursuant to the specific terms of such Loan Documents and for which there is no lender discretion;

(xiii) any approval, adoption or implementation of the Annual Budget;

(xiv) any decision to increase Approved Capital Expenditures;

(xv) any decision to participate in any settlement discussions with insurers with respect to a Property casualty or any condemnation proceeding with respect to a Property and (B) any approval of any restoration, including any casualty consultant, and all fees, costs and expenses in connection with such restoration;

(xvi) the voting on any plan of reorganization, restructuring or similar plan in the bankruptcy of the Borrower or any Relevant Party;

(xvii) notwithstanding anything in the Trust and Servicing Agreement with respect to certain calculations in respect of the Loan, any discretionary right of the Lender to apply funds in the Lender's discretion pursuant to the Loan Agreement;

(xviii) the addition of any rent-to-own or purchase option in any Lease;

(xix) any other decision requiring the Lender's consent under the Loan Agreement in cases where such decision affects or relates to one or more Properties with an aggregate Allocated Loan Amount of at least \$500,000; and

(xx) the determination of the discount rate by the Servicer or the Special Servicer for purposes of the definition of Accepted Servicing Practices and other calculations of that present value as required under the Trust and Servicing Agreement.

provided that, in the event that the Special Servicer or Servicer, as applicable, determines that immediate action, with respect to a Major Decision, or any other matter requiring consent of the Directing Certificateholder in the Trust and Servicing Agreement, is necessary to protect the interests of the Certificateholders, the Special Servicer or Servicer, as applicable, may take any such action without waiting for the Directing Certificateholder's response. If the Special Servicer has not received any communication from the Directing Certificateholder within 10 days of delivery of notice of any Major Decision, the Special Servicer will redeliver such report clearly labeled "SECOND DELIVERY OF REQUEST FOR ACTION ON MAJOR DECISION IH FNMA 2017-1/IMMEDIATE RESPONSE REQUESTED" to the Directing Certificateholder. If within thirty (30) days of posting of the original notice of the Major Decision, no written objection or request for additional information by the Directing Certificateholder is received by the Special Servicer, then the Directing Certificateholder will be deemed to have approved such Major Decision.

In addition to the rights of the Directing Certificateholder with respect to Major Decisions or as otherwise specifically set forth in the Trust and Servicing Agreement, the Directing Certificateholder may direct the Special Servicer to take, or to refrain from taking, such other actions with respect to the Loan as the Directing Certificateholder may reasonably deem advisable.

If the Special Servicer or Servicer, as applicable, determines that a refusal to consent by the Directing Certificateholder or any direction or advice from the Directing Certificateholder would otherwise cause the Special Servicer or Servicer, as applicable, to violate the terms of the Loan Documents, applicable law, provisions of the Code resulting in an Adverse REMIC Event (as specified in the Trust and Servicing Agreement) or the Trust and Servicing Agreement, including without limitation, Accepted Servicing Practices, or expose any Certificateholder, the Servicer, the Special Servicer, the Guarantor, the Certificate Administrator, the Trustee, the Trust or their affiliates, officers, directors or agent to any claim, suit or liability, result in the imposition of a tax upon the Trust or loss of REMIC status or materially expand the scope of the Special Servicer's or the Servicer's responsibilities under the Trust and Servicing Agreement, then the Special Servicer or Servicer, as applicable, will disregard such refusal to consent, direction or advice and notify the Directing Certificateholder, the Trustee, the Certificate Administrator and the Directing Certificateholder/17g-5 Information Provider of its determination, including a reasonably detailed explanation of the basis therefor. The taking of, or refraining from taking, any action by the Servicer or Special Servicer in accordance with the direction of or approval of the Directing Certificateholder that does not violate the Loan Documents, the Trust and Servicing Agreement, any applicable law, provisions of the Code resulting in an Adverse REMIC Event (as specified in the Trust and Servicing Agreement) or Accepted Servicing Practices or any other provisions of the Trust and Servicing Agreement, will not result in any liability on the part of the Servicer or the Special Servicer.

Promptly following calculation by the Special Servicer of the Adjusted Aggregate BPO/Appraised Value or Adjusted Appraised Equity Value, the Special Servicer will deliver such a notice of the Adjusted Aggregate BPO/Appraised Value, in electronic format to the Directing Certificateholder and to the Directing Certificateholder/17g-5 Information Provider (who shall promptly post such report to the Directing Certificateholder/17g-5 Information Provider's website) and will coordinate with the Directing Certificateholder regarding approval (which may be a deemed approval) of such Adjusted Aggregate BPO/Appraised Value or Adjusted Appraised Equity Value, as applicable.

In connection with any determination by the Special Servicer to maintain insurance following a Foreclosure Event, the Special Servicer will prepare a summary of such insurance and deliver such summary (a "Foreclosure Event Insurance Notice") in electronic format to the Directing Certificateholder and to the Directing Certificateholder/17g-5 Information Provider (who will promptly post such report to the Directing Certificateholder/17g-5 Information Provider's website), requesting that the Directing Certificateholder approve such insurance. The Special Servicer or Servicer, as applicable, will coordinate with the Directing Certificateholder regarding whether to approve such insurance (which may include a deemed approval).

In the event the Servicer receives notice from the Borrower of any Extraordinary Operating Expense, the Servicer will promptly forward such notice together with a written recommendation and analysis and information regarding whether to approve such request to the Directing Certificateholder/17g-5 Information Provider (who will promptly post such information to the Directing Certificateholder/17g-5 Information Provider's website). The Special Servicer or Servicer, as applicable, will coordinate with the Directing Certificateholder regarding whether to approve any Extraordinary Operating Expense (which may include a deemed approval). "Extraordinary Operating Expense" means, during any Low DSCR Period or Low Debt Yield Period, an extraordinary operating expense not set forth in the Approved Annual Budget relating to the Properties incurred by or required to be incurred by the Borrower.

Additionally, following a Special Servicing Loan Event, the Directing Certificateholder will have the rights described under “*Servicing of the Loan*” in this information circular.

Prior to a Rights Termination Event, the Directing Certificateholder will be Fannie Mae. For any date of determination, following a Rights Termination Event, the Directing Certificateholder will be selected by the majority of the Controlling Class Certificateholders, as determined by the Certificate Registrar from time to time; provided that (i) absent such selection, (ii) until a Directing Certificateholder is so selected, or (iii) upon receipt by the Servicer, the Special Servicer and the Certificate Administrator of notice from the majority of the Controlling Class Certificateholders that a Directing Certificateholder is no longer so designated, there will be no Directing Certificateholder until such time as a Directing Certificateholder is selected as set forth above. If a Rights Termination Event has occurred, each Holder of the Certificates of the Controlling Class will be entitled to vote in each election of the Directing Certificateholder.

If a Rights Termination Event has occurred, the majority of the Controlling Class Certificateholders will give written notice to the Trustee, the Certificate Administrator, the Servicer and the Special Servicer of the appointment of any subsequent Directing Certificateholder (in order to receive notices under the Trust and Servicing Agreement). Any Directing Certificateholder so appointed may be removed at any time by the written vote of the majority of the Controlling Class Certificateholders, and a copy of the results of such vote must be delivered to the Certificate Administrator.

The “Controlling Class” will be the Class A Certificates; provided, that if at any time the Certificate Balance of the Class A Certificates has been reduced to zero and the Class A Guarantor Entitlement Amount is zero, then the Controlling Class will be the Class B Certificates.

A “Controlling Class Certificateholder” is, for any date of determination, Fannie Mae; provided, that if a Rights Termination Event has occurred, a Controlling Class Certificateholder will be each Holder (or beneficial owner, if applicable) of a Certificate of the Controlling Class as determined by the Certificate Registrar, from time to time, upon request by any party to the Trust and Servicing Agreement. The Trustee, the Servicer, or the Special Servicer may from time to time request (the cost of which being an expense of the Trust) that the Certificate Administrator provide a list of the Holders (or beneficial owners, if applicable) of the Controlling Class and the Certificate Administrator will promptly provide such list without charge to such Trustee, the Servicer or the Special Servicer, as applicable. The Trustee, the Servicer and the Special Servicer will be entitled to rely on any such list so provided. Notwithstanding the foregoing, for purposes of determining the Directing Certificateholder, exercising any rights of the Controlling Class or receiving Asset Status Reports or any other information under the Trust and Servicing Agreement other than Distribution Date Statements or Supplemental Reports, any holder of any interest in a Controlling Class Certificate who is a Relevant Party or an affiliate thereof (including the Securitization Sponsor) will not be deemed to be a holder of the related Controlling Class and will not be entitled to exercise such rights or receive such information. If, as a result of the preceding sentence, no holder of Controlling Class Certificates would be eligible to exercise such rights, there will be no Controlling Class or Directing Certificateholder.

The “Directing Certificateholder” will be, for any date of determination, Fannie Mae; provided, however, that if a Rights Termination Event has occurred, the Directing Certificateholder will be the Controlling Class Certificateholder (or its representative or designee) selected by the majority of the Controlling Class Certificateholders, by Certificate Balance, as determined by the Certificate Registrar from time to time; provided, however, that (i) absent such selection, (ii) until a Directing Certificateholder is so selected or (iii) upon receipt of a notice from a majority of the Controlling Class Certificateholders, by Certificate Balance, that a Directing Certificateholder is no longer designated, there will be no Directing Certificateholder until such time as a Directing Certificateholder is selected as provided above.

With respect to any costs and expenses incurred by the Directing Certificateholder in connection with the exercise of any of its rights under the Trust and Servicing Agreement, to the extent such costs and expenses would be reimbursable by the Borrower to the Lender under the Loan Documents, the Directing Certificateholder shall submit to the Servicer a notice of such costs and expenses for transmission to the Borrower for reimbursement. In addition, if the Directing Certificateholder or the Directing Certificateholder Access Party on behalf of the Directing Certificateholder, incurs any expenses which the Borrower would otherwise be required to incur under the Loan Documents in order to cure potential defaults and mitigate the need for exercising such rights, then the Directing Certificateholder or the Directing Certificateholder Access Party, as applicable, shall be subrogated to the rights of the Lender to be reimbursed for such expenses as if the Lender had incurred the same, and the Directing Certificateholder or the Directing Certificateholder Access Party on its behalf shall submit to the Servicer a notice of such costs and expenses for transmission to the Borrower for reimbursement.

In connection with any right of the Directing Certificateholder under the Trust and Servicing Agreement, the Directing Certificateholder Access Party may request information on behalf of the Directing Certificateholder in the same manner as the Directing Certificateholder.

Limitation on Liability of the Directing Certificateholder

The Directing Certificateholder will not be liable to the Trust Fund or the Certificateholders (other than as described in the following sentence) for any action taken, or for refraining from the taking of any action or for errors in judgment. However, the Directing Certificateholder will not be protected against any liability to the Controlling Class Certificateholders that would otherwise be imposed by reason of willful misconduct, fraud or bad faith in the performance of any duties expressly provided in the Trust and Servicing Agreement or by reason of reckless disregard of such duties owed to the Controlling Class Certificateholders.

Each Certificateholder acknowledges and agrees, by its acceptance of its Certificates, that the Directing Certificateholder:

- (i) may have special relationships and interests that conflict with those of holders of some Classes of the Certificates;
- (ii) may act solely in the interests of the holders of the Controlling Class, including the Directing Certificateholder;
- (iii) does not have any duties or liability to the holders of any Class of Certificates other than the Controlling Class;
- (iv) may take actions that favor the interests of one or more Classes of the Certificates, including the holders of the Controlling Class, over other Classes of the Certificates;
- (v) will not be liable to any Certificateholder (other than to a Controlling Class Certificateholder), by reason of its having acted solely in the interests of the holders of the Controlling Class; and
- (vi) will have no liability whatsoever for having so acted, and no Certificateholder may take any action whatsoever against the Directing Certificateholder or any director, officer, employee, agent or principal thereof for having so acted.

Insurance

The Trust and Servicing Agreement will require that the Servicer, consistent with the Accepted Servicing Practices and the Loan Documents, will cause the Borrower to maintain insurance with respect to each Property of the types and in the amounts required under the Loan Documents and described under "*Description of the Loan—Hazard, Liability and Other Insurance*" in this information circular.

The Trust and Servicing Agreement will provide that, prior to a Foreclosure Event, the Servicer will be required to maintain the foregoing insurance with respect to each Property if the Borrower fails to maintain such insurance to the extent such insurance is available at commercially reasonable rates and to the extent the Trustee, as lender, has an insurable interest. The cost of any insurance maintained by the Servicer will be advanced by the Servicer as a Servicing Advance unless it would be a Nonrecoverable Advance.

Following a Foreclosure Event, the Special Servicer, consistent with the Accepted Servicing Practices and the Loan Documents, will be required to cause to be maintained such insurance, with respect to the Properties or Foreclosed Properties, as the case may be, as the Borrower will be required to maintain with respect to such Properties or Foreclosed Properties under the Loan Documents of the types and in the amounts described under "*Description of the Loan—Hazard, Liability and Other Insurance*" in this information circular or, at the Special Servicer's election, coverage satisfying insurance requirements consistent with the Accepted Servicing Practices subject to the rights of the Directing Certificateholder. The cost of any such insurance with respect to any Property or Foreclosed Property, as the case may be, will be payable out of amounts on deposit in the Foreclosed Collateral Accounts or will be advanced by the Servicer as a Servicing Advance unless such Advance would be a Nonrecoverable Advance. Any such insurance that is required to be maintained with respect to any Property or Foreclosed Property, as the case may be, will only be so required to the extent such insurance is available at commercially reasonable rates and the Trust has an insurable interest in such Property or Foreclosed Property, as the case may be. If the Special Servicer requests the Servicer to make a Servicing Advance in respect of the

premiums due in respect of such insurance, the Servicer will be required, as soon as practicable after receipt of such request, to make such Servicing Advance unless such Advance would be a Nonrecoverable Advance, and if the Servicer does not make such Advance, the Trustee (within 5 Business Days of its receipt of notice of the Servicer's failure to make such Advance) will be required to make an Advance of the premiums to maintain such insurance, provided, that, in each such case, such obligations will be subject to the provisions of the Trust and Servicing Agreement concerning Nonrecoverable Advances, the Trustee having an insurable interest and the availability of such insurance at commercially reasonable rates. The Trust and Servicing Agreement will provide that the Servicer or Special Servicer, as applicable, may, subject to the consent of the Directing Certificateholder, satisfy its obligations to cause insurance policies to be maintained by maintaining a master force placed or blanket insurance policy insuring against losses on the Properties or Foreclosed Properties, as the case may be, for which coverage is otherwise required to be maintained. The incremental cost of such insurance allocable to the Properties or Foreclosed Properties, as the case may be, if not borne by the Borrower, will be paid by the Servicer as a Servicing Advance unless such Servicing Advance would be a Nonrecoverable Advance. If such master force placed or blanket insurance policy contains a deductible clause, the Servicer or Special Servicer, as applicable, will be obligated to deposit in the Certificate Collection Account out of its own funds all sums that would have been deposited in the Certificate Collection Account but for such clause to the extent any such deductible exceeds the deductible limitation that pertained to the Loan, or in the absence of any such deductible limitation, the deductible limitation that is consistent with the Accepted Servicing Practices.

Any losses incurred with respect to the Loan due to uninsured risks or insufficient hazard insurance proceeds could adversely affect distributions to the Certificateholders.

Fidelity Bonds and Errors and Omissions Insurance

Each of the Servicer and the Special Servicer will be required to obtain and maintain, at its own expense, and keep in full force and effect throughout the term of the Trust and Servicing Agreement, a blanket fidelity bond and an errors and omissions insurance policy (from an insurer (A) that will have a claim paying ability rated at least equal to any one of the following: (1) "A-" by S&P, (2) "A3" by Moody's, (3) "A-" by Fitch or (4) "A:X" by A.M. Best or (B) for which the Servicer or the Special Servicer, as applicable, has received a DC Approval and a No Downgrade Confirmation), covering the Servicer's or Special Servicer's, as applicable, directors, officers and employees of the Servicer or Special Servicer, as applicable, in connection with its activities under the Trust and Servicing Agreement. The amount of coverage is required to be at least equal to the coverage that is required by the applicable governmental authorities having regulatory power over the Servicer and the Special Servicer; provided, that, if no such coverage amounts are imposed by such regulatory authorities, the amount of coverage is required to be at least equal to the coverage that would be required by Accepted Servicing Practices. If any such bond or policy ceases to be in effect, the Servicer or Special Servicer will be required to obtain a comparable replacement bond or policy. Each of the Servicer and the Special Servicer will cause any sub-servicer to maintain a blanket fidelity bond and errors and omissions insurance policy meeting the requirements above. "A.M. Best" means A.M. Best Company, or its successor in interest.

In lieu of the foregoing, the Servicer and the Special Servicer may self-insure with respect to such risks so long as the Servicer, the Special Servicer, or their respective corporate parent, as applicable, has long-term unsecured debt obligations that are rated not lower than "A2" by Moody's and no lower than its equivalent by KBRA (if then rated by KBRA).

Management of Foreclosed Collateral

Promptly after the acquisition of title with respect to any Foreclosed Property or all of the Equity Collateral, the Special Servicer will consult with counsel to determine when an acquisition date will be deemed to occur under the REMIC Provisions with respect to such Foreclosed Collateral, the expense of such consultation being treated as a reimbursable expense of the Special Servicer related to the foreclosure. If, at the time Equity Collateral is acquired, the Borrower is the sole owner of a Borrower TRS, then the Special Servicer will promptly file an election under the Code to treat such Borrower TRS as an entity that is disregarded as separate and apart from the Trust REMIC. The Special Servicer, on behalf of the Trust Fund, will dispose of any Foreclosed Collateral held by the Trust Fund as expeditiously as appropriate in accordance with Accepted Servicing Practices subject to the rights of the Directing Certificateholder, but in any event within the time period, and subject to the conditions, set forth in the Trust and Servicing Agreement. Subject to the Trust and Servicing Agreement, the Special Servicer will hire on behalf of the Trust Fund a successor manager to manage, conserve, protect and operate such Foreclosed Property or any Equity Collateral following a Foreclosure Event for the Certificateholders solely for the purpose of its prompt disposition and sale. In connection with such management, the successor manager will be entitled to the REO Management Fee solely from the Foreclosed Collateral Account or the Certificate Collection Account pursuant to the terms of the Trust and Servicing Agreement. "REO Management Fee" means, with respect to any Foreclosed Property or following a

Foreclosure Event with respect to all of the Equity Collateral, the Properties, a fee payable out of the Foreclosed Collateral Account to the successor manager for managing the Foreclosed Properties or Properties, as the case may be, while it is owned by the Trust (directly or indirectly), which will be reasonable and customary in the market in which the Properties are located.

The Special Servicer will be entitled, and to the extent required by the REMIC Provisions, will be required, to enter into an agreement (notice of which contract will be provided to the Directing Certificateholder/17g-5 Information Provider (who will post it to the Directing Certificateholder/17g-5 Information Provider's website)) with any independent contractor performing services for it related to its duties and obligations under the Trust and Servicing Agreement for indemnification of the Special Servicer by such independent contractor, and nothing in the Trust and Servicing Agreement will be deemed to limit or modify such indemnification. All REO Management Fees will be an expense of the Trust Fund payable from the Foreclosed Collateral Account or subject to reimbursement pursuant to terms of the Trust and Servicing Agreement. The Special Servicer agrees to monitor the performance of the successor manager and to enforce the obligations of the successor manager on behalf of the Trust Fund. Expenses incurred by the Special Servicer in connection herewith will qualify as Servicing Advances.

Modification of the Loan Documents

The Trust and Servicing Agreement will permit the Servicer, if no Special Servicing Loan Event has occurred and is continuing, or the Special Servicer, during a Special Servicing Loan Event, subject to the rights of the Directing Certificateholder, to modify, waive or amend any term of the Loan if such modification, waiver or amendment (a) is consistent with the Accepted Servicing Practices and (b) does not either (i) cause the Trust REMIC to fail to qualify as a REMIC under the Code or (ii) subject the Trust REMIC to any tax (and the Servicer or the Special Servicer, as applicable, may obtain and be entitled to rely upon an opinion of counsel in connection with such determination). Notwithstanding anything herein to the contrary, in no event may the Servicer or the Special Servicer permit an extension of the Maturity Date beyond the date that is seven (7) years prior to the Outside Final Distribution Date unless holders of at least 66⅔% of Voting Rights of each Class of Certificates (but only those Certificates that have an outstanding Certificate Balance, as reduced or notionally reduced by Realized Losses and Calculated Portfolio Value Reduction Amounts, equal to or greater than 25% of the initial Certificate Balance of such Class, as reduced by payments of principal), have approved the extension; provided, however, that the Special Servicer will not in any event be permitted to extend the Maturity Date of the Loan beyond the seventh anniversary of the Stated Maturity Date. The "Outside Final Distribution Date" will be the Distribution Date in June 2039.

In connection with (i) the release of any Collateral (including any Property) or portion thereof from the lien of the Collateral Documents (including, the related Mortgage, if applicable) or (ii) the taking of any Property or portion thereof by exercise of the power of eminent domain or condemnation, if the Loan Documents require the Servicer or the Special Servicer, as applicable, to calculate the loan-to-value ratio of the remaining Collateral, for purposes of REMIC qualification of the Loan, then, unless then permitted by the REMIC Provisions, such calculation will exclude the value of personal property and going concern value, if any. The Servicer will provide to the Special Servicer notice of all Borrower requests related to any Loan modification or assumption and the Special Servicer will forward such notice to the Directing Certificateholder.

Any modification of the Loan Documents that requires a Required Parties' Approval pursuant to the Loan Documents, or any modification that would eliminate, modify or alter the requirement of obtaining such Required Parties' Approval in the Loan Documents, will not be made without the Servicer's or the Special Servicer's, as applicable, first receipt with respect to such modification of a DC Approval and a No Downgrade Confirmation. Such DC Approval and No Downgrade Confirmation, as applicable, will be obtained and provided at the Borrower's expense in accordance with the Loan Agreement or, if not so provided in the Loan Agreement or if the Borrower does not pay, at the expense of the Trust Fund.

The Servicer or the Special Servicer, as applicable, is required to notify the Trustee, the Certificate Administrator, the Directing Certificateholder, the Depositor and the Directing Certificateholder/17g-5 Information Provider (who will be required to promptly post such notice to the Directing Certificateholder/17g-5 Information Provider's website), in writing, of any modification, waiver, material consent or amendment of any term of the Loan Agreement and the date thereof and deliver to the Custodian for deposit in the loan file an original recorded counterpart of the agreement relating to such modification, waiver, material consent or amendment, promptly (and in any event within ten Business Days following the execution and recordation thereof).

If the Servicer or Special Servicer or a court of competent jurisdiction adversely modifies the interest rate applicable to any Component, any aggregate adverse economic effect of the modification will be applied to the Certificates, in reverse order of seniority. If the Loan is modified, the Regular Component Interest Rate on each Component will not change for purposes of distributions on the Certificates; provided, however that, if a Loan

modification following a Special Servicing Loan Event (whether pursuant to a workout by the Special Servicer or in connection with a bankruptcy, insolvency or similar proceeding involving the Borrower) results in the accrual of interest on a Component at a Regular Component Interest Rate calculated on the basis of an increased interest rate, the Pass-Through Rate of the related Class of Principal Balance Certificates will be increased by the same number of basis points as the interest rate used for the determination of the Regular Component Interest Rate is so increased.

Loan Reporting

Promptly following receipt of any notice from the Borrower that a Property does not constitute an Eligible Property, the Servicer or Special Servicer, as applicable, will forward such information to the Directing Certificateholder/17g-5 Information Provider (who shall promptly post such report to the Directing Certificateholder/17g-5 Information Provider's website). Upon receipt of any such designation, the Directing Certificateholder may direct the Servicer to instruct the Borrower that even though a Property is not an Eligible Property, such Property will not constitute a Disqualified Property under the Loan Agreement. The Directing Certificateholder may revoke such determination in accordance with the Loan Agreement by notice to the Servicer, and the Servicer will provide notice of such revocation to the Borrower promptly. Additionally, the Directing Certificateholder may at any time direct the Servicer to provide the Borrower notice that one or more Properties constitutes a Disqualified Property under the Loan Agreement (subject to the terms of the Loan Agreement).

Under the Trust and Servicing Agreement, the Servicer will prepare the Calculation Date Report upon receipt of the relevant information from the Borrower and promptly deliver the Calculation Date Report to the Directing Certificateholder/17g-5 Information Provider (who will promptly post such information to the Directing Certificateholder/17g-5 Information Provider's website). The Servicer will coordinate with the Directing Certificateholder regarding approval of the Calculation Date Report (which may include a deemed approval) in order to deliver the Calculation Date Report and the Quarterly Valuation Statement to the Borrower as provided under the Loan Agreement.

Property Transfers and Substitutions

The Servicer will provide prompt notice of receipt of notice from the Borrower of any proposed transfer of one or more Properties by the Borrower (other than in connection with a substitution) (each, a "Proposed Transfer") or a substitution, together with (i) all documentation received from the Borrower with respect to such Proposed Transfer or substitution (on a rolling basis, promptly after receipt) and (ii) the date on which the collateral event report is due from the Lender under the Loan Agreement and the applicable transfer date or substitution date, as applicable, under the Loan Agreement to the Directing Certificateholder/17g-5 Information Provider (who will promptly post such information to the Directing Certificateholder/17g-5 Information Provider's website). Subject to the Trust and Servicing Agreement, the Directing Certificateholder may direct the Servicer to request additional documentation from the Borrower (subject to the terms of the Loan Documents with respect to the right of the Lender to request such information) and the Servicer will promptly deliver any such information provided by the Borrower to the Directing Certificateholder/17g-5 Information Provider (who will promptly post such information to the Directing Certificateholder/17g-5 Information Provider's website).

In connection with any Proposed Transfer or substitution of a Property pursuant to the Loan Agreement and confirmation that the conditions to such Proposed Transfer or substitution, as applicable, have been satisfied, in addition to any procedures used by the Servicer in connection therewith, the Servicer will deliver a Servicer Recommendation to the Directing Certificateholder and information reasonably requested by the Directing Certificateholder from the Servicer with respect to whether the conditions have been satisfied promptly follow receipt of the relevant information from the Borrower.

Upon receipt of notice of a Proposed Transfer or substitution, the Servicer will prepare the collateral event report (if applicable) detailing the conditions to be satisfied under the Loan Documents and will promptly, deliver the collateral event report to the Directing Certificateholder/17g-5 Information Provider (who will promptly post such information to the Directing Certificateholder/17g-5 Information Provider's website). The Servicer will coordinate with the Directing Certificateholder regarding approval of the collateral event report (which may include a deemed approval) in order to deliver the collateral event report to the Borrower as provided under the Loan Agreement.

The Servicer will not notify the Borrower that the conditions to any Proposed Transfer or substitution have been satisfied without obtaining prior written confirmation (or deemed confirmation) from the Directing Certificateholder that the conditions to such Proposed Transfer or substitution, as applicable, have been satisfied. Any direction to the Servicer (including notice of that the conditions to a Proposed Transfer or substitution, as applicable, have not been satisfied) by the Directing Certificateholder is subject to the terms of the Loan Agreement and the Trust and Servicing Agreement.

The Servicer will promptly transfer any Fannie Mae Loan Fee received from the Borrower in connection with any Proposed Transfer or substitution by wire transfer of immediately available funds to (a) prior to a Rights Termination Event, Fannie Mae, and (b) following a Rights Termination Event, the Directing Certificateholder.

Transfers of Indirect or Direct Interests in the Borrower

The Servicer will provide prompt notice of receipt of notice from the Borrower of any proposed transfer of any direct or indirect interest in the Borrower, any Loan Party, the Loan Sponsor or the Sponsor Parent Entity or a Sponsor Corporate Transaction under the Loan Agreement (each, a “Proposed Entity Interest Transfer”), together with (i) all documentation received from the Borrower with respect to such Proposed Entity Interest Transfer (on a rolling basis, promptly after receipt) and (ii) the proposed date of transfer under the Loan Agreement to the Directing Certificateholder/17g-5 Information Provider (who will promptly post such information to the Directing Certificateholder/17g-5 Information Provider’s website).

In connection with any Proposed Entity Interest Transfer pursuant to the Loan Agreement and confirmation that the conditions to such Proposed Entity Interest Transfer have been satisfied, in addition to any procedures used by the Servicer in connection therewith, the Servicer will deliver a Servicer Recommendation to the Directing Certificateholder and information reasonably requested by the Directing Certificateholder from the Servicer with respect to whether the conditions have been satisfied promptly follow receipt of the relevant information from the Borrower.

The Servicer will not notify the Borrower that the conditions to any Proposed Entity Interest Transfer or substitution have been satisfied without obtaining prior written confirmation (or deemed confirmation) from the Directing Certificateholder that the conditions to such Proposed Entity Interest Transfer or substitution, as applicable, have been satisfied. Any direction to the Servicer (including notice of that the conditions to a Proposed Entity Interest Transfer or substitution, as applicable, have not been satisfied) by the Directing Certificateholder is subject to the terms of the Loan Agreement and the Trust and Servicing Agreement.

The Servicer will promptly transfer any Fannie Mae Loan Fee received from the Borrower in connection with any Proposed Entity Interest Transfer by wire transfer of immediately available funds to (a) prior to a Rights Termination Event, Fannie Mae, and (b) following a Rights Termination Event, the Directing Certificateholder.

Flow of Funds; Accounts

Certificate Collection Account

Within one Business Day of receipt of properly identified and available funds by the Servicer of any amounts allocable in respect of principal and interest and certain other amounts owed on the Loan, including, on the Closing Date, the Initial Deposit, the Servicer will be required to remit such amounts to the Certificate Collection Account as described in “*Description of the Loan—Cash Management Arrangements; Funds; Reserves*” in this information circular. The Servicer will apply amounts on deposit in the Certificate Collection Account with respect to the Loan on each Remittance Date as described in “*Description of the Certificates—Payment on the Certificates*” in this information circular. On each Remittance Date, the Servicer will transfer from the Certificate Collection Account to the Certificate Administrator for deposit into the Distribution Account all funds remaining on deposit in the Certificate Collection Account after the permitted withdrawals from the Certificate Collection Account as described above under “*Description of the Certificates—Payment on the Certificates*” in this information circular.

Distribution Account

The Certificate Administrator will remit funds on deposit in the Distribution Account with respect to the Loan on the Distribution Date to holders of record of the Certificates and the Guarantor as described in “*Description of the Certificates—Payment on the Certificates*” in this information circular.

Foreclosed Collateral Account

If title to any Collateral (including any Property) securing the Loan has been acquired by the Special Servicer or an affiliate in the name of the Trustee on behalf of the Trust Fund through foreclosure, acceptance of a transfer-in-lieu (or deed-in-lieu) of foreclosure or otherwise (such Collateral, the “Foreclosed Collateral” and such foreclosure, acceptance of a transfer-in-lieu (or deed-in-lieu) of foreclosure or similar events, a “Foreclosure Event”), the Special Servicer will establish an account related to the Foreclosed Collateral held in the name of the Special Servicer on behalf of the Trustee for the benefit of the Certificateholders, and deposit in such account within one Business Day of receipt all funds collected and received in connection with the operation or ownership of the Foreclosed Collateral

(such account, a “Foreclosed Collateral Account”). On or before the last day of each Collection Period, the Special Servicer will withdraw the funds in the Foreclosed Collateral Accounts, net of certain expenses and/or reserves, and deposit them into the Certificate Collection Account.

The Certificate Collection Account, the Distribution Account and the Foreclosed Collateral Accounts must each be an account maintained with an eligible institution meeting the requirements of the Trust and Servicing Agreement. The Servicer (and, with respect to the Foreclosed Collateral Account, the Special Servicer) may direct any depository institution maintaining the Certificate Collection Account, the Reserve Accounts and the Foreclosed Collateral Accounts to invest the funds in the Certificate Collection Account, the Reserve Accounts and the Foreclosed Collateral Accounts in certain United States government securities and other permitted investments specified in the Trust and Servicing Agreement. Interest or other income earned (net of any losses) on funds in the Certificate Collection Account, the Reserve Accounts (to the extent not payable to the Borrower) and the Foreclosed Collateral Accounts will be paid as additional compensation to the Servicer and the Special Servicer, as applicable. Any net losses on funds in the Certificate Collection Account, the Reserve Accounts (except, in the case of any such loss with respect to a Reserve Account, to the extent the loss amounts were invested for the benefit of the Borrower under the terms of the Loan Documents) and the Foreclosed Collateral Accounts will be required to be reimbursed by the Servicer and the Special Servicer, as applicable, to the extent provided in the Trust and Servicing Agreement. Notwithstanding the above, none of the Servicer, the Special Servicer, the Certificate Administrator or the Trustee will be required to deposit any loss on an investment of funds in the Certificate Collection Account, the Reserve Accounts and/or the Foreclosed Collateral Accounts if such loss was incurred as a result of the bankruptcy or insolvency of the depository institution that holds such account so long as both (x) at the time the investment was made and (y) 30 days prior to such bankruptcy or insolvency, such institution was an eligible institution under the Trust and Servicing Agreement and not an affiliate of the Servicer, the Special Servicer, the Certificate Administrator or the Trustee, as applicable. Amounts held in the Distribution Account will be uninvested.

Realization Upon the Loan

Upon a Loan Event of Default, the Special Servicer on behalf of the Trustee (subject to the rights of the Directing Certificateholder), subject to the terms of the Loan Documents and the Trust and Servicing Agreement, must promptly pursue the remedies set forth therein, including foreclosure on one or more interests representing the Equity Collateral or other Collateral for the Loan or other realization on the Equity Collateral and the other Collateral for the Loan. In exercising such remedies under the Loan Documents, the Special Servicer will consider the costs and benefits of pursuing the different remedies, including foreclosure on the Equity Collateral and/or foreclosure on the Properties, and the Special Servicer will exercise such remedies as it determines are in the best economic interest of the Trust Fund on a net present value basis as determined in accordance with Accepted Servicing Practices. Additionally, in considering any foreclosure with respect to any Mortgage or Equity Collateral, the Special Servicer will consult independent counsel regarding the order and manner in which the Special Servicer should foreclose upon or comparably proceed against the Properties in California and any other state with a statute, rule or regulation comparable to California’s “one action rule.” In connection with any foreclosure, enforcement of the applicable Loan Documents or other realization on the Equity Collateral or other Collateral, the Special Servicer will direct the Servicer to, and the Servicer will, pay the costs and expenses in any such proceedings as a Servicing Advance unless the Servicer determines, in accordance with the Accepted Servicing Practices, that such Advance would constitute a Nonrecoverable Advance.

Prior to any foreclosure or by transfer-in-lieu (or deed-in-lieu) of foreclosure, with respect to the Equity Collateral or any Property, the Special Servicer will consider all information available to it or the Servicer from the Borrower or of which the Special Servicer otherwise has actual knowledge with respect to any environmental matters with respect to the Properties, and based on such information will determine in accordance with Accepted Servicing Practices, if any independent site assessments of any Properties are advisable. The Special Servicer will not foreclose on the Equity Collateral, if it determines based on the information available to it that the Trust would be considered to hold title to, to be a “mortgagee-in-possession” of, or to be an “owner” or “operator” of a Property within the meaning of CERCLA or any comparable law, unless the Special Servicer has previously determined, based on information available to it, that the foreclosure on the Equity Collateral and the taking of any remedial action necessary to comply with law with respect to such Properties would produce an overall greater recovery than not foreclosing on the Equity Collateral and in the case of any foreclosure with respect to any Property will, prior to acquiring the Property consider the risks associated with the foreclosure and only take action in accordance with its established environmental review procedures and in any event in accordance with Accepted Servicing Practices.

If the Special Servicer has so determined based on satisfaction of the criteria above that it would be in the best economic interest of the Trust Fund (as determined in accordance with the Accepted Servicing Practices) to institute a foreclosure or take any other actions described in the immediately preceding paragraph, the Special Servicer will be required to take such proposed action subject to the rights of the Directing Certificateholder to consent to and/or

consult in respect of such action, as applicable. The Special Servicer will not foreclose upon or otherwise cause the Trust to acquire ownership of any Collateral other than a Property or all of the Equity Collateral unless it receives an opinion of counsel (the cost of which will be paid by the Servicer as a Servicing Advance unless the Servicer determines that such Servicing Advance would constitute a Nonrecoverable Advance) to the effect that such acquisition will not cause the imposition of a tax on the Trust REMIC (other than a tax on "net income from foreclosure property" under Code Section 860G(c)) under the REMIC Provisions or cause the Trust REMIC to fail to qualify as a REMIC at any time that the Certificates are outstanding.

Notwithstanding any acquisition of title to any Collateral following a Loan Event of Default and cancellation of the Loan, the Loan and the related Components will be deemed to remain outstanding and held in the Trust Fund for purposes of the application of collections and will be reduced only by collections net of expenses.

Within 45 days after the occurrence of a Special Servicing Loan Event, the Special Servicer will order and use reasonable efforts to obtain Broker Price Opinions for all Properties; provided that if the Special Servicer determines in accordance with Accepted Servicing Practices or is directed by the Directing Certificateholder to determine that a Broker Price Opinion is not sufficient with respect to a Property, the Special Servicer will order and use an Appraisal (in each case, the cost of which will be paid by the Servicer as a Servicing Advance (or will be a Trust Fund Expense if the Servicer determines that such Advance would constitute a Nonrecoverable Advance)); provided, further that if Broker Price Opinions or Appraisals have been obtained within three months prior to the Special Servicing Loan Event, such Broker Price Opinions or Appraisals will be used for purposes of this paragraph. Each Broker Price Opinion will be determined on an "as-is" basis based on an exterior review of the Property. Promptly after its receipt of the Broker Price Opinions or Appraisals, as the case may be, the Special Servicer will determine the Adjusted Aggregate BPO/Appraised Value in accordance with the Accepted Servicing Practices subject to the requirement for the Special Servicer to obtain the approval or deemed approval of such Adjusted Aggregate BPO/Appraised Value from the Directing Certificateholder. Notwithstanding the foregoing, if the Special Servicer determines in accordance with Accepted Servicing Practices, or the Directing Certificateholder directs the Special Servicer, to determine that an Appraisal of the Equity Collateral to determine the value of the Equity Collateral in lieu of the Adjusted Aggregate BPO/Appraised Value is reasonably necessary, then, within 45 days after the occurrence of a Special Servicing Loan Event, the Special Servicer will order and use reasonable efforts to obtain an Appraisal with respect to the Equity Collateral (the cost of which will be paid by the Servicer as a Servicing Advance (or will be a Trust Fund Expense if the Servicer determines that such Advance would constitute a Nonrecoverable Advance)) and the Special Servicer will not need to obtain Broker Price Opinions or Appraisals with respect to the Properties otherwise required above. If Special Servicer determines or the Directing Certificateholder directs an Appraisal of the Equity Collateral, to determine the value of the Equity Collateral in lieu of the Adjusted Aggregate BPO/Appraised Value, the Special Servicer will determine the Adjusted Appraised Equity Value in accordance with the Accepted Servicing Practices subject to the requirement for the Special Servicer to obtain the approval or deemed approval of such Adjusted Appraised Equity Value from the Directing Certificateholder. The Special Servicer will promptly notify in writing the Servicer, the Trustee, the Certificate Administrator and the Directing Certificateholder of the occurrence of such Special Servicing Loan Event. Upon delivery by the Special Servicer of the notice described in the preceding sentence, the Special Servicer may offer to sell to any person the Loan or may offer to purchase the Loan, if and when the Special Servicer determines, consistent with Accepted Servicing Practices, that no satisfactory arrangements can be made for collection of delinquent payments thereon and such a sale would be in the best economic interests of the Trust on a net present value basis. The Special Servicer will provide the Servicer, the Trustee, the Certificate Administrator and the Directing Certificateholder not less than 5 Business Days' prior written notice of its intention to sell the Loan. Following such notice, the Special Servicer is required to accept the highest offer received from any person (other than any Interested Person) for the Loan in an amount at least equal to the Repurchase Price or, at its option, if it has received no offer at least equal to the Repurchase Price therefor, the Special Servicer may purchase the Loan at the Repurchase Price.

In the absence of any offer at least equal to the Repurchase Price (or purchase by the Special Servicer for the Repurchase Price), and provided that the Loan is in default, the Special Servicer will accept the highest offer received from any person that is determined by the Special Servicer to be a fair price for the Loan based on the Calculated Portfolio Value calculated by the Special Servicer using Broker Price Opinions or Appraisals, as applicable, obtained within the last six months, if the highest offeror is a person other than the Depositor, a Holder of 50% or more of the Controlling Class, the Guarantor, the Directing Certificateholder (or any of its affiliates), the Servicer, the Certificate Administrator, the Special Servicer, the Relevant Parties, any property manager, any independent contractor engaged by the Special Servicer, or any known affiliate of any of them (any such person, an "Interested Person"). The Trustee (based upon, among other things, the Broker Price Opinions or the Appraisals of each Property or Appraisal of the Equity Collateral in case ordered pursuant to the preceding paragraph and the Calculated Portfolio Value) will determine if the highest offer is a fair price if the highest offeror is an Interested Person, and such determination will be binding upon all parties. In determining whether any offer constitutes a fair price for the Loan, the Special Servicer (if the highest offeror is not an Interested Person) or the Trustee (if the highest offeror is an

Interested Person), as applicable, will take into account, among other factors, the period and amount of any delinquency on such Loan, the physical (including environmental) condition of the Properties, the occupancy of the Properties and the state of the local economy where the Properties are located, the practicalities involved with a sale of the Foreclosed Properties (or Properties) and the financial condition of the Borrower and limitations on recovery under applicable bankruptcy laws. Neither the Trustee, in its individual capacity, nor any of its affiliates will be permitted to make an offer for or purchase the Loan.

If the Trustee is required to determine whether a cash offer by an Interested Person constitutes a fair price, the Trustee may (at its option and at the expense of the Trust) designate an independent third party expert in real estate or mortgage loan matters with at least 5 years' experience in valuing or investing in loans similar to the Loan, that has been selected with reasonable care by the Trustee to determine if such cash offer constitutes a fair price for the Loan. If the Trustee designates such a third party to make such determination, the Trustee will be entitled to rely conclusively upon such third party's determination. The reasonable costs of all Broker Price Opinions, Appraisals, inspection reports and broker opinions of value incurred by the Trustee or any such third party and the reasonable fees of any such third party will be covered by, and will be paid by the Interested Person and if not so paid, will be paid by the Servicer as a Servicing Advance (or will be a Trust Fund Expense if the Servicer determines that such Advance would constitute a Nonrecoverable Advance).

The Trust and Servicing Agreement will not obligate the Special Servicer to accept the highest offer if the Special Servicer determines, in accordance with the Accepted Servicing Practices, that rejection of such offer would be in the best interests of the holders of the Certificates (as a collective whole); provided, however, that in the case of an offer to purchase the Loan by the Directing Certificateholder, the Special Servicer will be required to accept such offer if the Trustee has determined in accordance with the Trust and Servicing Agreement that such offer constitutes a fair price. In addition, subject to the rights of the Directing Certificateholder, the Special Servicer may accept a lower offer if it determines, in accordance with the Accepted Servicing Practices, that the acceptance of such offer would be in the best interests of the holders of the Certificates (for example, if the prospective buyer making the lower offer is more likely to perform its obligations, or the terms offered by the prospective buyer making the lower offer are more favorable), provided, that the offeror is not the Special Servicer or a person affiliated with the Special Servicer. The Special Servicer is required to use reasonable efforts to sell the Loan prior to the Outside Final Distribution Date.

The right of the Special Servicer to purchase or sell the Loan after the occurrence of a Special Servicing Loan Event will terminate, and will not be exercisable as set forth above (or if exercised but the purchase of the Loan has not yet occurred, the Special Servicer's right will terminate and such exercise will be of no further force or effect) if the Loan is no longer delinquent as a result of any of the following: (i) the Special Servicing Loan Event has ceased pursuant to the terms of the Trust and Servicing Agreement, (ii) the Loan has become subject to a fully executed agreement reflecting the terms of the workout arrangement or (iii) the Loan has otherwise been resolved (including by a full or discounted pay-off). Any sale of the Loan will be for cash only.

If a Foreclosure Event occurs and the Calculated Portfolio Value that was determined pursuant to the Trust and Servicing Agreement is based on Broker Price Opinions or Appraisals, as applicable, that are more than six months old, the Special Servicer will order and use reasonable efforts to obtain updated Broker Price Opinions or Appraisals (if an Appraisal was obtained at the time of the Special Servicing Loan Event), as applicable, for any Properties for which the Broker Price Opinion or Appraisal, as applicable, is more than 6 months old (the cost of which will be paid by the Servicer as a Servicing Advance (or will be a Trust Fund Expense if the Servicer determines that such Advance would constitute a Nonrecoverable Advance)). Each Broker Price Opinion will be determined on an "as-is" basis based on an exterior review of the Property. Promptly after its receipt of the Broker Price Opinions or Appraisal, as applicable (or, if a Broker Price Opinion or Appraisal, as applicable, has been obtained in the last six months, using such Broker Price Opinion or Appraisal, as applicable), the Special Servicer will determine the Adjusted Aggregate BPO/Appraised Value in accordance with the Accepted Servicing Practices subject to the requirement for the Special Servicer to obtain the approval or deemed approval of such Adjusted Aggregate BPO/Appraised Value from the Directing Certificateholder. Notwithstanding the foregoing, if the Special Servicer determines in accordance with Accepted Servicing Practices, or the Directing Certificateholder directs the Special Servicer, to determine that an Appraisal of the Equity Collateral to determine the value of the Equity Collateral in lieu of the Adjusted Aggregate BPO/Appraised Value is reasonably necessary and either no such Appraisal was obtained or such Appraisal was not done within 6 months prior to a Foreclosure Event, within 45 days after the occurrence of the Foreclosure Event, the Special Servicer will order and use reasonable efforts to obtain an Appraisal with respect to the Equity Collateral (the cost of which will be paid by the Servicer as a Servicing Advance (or will be a Trust Fund Expense if the Servicer determines that such Advance would constitute a Nonrecoverable Advance)) and the Special Servicer need not obtain Broker Price Opinions or Appraisals with respect to the Properties otherwise required above. If Special Servicer determines or the Directing Certificateholder directs an Appraisal of the Equity Collateral to determine the value of the Equity Collateral in lieu of the Adjusted Aggregate BPO/Appraised Value, the Special Servicer will determine the Adjusted Appraised Equity Value in accordance with the Accepted Servicing Practices

subject to the requirement for the Special Servicer to obtain the approval or deemed approval of such Adjusted Appraised Equity Value from the Directing Certificateholder.

The Special Servicer will offer to sell to any person the Foreclosed Collateral (or the Properties), if and when the Special Servicer determines, consistent with the Accepted Servicing Practices, that such a sale would be in the best economic interests of the Holders of the Certificates (as a collective whole); provided, that the Special Servicer will sell the Foreclosed Collateral (or the Properties) as expeditiously as possible consistent with the preservation of the capital of the Certificateholders and not with a view to the maximization of profit above the Repurchase Price and in any event subject to the requirements of the UCC, if applicable, but in no event later than the close of the third calendar year following the year in which the acquisition date occurs unless the Special Servicer, on behalf of the Trustee, has received (or has not been denied) an extension of time by the IRS to sell such Foreclosed Collateral (including any Foreclosed Properties, if applicable) or an opinion of counsel addressed to the parties to the Trust and Servicing Agreement to the effect that the holding by the Trust of the Foreclosed Collateral (including any Foreclosed Properties, if applicable) for an additional specified period will neither result in the imposition of taxes on "prohibited transactions" of the Trust as defined in Section 860F of the Code, nor cause the Trust REMIC to fail to qualify as a REMIC at any time that the Certificates are outstanding, in which event such period will be extended by such additional specified period, with the expenses of obtaining any such extension of time being an expense of the Trust.

The Special Servicer will be empowered, subject to the UCC, the Code and to the specific requirements and prohibitions of the Trust and Servicing Agreement, to do any and all things in connection with the management and operation of the Foreclosed Collateral in accordance with Accepted Servicing Practices and consistent with the REMIC Provisions on terms and for such period as the Special Servicer deems to be in the best interests of the Certificateholders as a whole; provided such actions are reasonably necessary to, and consistent with, the primary purpose of liquidating the Foreclosed Collateral (or the Properties) as expeditiously as possible in accordance with Accepted Servicing Practices. Any disposition or other remedial actions by the Special Servicer with respect to the Equity Collateral after the occurrence of a Loan Event of Default with respect to the Loan will be undertaken in a commercially reasonable manner in accordance with the New York UCC and any other applicable law. Without limitation on the foregoing, the Special Servicer will furnish notices to the Relevant Parties with respect to the Equity Collateral in accordance with the UCC and any other applicable law.

The Special Servicer is required to give the Servicer, the Directing Certificateholder, the Trustee and the Certificate Administrator not less than five (5) days' prior written notice of its intention to sell the Foreclosed Collateral (or the Properties) and, subject to the consent rights of the Directing Certificateholder to the extent set forth in the Trust and Servicing Agreement, accept the highest cash offer received from any person (other than the Trustee or any of its affiliates) which offer proposes a cash purchase price (and which person will certify in its offer as to whether it is an Interested Person) for the Foreclosed Collateral or the Properties that at least equals (or, in the case of the sale of the Properties, would result in realization in respect of the Properties, at least equal to) the Repurchase Price (and in the case of sales of Foreclosed Properties or Properties to one or more persons will determine the portion of the Repurchase Price allocable to such Foreclosed Properties or Properties, as the case may be, based on the Allocated Loan Amount with respect to such Foreclosed Properties or Properties, as the case may be). In the absence of any such bid, the Special Servicer will accept the highest cash bid (other than from any Interested Person) that it determines is a fair price based on the Calculated Portfolio Value (using Broker Price Opinions or Appraisals, as applicable, obtained within the last six months) or in the case of sales of Foreclosed Properties or Properties based on Broker Price Opinions or Appraisals, as applicable, obtained within the last six months. If the highest bidder is an Interested Person, then the Trustee will determine the fairness of the highest bid as provided below and such determination will be binding on all parties. In determining whether any offer constitutes a fair price for the Foreclosed Collateral or the Properties, in addition to the Broker Price Opinions, Appraisals or the Calculated Portfolio Value, as the case may be, the Special Servicer (if the highest offeror is not an Interested Person) or the Trustee (if the highest offeror is an Interested Person), as applicable, will take into account, among other factors, the physical (including environmental) condition of the Properties, the occupancy of the Properties and the state of the local economy where the Properties are located, the practicalities involved with a sale of the Foreclosed Properties (or Properties) and the financial condition of the Borrower and limitations on recovery under applicable bankruptcy laws.

In determining whether any offer constitutes a fair price for the Foreclosed Collateral or Properties, the Trustee will determine the fairness of the highest offer based on the Calculated Portfolio Value (using Broker Price Opinions or Appraisals, as applicable, obtained within the last six months) or in the case of sales of Foreclosed Properties or Properties based on Broker Price Opinions or Appraisals, as applicable, obtained within the last six months; provided that the Trustee may designate an independent appraiser expert in real estate or mortgage loan matters with at least five (5) years' experience in valuing or investing in comparable properties in the geographic area where the Properties are located, which such expert will be selected with reasonable care by the Trustee for the sole purpose of determining whether any such cash offer constitutes a fair price for the Foreclosed Collateral or Properties, as the

case may be; provided, further, that if the Trustee so designates any such third party to make such determination, the Trustee will be entitled to rely conclusively upon such third party's determination. The reasonable costs of all Broker Price Opinions, Appraisals, inspection reports and broker opinions of value incurred by the Trustee or any such third party and the reasonable fees of any such third party will be covered by, and will be paid by the Interested Person and if not so paid, will be paid by the Servicer as a Servicing Advance (or will be a Trust Fund Expense if the Servicer determines that such Advance would constitute a Nonrecoverable Advance).

Notwithstanding the foregoing, subject to the consent rights of the Directing Certificateholder, the Special Servicer will not be obligated to accept the highest cash offer if the Special Servicer determines, in accordance with Accepted Servicing Practices, that rejection of such offer would be in the best interests of the Certificateholders (as a collective whole), and the Special Servicer may accept a lower cash offer (from any person other than itself or an affiliate) if it determines, in accordance with Accepted Servicing Practices, that acceptance of such offer would be in the best interests of the Certificateholders. Notwithstanding anything to the contrary herein, neither the Trustee in its individual capacity nor any of its affiliates will be permitted to bid for or purchase the Foreclosed Collateral or Properties.

Nothing contained in the Trust and Servicing Agreement will be construed to require the Special Servicer, on behalf of the Trust Fund, to make a bid on the Collateral at a foreclosure sale or similar proceeding that is in excess of the fair market value of such property, as determined by the Special Servicer in its reasonable judgment in the same manner as the Special Servicer determines a fair price of any Collateral as provided above. If and when the Special Servicer deems it necessary and prudent for purposes of establishing the fair market value of the Collateral if the Loan experiences a Special Servicing Loan Event, whether for purposes of bidding at foreclosure or otherwise, the Special Servicer is authorized to have Broker Price Opinions or Appraisals (in the circumstances described above) obtained with respect to the Properties, the cost of which will be paid by the Servicer as a Servicing Advance unless the Servicer determines such Advance would be a Nonrecoverable Advance.

In each case, the Special Servicer's determination as to the appropriate course of action must take into account the provisions of the UCC that require a lender disposing of Collateral following a Loan Event of Default to act in a commercially reasonable manner in the disposition of such Collateral. See "*Certain Legal Aspects of the Loan—Security Interests in Pledged Equity Securities Generally*" in this information circular.

DC Approval

Notwithstanding any provision to the Trust and Servicing Agreement, if any action under any Loan Document or the Trust and Servicing Agreement requires a DC Approval, a No Downgrade Confirmation or a written confirmation from a Rating Agency that any action will not cause a downgrade, withdrawal or qualification of the then-current ratings on the Certificates as a condition precedent to such action, the party (the "DC Approval Requesting Party") seeking to obtain such DC Approval or written confirmation has made a request to the Directing Certificateholder in writing (and email will be sufficient as a writing), which writing will contain a cover page indicating the nature of the DC Approval request, and will contain all back-up material the Servicer, Special Servicer, Depositor, Certificate Administrator or Trustee, as applicable, reasonably deems necessary for the Directing Certificateholder to process such request. Such written DC Approval request will be provided to the Directing Certificateholder/17g-5 Information Provider (with a copy to the Servicer or the Special Servicer, as applicable) in the form of an electronic document suitable for posting, and the Directing Certificateholder/17g-5 Information Provider will post such request on the Directing Certificateholder/17g-5 Information Provider's website in accordance with the Trust and Servicing Agreement.

"DC Approval" means, with respect to any matter, confirmation in writing (which may be in the form of email) by the Directing Certificateholder to the DC Approval Requesting Party that a proposed action, failure to act or other event so specified is acceptable.

Notice of Ratings Assignment

Following the Closing Date, if the Depositor or Holder(s) of Certificates representing more than 75% of the aggregate Certificate Balance of the Class A Certificates engages any NRSRO to provide public ratings on the Class A Certificates (a "Ratings Assignment"), the Depositor or such Holder(s), as the case may be, will provide prompt written notice to the Certificate Administrator (who will promptly provide notice to the other parties to the Trust and Servicing Agreement) and the Depositor will promptly forward such notice to the Directing Certificateholder/17g-5 Information Provider for posting on the Directing Certificateholder/17g-5 Information Provider's website. As of the Closing Date, the Certificates are not rated. Notwithstanding anything to the contrary contained herein, a Ratings Assignment will become effective five Business Days following delivery of such notice by the Certificate Administrator of notice of such Ratings Assignment (the "Ratings Assignment Effective Date")

No Downgrade Confirmation

The Trust and Servicing Agreement will provide that, notwithstanding the terms of the Loan Documents or other provisions of the Trust and Servicing Agreement, following the Ratings Assignment Effective Date, if any, if any action under any Loan Document or the Trust and Servicing Agreement requires a No Downgrade Confirmation or a written confirmation from a Rating Agency that a particular action will not cause a downgrade, withdrawal or qualification of the then-current ratings on the Certificates as a condition precedent to such action, if the party (the “Requesting Party”) seeking to obtain such No Downgrade Confirmation or written confirmation has made a request to any Rating Agency for such No Downgrade Confirmation or written confirmation and, within 10 Business Days of such request being sent to the applicable Rating Agency, such Rating Agency has not replied to such request or has responded in a manner that indicates that such Rating Agency is neither reviewing such request nor waiving the requirement for No Downgrade Confirmation or written confirmation, then:

(A) such Requesting Party will be required to confirm that the applicable Rating Agency has received the No Downgrade Confirmation or written confirmation request, and, if it has, promptly request the related No Downgrade Confirmation or written confirmation again and

(B) if there is no response to either such No Downgrade Confirmation or written confirmation request within 5 Business Days of such second request, then,

(x) with respect to any condition in any Loan Document requiring such No Downgrade Confirmation or written confirmation or any other matter under the Trust and Servicing Agreement relating to the servicing of the Loan (other than as set forth in clause (y) below), the Requesting Party (or, if the Requesting Party is the Borrower, then the Servicer (with respect to the Loan if no Special Servicing Loan Event has occurred) or the Special Servicer (with respect to the Loan while a Special Servicing Loan Event has occurred and is continuing), as applicable, will be required to determine, in accordance with its duties under the Trust and Servicing Agreement and in accordance with the Accepted Servicing Practices, whether or not such action would be in the best interests of the Certificateholders (as a collective whole as if such Certificateholders constituted a single lender), and if the Requesting Party (or, if the Requesting Party is the Borrower, then the Servicer or the Special Servicer, as applicable) determines that such action would be in the best interest of the Certificateholders (as a collective whole as if such Certificateholders constituted a single lender), then the requirement for a No Downgrade Confirmation will be deemed not to apply as to the non-responding Rating Agency, and

(y) with respect to a replacement of the Servicer or the Special Servicer, such condition will be deemed not to apply if (i) Moody's has not cited servicing concerns of the applicable replacement as the sole or material factor in any qualification, downgrade or withdrawal of the ratings (or placement on “watch status” in contemplation of a ratings downgrade or withdrawal) of securities in any other CMBS transaction serviced by the applicable servicer prior to the time of determination, if Moody's is the non-responding Rating Agency; (ii) KBRA has not cited servicing concerns of the applicable replacement as the sole or material factor in any qualification, downgrade or withdrawal of the ratings (or placement on “watch status” in contemplation of a ratings downgrade or withdrawal) of securities in a transaction serviced by the applicable servicer prior to the time of determination, if KBRA is the non-responding Rating Agency; and (iii) the applicable replacement is ranked at least “MOR CS3” as servicer or special servicer, as applicable, if Morningstar is the non-responding Rating Agency.

For all other matters or actions not specifically discussed above, the applicable Requesting Party will be required to obtain a No Downgrade Confirmation from each of the Rating Agencies. In the event an action otherwise requires a No Downgrade Confirmation from each of the Rating Agencies, in absence of such No Downgrade Confirmation, there can be no assurance that any Rating Agency will not downgrade, qualify or withdraw its ratings as a result of any such action taken by the Servicer or the Special Servicer in accordance with the procedures discussed above.

Any No Downgrade Confirmation requests made by the Servicer, the Special Servicer, the Certificate Administrator or the Trustee, as applicable, pursuant to the Trust and Servicing Agreement, will be required to be made in writing (and email will be sufficient as a writing), which writing must contain a cover page indicating the nature of the No Downgrade Confirmation request, and must contain all back-up the Servicer, Special Servicer, Certificate Administrator or Trustee, as applicable, reasonably deems necessary for the Rating Agency to process such request. Such written No Downgrade Confirmation requests must be provided to the Directing Certificateholder/17g-5 Information Provider in the form of an electronic document suitable for posting, and the

Directing Certificateholder/17g-5 Information Provider will be required to post such request on the Directing Certificateholder/17g-5 Information Provider's website in accordance with the Trust and Servicing Agreement.

Promptly following the Servicer's or Special Servicer's, as applicable, determination to take any action discussed above following any requirement to obtain No Downgrade Confirmation being considered satisfied, the Servicer or Special Servicer, as applicable, will be required to provide written notice to the Directing Certificateholder/17g-5 Information Provider of the action taken for the particular item at such time, and the Directing Certificateholder/17g-5 Information Provider will be required to post such notice to the Directing Certificateholder/17g-5 Information Provider's website pursuant to the Trust and Servicing Agreement.

Following the Ratings Assignment Effective Date, if any, the Servicer, the Special Servicer, the Certificate Administrator and the Trustee will be permitted (but not required) to orally communicate with the Rating Agencies; provided, that such party summarizes the information provided to the Rating Agencies in such communication and provides the Directing Certificateholder/17g-5 Information Provider with such summary the same day such communication takes place; provided that the summary of such oral communications will not be attributed to the Rating Agency the communication was with. The Directing Certificateholder/17g-5 Information Provider will be required to post such written summary on the Directing Certificateholder/17g-5 Information Provider's website in accordance with the Trust and Servicing Agreement.

"No Downgrade Confirmation" means, with respect to any matter, confirmation in writing (which may be in any format that is consistent with the policies, procedures or guidelines of the applicable Rating Agency at the time such No Downgrade Confirmation is sought, including, without limitation, by way of electronic communication, press release or any other written communication and need not be directed or addressed to any party to the Trust and Servicing Agreement) by each applicable Rating Agency that a proposed action, failure to act or other event so specified will not in and of itself result in the downgrade, withdrawal or qualification of the then-current rating assigned to any Class of Certificates if then rated by such Rating Agency which No Downgrade Confirmation may be obtained or deemed not to apply as set forth in the Trust and Servicing Agreement; provided, that a written waiver or acknowledgment from the Rating Agency indicating its decision not to review the matter for which the No Downgrade Confirmation is sought will be deemed to satisfy the requirement for the No Downgrade Confirmation from the Rating Agency with respect to such matter and the Servicer, the Special Servicer, the Certificate Administrator or the Trustee, as applicable, may proceed with the contemplated action(s) as if it had received the No Downgrade Confirmation. As of the Closing Date, no Certificates are rated by a Rating Agency. Notwithstanding anything to the contrary contained in the Trust and Servicing Agreement, at any time during which no Certificates are rated by a Rating Agency, a No Downgrade Confirmation will not be required from that Rating Agency.

Advances

If a Monthly Payment (other than a Balloon Payment or Default Interest) or any portion of a Monthly Payment representing interest or scheduled principal, if any, on the Loan has not been received in the Certificate Collection Account by the close of the Business Day immediately prior to the Remittance Date, the Servicer, subject to its determination that such amounts are not Nonrecoverable Advances, will be obligated to make an advance (a "Monthly Payment Advance") on such Remittance Date, for deposit into the Distribution Account on such Remittance Date, in an amount equal to such Monthly Payment or any such portion of such Monthly Payment (or, if applicable, the Assumed Monthly Payment (or portion thereof)) on the Loan that was delinquent as of close of the Business Day immediately prior to such Remittance Date; provided, that neither the Servicer nor any other party will be entitled to interest accrued on the amount of any Monthly Payment Advance if the related Monthly Payment is received by the Servicer by 2:00 p.m. New York time, on such Remittance Date. The Servicer is also obligated to advance in respect of each Monthly Payment Date following a delinquency in the payment of the Balloon Payment of the Loan or foreclosure (or acceptance of a deed-in-lieu of foreclosure or comparable conversion) of the Loan, for deposit into the Distribution Account not later than the related Remittance Date, the amount of any Assumed Monthly Payment deemed due with respect to the Loan on such Monthly Payment Date. The "Assumed Monthly Payment" means with respect to any Component and any Distribution Date following a delinquency in the payment of the related Balloon Payment on the Maturity Date of the Loan or a Foreclosure Event, the aggregate interest and principal, if any, due on such Component for such Distribution Date calculated with respect to any Distribution Date as an amount deemed to be due equal to the Monthly Payment of interest and principal, if any, calculated by the Servicer for the Assumed Payment Date at the Regular Component Interest Rate of such Component (excluding the Balloon Payment and Default Interest) and based on the same amortization schedule used to determine the Monthly Debt Service Payment Amount as if the Loan had not become due on the Maturity Date. The "Balloon Payment" means the payment of the outstanding principal balance of the Loan, together with all unpaid interest, due and payable on the Maturity Date. "Assumed Payment Date" means with respect to the Loan for any calendar month following a delinquency in the payment of the Balloon Payment or the foreclosure of the Loan or acceptance by the Special Servicer on behalf of the Trustee of a deed-in-lieu of foreclosure or comparable conversion of the Loan, the date that would have been the

Monthly Payment Date in such calendar month if such event had not occurred. Subject to the determination of non-recoverability described below, if a Foreclosure Event occurs, the Servicer will continue to make Monthly Payment Advances as required pursuant to the terms of the Trust and Servicing Agreement with respect to each Assumed Payment Date following such Foreclosure Event in an amount equal to the Monthly Payment or the Assumed Monthly Payment, as applicable, due or deemed due with respect to the Loan on such Assumed Payment Date, as if such Foreclosure Event had not occurred and the Loan continued to be outstanding.

At any time that a Calculated Portfolio Value Reduction Amount exists, the amount that would otherwise be required to be advanced by the Servicer in respect of delinquent payments of interest on any Component will be reduced by multiplying such amount by a fraction, the numerator of which is the then outstanding principal balance of such Component minus the portion of such Calculated Portfolio Value Reduction Amount allocated to the Class of Principal Balance Certificates corresponding to such Component and the denominator of which is the then outstanding principal balance of such Component.

The Servicer is also required to advance, to the extent it determines such amount is recoverable, all customary and reasonable out-of-pocket costs and expenses incurred by the Servicer or the Special Servicer in the performance of its respective servicing obligations, including, but not limited to, the costs and expenses incurred in connection with (i) the preservation, restoration, operation and protection of any Property or the Collateral that, in the Servicer's sole discretion exercised in accordance with the Accepted Servicing Practices, are necessary to prevent an immediate or material loss to the Trust's interest in such Property or the Collateral, (ii) the payment of (A) real estate taxes, assessments and governmental charges that may be levied or assessed against the Borrower or any of its affiliates or any applicable Property or revenues therefrom or that become liens on such Property, (B) insurance premiums and (C) out-of-pocket costs and expenses of the Servicer or the Special Servicer, as applicable (including, without limitation, reasonable attorneys' fees and expenses), to the extent not paid by the Borrower that are incurred in connection with the sale of the Loan, the negotiation of a workout of the Loan, the assumption of the Loan or the release of any Collateral from the applicable Collateral Documents, (iii) any enforcement or judicial proceedings, including foreclosures and including, but not limited to, court costs, attorneys' fees and expenses and costs for third-party experts, including appraisers, environmental and engineering consultants and expenses and costs of providers of Broker Price Opinions, (iv) the management, operation and liquidation of the Collateral if such Collateral is acquired by the Special Servicer in the name of the Trustee and following a Foreclosure Event with respect to the Equity Collateral, the management, operation and liquidation of the Properties, (v) to the extent not duplicative of the foregoing, Basic Carrying Costs and (vi) any other item designated in the Trust and Servicing Agreement as a Servicing Advance (collectively, the "Servicing Advances"). In addition, the Servicer will be obligated to advance, to the extent recoverable, the Borrower Reimbursable Trust Fund Expenses ("Administrative Advances") and, together with Monthly Payment Advance and Servicing Advances, "Advances").

"Basic Carrying Costs" means the sum of the following costs with respect to the Foreclosed Collateral (including any Foreclosed Properties) and following a Foreclosure Event with respect to the Equity Collateral, the Properties: (i) real estate taxes, assessments, governmental charges that may be levied or assessed against the Properties or revenues therefrom or that become liens on the Properties or real estate taxes, assessments and government charges that may be levied against the Borrower, the Borrower TRS, Equity Owner LP or Borrower GP that may become a lien on the Properties, (ii) insurance premiums and (iii) the direct costs and expenses of the Servicer or the Special Servicer (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with a full or partial release of any of the Collateral from the lien of the Collateral Documents, excluding overhead, salaries and similar expenses, and fees and expenses of any sub-servicer. In no event will Basic Carrying Costs include the Servicing Fee, the Special Servicing Fee, other servicing compensation, Advances, cure payments or costs and expenses arising from the negligence, bad faith, fraud or willful misconduct of the Servicer or the Special Servicer, as applicable.

To the extent the Servicer fails to make an Advance required under the Trust and Servicing Agreement, the Trustee will be required to make such Advance subject to the terms of the Trust and Servicing Agreement. The obligations of the Servicer and the Trustee to make Advances are mandatory under the Trust and Servicing Agreement, subject to the limitations set forth in the Trust and Servicing Agreement, and such obligations will continue to apply after any modification or amendment of the Loan, beyond the Maturity Date of the Loan if a payment default has occurred on such date and through any court appointed stay period or similar payment delay resulting from any insolvency of any Relevant Party or related bankruptcy, other than the requirement of recoverability, and will continue, subject to the requirement of recoverability, until the earlier of (i) the payment in full of the Loan and (ii) the date on which the Collateral or all of the Properties are liquidated or the Loan is sold.

The Servicer or the Trustee, as applicable, will be obligated to make an Advance only to the extent that it determines that the amount so advanced and interest on such Advances at the Advance Rate will not constitute a Nonrecoverable Advance if made. A "Nonrecoverable Advance" is any portion of an Advance previously made and

not previously reimbursed, or proposed to be made, including interest thereon, which, in accordance with the Accepted Servicing Practices (in the case of the Servicer (or the Special Servicer, if applicable)) or reasonable business judgment (in the case of the Trustee), would not be ultimately recoverable from subsequent payments or collections on, or insurance proceeds, condemnation proceeds or liquidation proceeds payable in respect of, the Loan or the Collateral (including the Properties) or from funds on deposit in the Certificate Collection Account. The Trustee may rely conclusively upon a determination of non-recoverability made by the Servicer or the Special Servicer. Any such determination may take into account:

- (i) the practicalities involved in foreclosing on the Properties (as opposed to the Equity Collateral);
- (ii) the financial condition of the Borrower and the other Relevant Parties;
- (iii) limitations on recovery under applicable bankruptcy laws;
- (iv) the availability of information necessary to make such determination; and
- (v) any other factors or considerations the Servicer (or the Special Servicer, if applicable) or the Trustee determines should be taken into account in accordance with Accepted Servicing Practices in the case of the Servicer (or the Special Servicer, if applicable) or reasonable business judgment in the case of the Trustee including (a) the existence of any outstanding Nonrecoverable Advance (plus accrued and unpaid Advance Interest thereon) with respect to the Loan or Foreclosed Collateral the reimbursement of which, at the time of such consideration, is being deferred or delayed by the Servicer or the Trustee, (b) the obligations of the Borrower under the terms of the Loan as it may have been modified and (c) the Properties in "as is" or then-current conditions and occupancies, as modified by such party's assumptions (consistent with Accepted Servicing Practices in the case of the Servicer (or the Special Servicer, if applicable) or in its reasonable business judgment in the case of the Trustee) regarding the possibility and effects of future adverse changes with respect to the Properties, (d) future expenses and (e) the timing of recoveries.

The determination by the Servicer or the Trustee, as applicable, that it has made a Nonrecoverable Advance or that any proposed Advance, if made, would constitute a Nonrecoverable Advance, must be evidenced by an officer's certificate delivered in electronic format to the Trustee (if such determination is made by the Servicer) and the Certificate Administrator and the Directing Certificateholder, detailing the reasons for such determination. Such officer's certificate will be made available to any Privileged Person by the Certificate Administrator posting such officer's certificate to the Certificate Administrator's website. The Trustee will be entitled to rely conclusively on the Servicer's or the Special Servicer's determination that an Advance is a Nonrecoverable Advance. If the Special Servicer requests that the Servicer make an Advance, the Servicer may conclusively rely on such request as evidence that such advance is not a Nonrecoverable Advance; provided, however, that the Special Servicer will not be entitled to make such a request more frequently than once per calendar month with respect to Advances other than emergency Advances (although such request may relate to more than one Advance). The cost of obtaining any Broker Price Opinions, reports, surveys, and other information required by the Servicer or the Trustee, as applicable, in making such determination will be treated as Trust Fund Expenses, payable from the Certificate Collection Account, and will constitute a Servicing Advance or an Administrative Advance, as applicable, if paid by the Servicer or the Trustee from its own funds. The Servicer or the Trustee, as applicable, will not be responsible for advancing or paying (i) any Balloon Payment with respect to the Loan (but are required to advance Assumed Monthly Payments), (ii) any Default Interest or Yield Maintenance Premium, (iii) amounts required to cure any damages resulting from uninsured causes (except as required pursuant to the Trust and Servicing Agreement), any failure of a Property to comply with any applicable law, including any environmental law, or (except in connection with the foreclosure or other acquisition of a Property or the Equity Collateral upon the occurrence of a Loan Event of Default) to investigate, test, monitor, contain, clean up, or remedy an environmental condition present at a Property, or (iv) any losses arising with respect to defects in the title to a Property or any Collateral. None of the Servicer, the Trustee or the Special Servicer will be permitted to advance or pay any costs of capital improvements to a Property other than those necessary to prevent an immediate or material loss to the Trust Fund's interest in such Property. The obligations of the Servicer and the Trustee to make Advances are intended to provide liquidity but do not represent insurance with respect to the payment obligations of the Borrower under the Loan or similar credit enhancement.

The Trustee and the Servicer, in that order, will be entitled to reimbursement for any such Advances from amounts on deposit in the Certificate Collection Account as provided in "*Description of the Certificates—Payment on the Certificates*" in this information circular. In addition, any such Advance will accrue interest for each day that such Advance is outstanding at a rate of interest (the "Advance Rate") equal to the rate of interest published in *The Wall Street Journal* from time to time as the "Prime Rate." If more than one "Prime Rate" is published in *The Wall Street*

Journal for a day, the average of such "Prime Rates" will be used, and such average will be rounded up to the nearest 1/100th of one percent (0.01%). If *The Wall Street Journal* ceases to publish the "Prime Rate," the Certificate Administrator will select an equivalent publication that publishes such "Prime Rate," and if such "Prime Rates" are no longer generally published or are limited, regulated or administered by a governmental or quasi-governmental body, then the Certificate Administrator will select a comparable interest rate index.

Servicer and Special Servicer Termination Events

The following constitute Servicer or Special Servicer, as applicable, termination events under the Trust and Servicing Agreement (each, a "Servicer Termination Event" or "Special Servicer Termination Event", as applicable):

(i) any failure by the Servicer or Special Servicer, as applicable, to remit any payment required to be made or remitted by it (other than Advances described under clause (ii) below) when required to be remitted under the terms of the Trust and Servicing Agreement by 11:00 a.m., New York time, on the Business Day (or, in the case of the Special Servicer, the second Business Day) following the date on which such remittance was required to be made;

(ii) any failure of the Servicer (a) to make any Monthly Payment Advance or any Administrative Advance required to be made pursuant to the Trust and Servicing Agreement on or prior to the applicable Remittance Date that is not cured by 11:00 a.m., New York time, on the related Distribution Date or (b) to make any Servicing Advance required to be made pursuant to the Trust and Servicing Agreement when the same is due and such failure continues unremedied for 10 Business Days (or such shorter period (not less than one Business Day) as would prevent a lapse in insurance or a delinquent payment of real estate taxes) following the date on which the Servicer receives notice of such lapse or delinquency or should have received such notice if it had been acting in accordance with the Accepted Servicing Practices;

(iii) any failure by the Servicer or Special Servicer, as applicable, to observe or perform in any material respect any other of its covenants or agreements or the material breach of its representations or warranties under the Trust and Servicing Agreement, which failure will continue unremedied for a period of 30 days after the date on which written notice of such failure is given to the Servicer or Special Servicer, as applicable, by the Trustee or to the Servicer or Special Servicer, as applicable, and the Trustee by the holders of Certificates having greater than 25% of the aggregate Voting Rights of all then outstanding Certificates; provided, however, that with respect to any such failure that is not curable within such 30-day period, the Servicer or the Special Servicer, as applicable, will have an additional cure period of 30 days to effect such cure so long as the Servicer or Special Servicer, as applicable, has commenced to cure such failure within the initial 30-day period and has provided the Trustee with an officer's certificate certifying that it has diligently pursued, and is continuing to diligently pursue, such cure;

(iv) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, is entered against the Servicer or the Special Servicer, as applicable, and such decree or order has remained in force undischarged or unstayed for a period of 60 days; provided, however, that, with respect to any such decree or order that cannot be discharged, dismissed or stayed within such 60-day period, the Servicer or the Special Servicer, as appropriate, will have an additional period of 30 days to effect such discharge, dismissal or stay so long as it has commenced proceedings to have such decree or order dismissed, discharged or stayed within the initial 60-day period and has diligently pursued, and is continuing to pursue, such discharge, dismissal or stay;

(v) the Servicer or the Special Servicer, as applicable, consents to the appointment of a conservator or receiver or liquidator or liquidation committee in any insolvency, readjustment of debt, marshaling of assets and liabilities, voluntary liquidation, or similar proceedings of or relating to the Servicer or the Special Servicer or of or relating to all or substantially all of its property; and

(vi) the Servicer or the Special Servicer, as applicable, admits in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations.

Upon the occurrence of any Servicer Termination Event or Special Servicer Termination Event, the Certificate Administrator, upon receiving a written notice from a responsible officer of the Trustee who has actual knowledge of the same, will be required to (i) post notice of the same on its website, (ii) provide written notice to the Directing Certificateholder/17g-5 Information Provider who will be required to post written notice of such event to its website, and (iii) provide notice to all Certificateholders by mail to the addresses set forth on the certificate register, unless such Servicer Termination Event or Special Servicer Termination Event has been cured or waived. For avoidance of doubt, (i) the occurrence of a Servicer Termination Event with respect to the Servicer will not cause there to have occurred a Special Servicer Termination Event with respect to the Special Servicer unless the relevant event also constitutes a Special Servicer Termination Event and (ii) the occurrence of a Special Servicer Termination Event with respect to the Special Servicer will not cause there to have occurred a Servicer Termination Event with respect to the Servicer unless the relevant event also constitutes a Servicer Termination Event.

Rights Upon Servicer and Special Servicer Termination Event

If a Servicer Termination Event or Special Servicer Termination Event occurs then, and in each and every such case, so long as such Servicer Termination Event or Special Servicer Termination Event has not been remedied, either (i) the Trustee may, or (ii) upon the written direction of holders of Principal Balance Certificates having at least 25% of the Voting Rights (taking into account the application of the Calculated Portfolio Value Reduction Amount to notionally reduce the Certificate Balances of the Principal Balance Certificates) of the Principal Balance Certificates, the Trustee is required to, terminate all of the rights and obligations of the Servicer or Special Servicer, as applicable, under the Trust and Servicing Agreement, other than rights and obligations accrued prior to such termination, and in and to the Loan and the proceeds of the Loan by notice in writing to the Servicer or Special Servicer, as applicable. Upon any termination of the Servicer or Special Servicer, as applicable, or appointment of a successor to the Servicer or Special Servicer, as applicable, the Certificate Administrator will be required to, as soon as possible, post written notice of such termination to its website and provide the same to the Directing Certificateholder/17g-5 Information Provider who will be required to post such written notice to its website, and, thereafter, provide written notice of such termination to the Depositor and all of the Certificateholders. The Directing Certificateholder will have the right to select the successor special servicer following any Special Servicer Termination Event.

If the Servicer or Special Servicer is terminated pursuant to the Trust and Servicing Agreement, the Terminating Party will be required, by written notice to the Servicer or Special Servicer, as the case may be (the "Terminated Party"), to terminate all of the Terminated Party's rights and obligations under the Trust and Servicing Agreement and the Loan (other than any rights as a Certificateholder and any rights or obligations that accrued prior to the date of such termination). The Terminating Party will serve as successor to the Terminated Party until a replacement Servicer or Special Servicer, as applicable, is appointed; provided, however, if such Terminating Party is unwilling or unable to so act, or the Certificateholders evidencing greater than 25% of the aggregate Voting Rights of all Certificateholders so request in writing, or the Terminating Party is not approved by the Rating Agencies as a Servicer or Special Servicer, as the case may be, or if the Rating Agencies do not provide a No Downgrade Confirmation with respect to the succession of the Terminating Party as Servicer or Special Servicer, as the case may be, the Terminating Party may promptly appoint or petition a court of competent jurisdiction for the appointment of an established loan servicing institution reasonably satisfactory to the Trustee to act as successor to the Servicer or the Special Servicer, as applicable, under the Trust and Servicing Agreement, subject to receipt of a DC Approval and a No Downgrade Confirmation. No appointment of a successor to a Terminated Party will be effective until the assumption by such successor of all the Terminated Party's responsibilities, duties and liabilities under the Trust and Servicing Agreement. In addition, any appointment or succession by a Terminating Party to the rights and obligations of the Special Servicer will be subject to the Directing Certificateholder's right to replace the Special Servicer.

"Terminating Party" means, in the case of any termination or replacement of the Servicer or the Special Servicer, the Trustee.

All reasonable costs and expenses of the Terminating Party or the successor Servicer or Special Servicer, as applicable, incurred in connection with transferring the Loan File and Servicing File to the Terminating Party or the successor Servicer or Special Servicer, as applicable, and amending the Trust and Servicing Agreement to reflect such succession will be paid by the Terminated Party upon presentation of reasonable documentation of such costs and expenses. If the Terminated Party does not reimburse the Terminating Party for such expenses within 90 days after the presentation of reasonable documentation, such expense will be reimbursed by the Trust; provided that the Terminated Party will remain liable for such expenses. In connection with such appointment and assumption described in the Trust and Servicing Agreement, the Terminating Party may make such arrangements for the compensation of such successor out of payments on the Loan as it and such successor will agree; provided, however, that no such compensation may be in excess of that permitted the Terminated Party under the Trust and Servicing Agreement, except that if no successor to the Terminated Party can be obtained to perform the obligations of such Terminated Party under the Trust and Servicing Agreement, additional amounts will be paid to such

successor and such amounts in excess of that permitted the Terminated Party will be as set forth under “*Description on the Certificates—Payment on the Certificates*” in this information circular.

The Holders of Certificates evidencing not less than 66⅔% of the aggregate Voting Rights of all then outstanding Certificates may, on behalf of all Certificateholders and upon adequate indemnification of the Trustee by the requesting Holders of Certificates, waive any default by the Servicer or the Special Servicer in the performance of its obligations and its consequences, except a default in making any required deposits (including Monthly Payment Advances) to or payments from the Certificate Collection Account, the Distribution Account or the Foreclosed Collateral Account or in remitting payments as received, in each case in accordance with the Trust and Servicing Agreement. Upon any such waiver of a past default, such default will cease to exist, and the related Servicer Termination Event or Special Servicer Termination Event arising therefrom will be deemed to have been remedied for every purpose of the Trust and Servicing Agreement. No such waiver will extend to any subsequent or other default or impair any right related thereto.

Replacement of the Special Servicer Without Cause

The Directing Certificateholder will have the right to direct the Trustee to terminate the Special Servicer (subject to such terminated Special Servicer's rights to indemnification, payment of outstanding fees, and other rights set forth in the Trust and Servicing Agreement which survive termination) at any time, with or without cause, and the Directing Certificateholder will have the right to, and will, appoint a successor special servicer who will execute and deliver to the other parties hereto an agreement, in form and substance reasonably satisfactory to the Trustee, whereby the successor Special Servicer agrees to assume and perform punctually the duties of the Special Servicer specified in the Trust and Servicing Agreement; provided that the Trustee will have obtained a No Downgrade Confirmation from each Rating Agency prior to the termination of the Special Servicer. The Special Servicer will not be terminated pursuant to this paragraph until a successor special servicer will have been appointed. The Directing Certificateholder will pay any reasonable costs and expenses incurred by the Trustee or the Trust in connection with the removal and appointment of a Special Servicer pursuant to this paragraph (unless such removal is based on a Servicer Termination Event) as reasonably determined by the Directing Certificateholder based evidence of such expenses submitted to the Directing Certificateholder with the request for reimbursement. Notwithstanding anything to the contrary in the Trust and Servicing Agreement, no successor special servicer appointed by the Directing Certificateholder will be required to meet any independent net worth requirements; provided, however, that any successor special servicer will be required to satisfy any Rating Agency conditions set forth in the No Downgrade Confirmation delivered by such Rating Agency with respect to such successor special servicer.

Evidence as to Compliance

Each of the Servicer and the Special Servicer (regardless of whether the Special Servicer has commenced special servicing of the Loan) will be required, each at its own expense, to furnish to the Trustee, the Directing Certificateholder/17g-5 Information Provider, the Certificate Administrator, the Directing Certificateholder and the Depositor, an officer's certificate of the officer responsible for the servicing activities of such party stating, among other things, that (i) a review of that party's activities during the preceding calendar year or portion of that year and of its performance under the Trust and Servicing Agreement or the sub-servicing agreement in the case of an additional servicer, as applicable, has been made under such officer's supervision and (ii) to the best of such officer's knowledge, based on the review, such party has fulfilled all of its obligations under the Trust and Servicing Agreement or the sub-servicing agreement in the case of an additional servicer, as applicable, in all material respects throughout the preceding calendar year or portion of such year, or, if there has been a failure to fulfill any such obligation in any material respect, specifying the failure known to such officer and the nature and status of the failure.

In addition, each of the Servicer and the Special Servicer (regardless of whether the Special Servicer has commenced special servicing of the Loan) will be required to furnish to the Trustee, the Directing Certificateholder/17g-5 Information Provider, the Depositor, the Directing Certificateholder and the Certificate Administrator a report (an “Assessment of Compliance”) assessing compliance by that party with the servicing criteria set forth in Item 1122(d) of Regulation AB that contains the following:

- a statement of the party's responsibility for assessing compliance with the servicing criteria set forth in Item 1122 of Regulation AB applicable to it;
- a statement that the party used the criteria in Item 1122(d) of Regulation AB to assess compliance with the applicable servicing criteria;

- the party's Assessment of Compliance with the applicable servicing criteria during and as of the end of the prior fiscal year, setting forth any material instance of non-compliance identified by the party, a discussion of each such failure and the nature and status of such failure; and
- a statement that a registered public accounting firm has issued an attestation report (an "Attestation Report") on the party's Assessment of Compliance with the applicable servicing criteria during and as of the end of the prior fiscal year.

Each such party will be required, with respect to each servicing function participant with which it has entered into a servicing relationship with respect to the Loan, to cause such servicing function participant, to the extent a party described under Item 1108(a)(2)(i)-(iii) of Regulation AB, to furnish the same parties an officer's certificate and an Assessment of Compliance as described above.

Each party that is required to deliver an Assessment of Compliance will also be required to simultaneously deliver an Attestation Report of a registered public accounting firm, prepared in accordance with the standards for attestation engagements issued or adopted by the public company accounting oversight board, that expresses an opinion, or states that an opinion cannot be expressed (and the reasons for this), concerning the party's Assessment of Compliance with the applicable servicing criteria set forth in Item 1122(d) of Regulation AB.

"Regulation AB" means subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1125, as such may be amended from time to time, and subject to such clarification and interpretation as have been provided by the SEC in the releases (Asset Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506-1,631 (Jan. 7, 2005) and Asset-Backed Securities, Securities Act Release No. 33-9638, 79 Fed. Reg. 57,184 (Sept. 24, 2014)) or by the staff of the SEC, or as may be provided by the SEC or its staff from time to time.

Certain Fees and Expenses

The amounts available for distribution on the Certificates on any Distribution Date will generally be net of the following amounts:

Type/Recipient	Amount	Frequency	Source of Payment
Fees			
Servicing Fee/Servicer	Accrues at the Servicing Fee Rate computed on the same principal amount and on the same interest accrual basis as interest accrues on the Loan.	Monthly	Interest payments on the Loan.
Additional Servicing Compensation/Servicer	Prepayment Interest Excesses.	From time to time	Any actual Prepayment Interest Excess.
Additional Servicing Compensation/Servicer	All late payment fees and net Default Interest accrued on the Loan if it is not a Specially Serviced Loan to the extent collected by the Issuing Entity and not used to pay interest on Advances on the Loan.	From time to time	The related fees paid by the Borrower.
	100% of any Modification Fees on the Loan if it is not a Specially Serviced Loan (but only 50% of such fees where the consent of the Special Servicer is required).		
	100% of any Assumption Fees and consent fees on the Loan if it is not a Specially Serviced Loan (but only 50% of such fees where the consent of the Special Servicer is required) and 100% of any Assumption Application Fees on the Loan if it is not a Specially Serviced Loan.		
	100% of other loan processing fees on the Loan if it is not a Specially Serviced Loan (but only 50% of such fees where the consent of the Special Servicer is required).		
	All or a portion of charges for beneficiary statements or demands.		
	100% of any amounts collected for checks returned for insufficient funds.		

Type/Recipient	Amount	Frequency	Source of Payment
	\$250 per released Property (or \$250 per mortgage at maturity or prepayment in full).		
	\$500 per property in connection with the transfer of any Substitute Property		
	\$250 per release from the Capital Expenditure Reserve Account.		
Additional Servicing Compensation/Servicer	All interest or other income earned on deposits in the Certificate Collection Account or other accounts maintained by the Servicer.	Monthly	Net investment earnings.
Fannie Mae Loan Fees	The amount of any Fannie Mae Release Fee, Fannie Mae Review Fee, Fannie Mae Substitution Fee or Fannie Mae Transfer Fee, as the case may be.	In connection with Property transfers, substitutions or permitted transfers, as applicable	The related fees paid by the Borrower.
Special Servicing Fee/Special Servicer	If the Loan is a Specially Serviced Loan, accrues at 0.25% <i>per annum</i> computed on the same principal amount and on the same interest accrual basis as interest accrues on the Loan.	Monthly	Payments on the Loan.
Workout Fee/Special Servicer	0.75% of each payment of principal and interest on the Loan following the resolution of a Special Servicing Loan Event, so long as another Special Servicing Loan Event does not occur.	Monthly	Payments of principal or interest.
Liquidation Fee/Special Servicer	0.75% of each recovery of net liquidation proceeds.	Upon receipt of net liquidation proceeds	Net liquidation proceeds.
Additional Special Servicing Compensation/Special Servicer	<p>All late payment charges and net Default Interest collected on the Loan if it is not a Specially Serviced Loan to the extent collected by the Issuing Entity and not used to pay interest on Advances on the Loan.</p> <p>100% of any Modification Fees on the Loan if it is a Specially Serviced Loan or with respect to Foreclosed Property.</p> <p>50% of any Modification Fees on the Loan if it is not a Specially Serviced Loan where the consent of the Special Servicer is required.</p> <p>100% of any Assumption Fees, Assumption Application Fees and consent fees on the Loan if it is a Specially Serviced Loan.</p> <p>50% of any Assumption Fees and consent fees on the Loan if it is not a Specially Serviced Loan where the consent of the Special Servicer is required.</p> <p>100% of other loan processing fees on the Loan if it is a Specially Serviced Loan.</p> <p>50% of other loan processing fees on the Loan if it is not a Specially Serviced Loan where the consent of the Special Servicer is required.</p> <p>All or a portion of charges for beneficiary statements or demands or other loan processing fees if the Loan is a Specially Serviced Loan.</p>	From time to time	The related fees paid by the Borrower.
Additional Special Servicing Compensation/Special Servicer	All interest or other income earned on deposits in the Foreclosed Collateral Account.	Monthly	The net investment earnings.
Certificate Administrator Fee/Certificate Administrator	\$6,575.	Monthly	The related fees paid by the Borrower.

Type/Recipient	Amount	Frequency	Source of Payment
Trustee Fee/Trustee	\$250.	Monthly	The related fees paid by the Borrower.
<i>Expenses</i>			
Reimbursement of Servicing Advances or Administrative Advances/Servicer/Trustee	To the extent of funds available, the amount of any Servicing Advances or Administrative Advances.	From time to time	Recoveries on the Loan, or to the extent that the party making the advance determines it is nonrecoverable, from other amounts in the Certificate Collection Account.
Interest on Servicing Advances or Administrative Advances/Servicer/Trustee	At Prime Rate.	When Advance is reimbursed	First from late payment charges and Default Interest on the Loan, and then from other amounts in the Certificate Collection Account.
Reimbursement of Monthly Payment Advances/Servicer/Trustee	To the extent of funds available, the amount of any Monthly Payment Advance.	From time to time	Recoveries on the Loan, or to the extent that the party making the advance determines it is nonrecoverable, from other amounts in the Certificate Collection Account.
Interest on Monthly Payment Advances/Servicer/Trustee	At Prime Rate.	When Advance is reimbursed	First from late payment charges and Default Interest on the Loan, and then from other amounts in the Certificate Collection Account.
Expenses, including, without limitation, Indemnification expenses/Trustee, Certificate Administrator, Servicer and Special Servicer	Amounts for which the Trustee, the Certificate Administrator, the Servicer and the Special Servicer are entitled to indemnification or reimbursement.	Per occurrence or time of claim	Available amounts in the Certificate Collection Account.
Expenses of the Issuing Entity not Advanced (may include Broker Price Opinions, expenses of operating Foreclosed Collateral and any independent contractor hired to operate Foreclosed Collateral)	Based on third-party charges.	From time to time	From income on the related Foreclosed Collateral, if applicable, and otherwise from collections on the Loan.

Certain Matters Regarding the Depositor, the Certificate Administrator, the Trustee, the Servicer, the Special Servicer and the Guarantor

The Trust and Servicing Agreement provides that each of the Servicer and the Special Servicer may not resign from its obligations and duties as Servicer or Special Servicer, as applicable, thereunder, except upon the determination that performance of its duties is no longer permissible under applicable law or are in material conflict by reason of applicable law with any other activities carried on by it as evidenced by an opinion of counsel. No such resignation may become effective until a successor servicer has assumed the obligations of the Servicer or Special Servicer, as applicable, under the Trust and Servicing Agreement. Notwithstanding the previous sentence, each of the Servicer and the Special Servicer may resign and assign its duties and obligations under the Trust and Servicing Agreement under certain limited circumstances as described in the Trust and Servicing Agreement.

The Trust and Servicing Agreement also provides that neither the Depositor, the Servicer, the Special Servicer, the Guarantor, nor any of their respective directors, officers, members, managers, partners, employees, affiliates, or agents will have any liability to the Trust or the Certificateholders for any action taken or for refraining from the taking of any action in good faith pursuant to the Trust and Servicing Agreement, or for actions taken or not taken at the direction of Certificateholders, or for errors in judgment; provided, however, that none of the Depositor, the Guarantor,

Servicer, the Special Servicer or any such other person or entity will be protected against any breach of its representations or warranties made in the Trust and Servicing Agreement or any liability that would otherwise be imposed by reason of willful misconduct, bad faith, fraud or negligence in the performance of duties under the Trust and Servicing Agreement or by reason of negligent disregard of obligations and duties under the Trust and Servicing Agreement. The Trust and Servicing Agreement further provides that the Depositor, the Servicer, the Special Servicer, the Guarantor and any director, officer, members, managers, partners, employee, affiliate or "controlling person" within the meaning of the Securities Act, or agent of the Depositor, the Servicer, the Special Servicer or the Guarantor will be entitled to indemnification by the Trust Fund and will be held harmless by the Trust Fund against any loss, liability, claim, demand or expense relating to the Trust and Servicing Agreement, the Loan, the Properties or the Certificates other than any loss, liability or expense incurred by reason of willful misconduct, bad faith, fraud or negligence by it in the performance of its duties or by reason of negligent disregard of its obligations and duties. The payment of such indemnification will reduce the amount available for distribution to Certificateholders to the extent described in this information circular. See "*Description of the Certificates—Payment on the Certificates*" in this information circular.

Under the Trust and Servicing Agreement, neither the Trustee nor the Certificate Administrator are under any obligation to exercise any of the trusts or powers vested in it by the Trust and Servicing Agreement or to institute, conduct or defend any litigation under the Trust and Servicing Agreement or in relation to the Trust and Servicing Agreement at the request, order or direction of any of the Certificateholders, pursuant to the provisions of the Trust and Servicing Agreement, unless directed to do so by Holders of Certificates entitled to greater than 25% of the Voting Rights of the Certificates (or such higher or lower percentage as specified herein) and such Certificateholders have offered to the Trustee or the Certificate Administrator security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities, including reasonable legal fees, which may be incurred therein or thereby; provided, however, that nothing contained in the Trust and Servicing Agreement will relieve the Trustee of the obligation, upon the occurrence of a Servicer Termination Event or Special Servicer Termination Event, as the case may be (which has not been cured or waived), to exercise such of the rights and powers vested in it by the Trust and Servicing Agreement, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Under the Trust and Servicing Agreement, the Depositor will not have any rights or obligations to monitor or supervise the performance of the Servicer, the Special Servicer, the Certificate Administrator or the Trustee. In addition, the Trust and Servicing Agreement provides that none of the Depositor, the Servicer, the Special Servicer or the Guarantor will be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its respective duties under the Trust and Servicing Agreement and that in its opinion may involve it in any expense or liability. The Depositor, Servicer or Special Servicer may, however, in its discretion undertake any such action that it may deem necessary or desirable in accordance with the Accepted Servicing Practices with respect to the Trust and Servicing Agreement, the rights and duties of the parties to the Trust and Servicing Agreement and the interests of the Certificateholders under the Trust and Servicing Agreement. In such event, the legal expenses and costs of such action and any liability resulting therefrom will be expenses, costs and liabilities of the Trust Fund, and the Depositor, Servicer or Special Servicer, as applicable, will be entitled to be reimbursed therefor from the Certificate Collection Account as described in this information circular.

Any person into which the Servicer or Special Servicer may be merged or consolidated, or any person resulting from any merger or consolidation to which the Servicer or Special Servicer, as applicable, is a party, or any person succeeding to the business of the Servicer or Special Servicer or substantially all of the servicing or special servicing business, as the case may be, including through a sale of such business, as applicable, will, subject to the provisions of the Trust and Servicing Agreement, be the successor of the Servicer or Special Servicer, as the case may be, under the Trust and Servicing Agreement and will be deemed to have assumed all of the liabilities and obligations of the Servicer or Special Servicer, as applicable, under the Trust and Servicing Agreement, provided, that the Certificate Administrator and the Trustee must have received a DC Approval and a No Downgrade Confirmation before any such successor or surviving person will be deemed to be the successor of the Servicer or Special Servicer, as the case may be, thereunder (unless such successor or surviving person is the Servicer or the Special Servicer, as the case may be).

Each of the Servicer, the Special Servicer and the Depositor, severally and not jointly, is required to indemnify and hold harmless the Trust from and against any claims, losses, damages, penalties, fines, forfeitures, reasonable legal fees and expenses and related costs, judgments and other costs and expenses incurred by the Trust that arise out of or are based upon (i) a breach by the Servicer, the Special Servicer or the Depositor, as the case may be, of its obligations to the Trust or the Certificateholders under the Trust and Servicing Agreement or (ii) negligence, bad faith, fraud or willful misconduct on the part of the Servicer, the Special Servicer or the Depositor, as applicable, in the performance of its obligations under the Trust and Servicing Agreement or its negligent disregard of its obligations and duties under the Trust and Servicing Agreement.

Amendments

The Trust and Servicing Agreement may be amended by the parties to the Trust and Servicing Agreement, without the consent of any of the Certificateholders:

- (i) to correct any inconsistency, defect or ambiguity in the Trust and Servicing Agreement or to correct any manifest error in any provision of the Trust and Servicing Agreement;
- (ii) to cause the provisions in the Trust and Servicing Agreement to conform or be consistent with or in furtherance of the statements made in this information circular or the private placement memorandum relating to the Class R Certificates, the Trust or the Trust and Servicing Agreement or to correct or supplement any of its provisions which may be inconsistent with any other provisions in the Trust and Servicing Agreement or to correct any error;
- (iii) to change the timing and/or nature of deposits in the Certificate Collection Account, the Distribution Account or the Foreclosed Collateral Accounts, provided, that (A) the Remittance Date may in no event be later than the Business Day prior to the related Distribution Date and (B) (1) the change would not adversely affect in any material respect the interests of any Certificateholder not consenting thereto, as evidenced by an opinion of counsel (at the expense of the party requesting the amendment or at the expense of the Trust Fund if the requesting party is the Certificate Administrator or the Trustee) or (2) a DC Approval and a No Downgrade Confirmation is obtained;
- (iv) to modify, eliminate or add to any of its provisions to the extent as will be necessary to maintain the classification of the Trust as a REMIC at all times that any Certificate is outstanding, or to avoid or minimize the risk of imposition of any tax on the Trust; provided, that the Trustee and the Certificate Administrator have received an opinion of counsel (at the expense of the party requesting the amendment) to the effect that (1) the action is necessary or desirable to maintain such classification or to avoid or minimize the risk of imposition of any such tax and (2) the action will not adversely affect in any material respect the interests of any holder of the Certificates which opinion of counsel will be at cost of the party requesting the amendment;
- (v) to modify, eliminate or add to any of its provisions to restrict (or to remove any existing restrictions with respect to) the transfer of the Class R Certificates; provided that the Certificate Administrator has determined that the amendment will not give rise to any tax with respect to the transfer of the Class R Certificates to a non-Permitted Transferee; provided, that the Certificate Administrator may conclusively rely upon an opinion of counsel to such effect;
- (vi) to make any other provisions with respect to matters or questions arising under the Trust and Servicing Agreement or any other change, provided, that the required action will not adversely affect in any material respect the interests of any Certificateholder not consenting thereto, as evidenced by an opinion of counsel, and the Trustee and the Certificate Administrator have received a DC Approval and a No Downgrade Confirmation;
- (vii) following the Ratings Assignment Effective Date, if any, to amend or supplement any provision of the Trust and Servicing Agreement to the extent necessary to maintain the then-current ratings assigned to each Class of Certificates by each Rating Agency, as evidenced by a No Downgrade Confirmation; provided, that any amendment or supplement pursuant to this clause (vii) would not adversely affect in any material respect the interests of any Certificateholder not consenting thereto, as evidenced by an opinion of counsel;
- (viii) to modify the provisions of the Trust and Servicing Agreement with respect to reimbursement of Nonrecoverable Advances if (a) the Depositor, the Servicer and the Trustee, determine that the commercial mortgage-backed securities industry standard for such provisions has changed, in order to conform to such industry standard, (b) such modification does not adversely affect the status of the Trust as a REMIC for federal income tax purposes, as evidenced by an opinion of counsel, (c) a No Downgrade Confirmation is obtained and (d) the Directing Certificateholder consents to such modification; and
- (ix) to modify, alter, amend, add to or rescind any of the provisions contained in the Trust and Servicing Agreement if and to the extent necessary to comply with any rules or regulations promulgated, or any guidance provided, with respect to Exchange Act Rule 15Ga-1 and following the Ratings Assignment Effective Date, if any, to modify the procedures herein relating to Rule 17g-5.

The Trust and Servicing Agreement may also be amended by the parties to the Trust and Servicing Agreement with the written consent of the holders of Certificates evidencing, in the aggregate, not less than 51% of the Percentage Interests of each Class of Certificates adversely affected thereby (as evidenced by an opinion of counsel) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Trust and Servicing Agreement or of modifying in any manner the rights of the holders of the Certificates, provided, that no such amendment may (1) reduce in any manner the amount of, or delay the timing of, payments received on the Loan that are required to be distributed on any Certificate (including through amounts to be paid by the Guarantor under the Fannie Mae Guaranty); (2) alter in any manner the liens on any Collateral securing payments of the Loan; (3) alter the obligations of the Servicer or the Trustee to make an Advance or alter the Accepted Servicing Practices set forth in the Trust and Servicing Agreement; (4) change the percentages of Voting Rights or Percentage Interests of Certificateholders that are required to consent to any action or inaction under the Trust and Servicing Agreement or (5) amend the section in the Trust and Servicing Agreement relating to the amendment of the Trust and Servicing Agreement; in each case without unanimous consent of each Class of Certificates affected thereby and provided, further that no such amendment may change in any manner the obligations of the Accommodation Loan Seller under the Loan Purchase Agreement without the consent of the Accommodation Loan Seller.

Notwithstanding any contrary provisions contained herein, (i) neither the Trustee nor the Certificate Administrator may consent to any amendment to the Trust and Servicing Agreement unless it has first been furnished with an opinion of counsel to the effect that such amendment is authorized or permitted thereunder and that all conditions precedent have been satisfied, (ii) no amendment may be made to the Trust and Servicing Agreement without the Trustee and the Certificate Administrator first receiving in writing an opinion of counsel, at the expense of the party requesting the amendment, that the amendment will not result in the imposition of a tax on any portion of the Trust or cause the Trust to fail to qualify as a REMIC and (iii) no amendment will be made to the Trust and Servicing Agreement without the Trustee and the Certificate Administrator first receiving in writing an Opinion of Counsel at the expense of the party requesting the amendment to the effect that such amendment will not cause the Grantor Trust to fail be classified as a trust under Treasury Regulations Section 301.7701-4 that is owned under Section 671 of the Code by the beneficial owners of the Retained Certificates.

Reports to Certificateholders

On each Distribution Date, the Certificate Administrator will prepare and make available pursuant to the Trust and Servicing Agreement to any Privileged Person that has provided an Investor Certification or Directing Certificateholder Access Party Certification, as applicable, a statement, based solely on the information provided by the Servicer or the Special Servicer, as applicable, in respect of the distributions made on such Distribution Date or in the case of any Class A Guarantor Entitlement Amount, based on information supplied to it by the Servicer or the Special Servicer or from prior Distribution Dates in respect of amounts paid by the Guarantor, in substantially the form attached as Annex G to this information circular (a "Distribution Date Statement") setting forth the following information:

- (i) for each Class of Principal Balance Certificates (1) the amount of the distributions made on such Distribution Date allocable to interest at the Pass-Through Rate and the amount allocable to principal (separately identifying the amount of any principal payments (specifying the source of such payments)), (2) the amount of any Yield Maintenance Premiums collected on the Loan allocable to each Class of Principal Balance Certificates and (3) the amount of interest paid on Advances from Default Interest or late payment charges and allocable to such Class;
- (ii) if the amount of the distributions to the holders of each Class of Certificates was less than the full amount that would have been distributable to such holders if there had been sufficient Available Funds, the amount of the shortfall allocable to such Class, stating separately the amounts allocable to interest and principal;
- (iii) the amount of any Monthly Payment Advance for such Distribution Date;
- (iv) the Certificate Balance of each Class of Certificates after giving effect to any distribution in reduction of the Certificate Balance on such Distribution Date and the allocation of Realized Losses on such Distribution Date;
- (v) the principal balance of the Loan and the principal balance of each Component as of the end of the Collection Period for such Distribution Date;

(vi) the aggregate amount of unscheduled payments (and the source of such payments) made during the related Collection Period;

(vii) for any Properties sold during the related Collection Period, for each such Property: (a) the net sale proceeds, (b) the Allocated Loan Amount and (c) the BPO Value or Appraised Value, as the case may be, as set forth on the Property Activity Report;

(viii) a list of each Property that as of the close of business on the Monthly Payment Date immediately preceding such Distribution Date had become a Foreclosed Property, as set forth on the Property Activity Report;

(ix) identification of any Loan Event of Default, any Special Servicing Loan Event, any Servicer Termination Event or any Special Servicer Termination Event that in either case has been declared as of the close of business on the second Business Day prior to the end of the immediately preceding calendar month;

(x) the amount of the servicing compensation (other than the Servicing Fee) paid to the Servicer and the Special Servicer with respect to such Distribution Date from the Trust Fund, separately listing any Liquidation Fees or Work-out Fees and any other Relevant Party charges retained by the Servicer or the Special Servicer in connection with the servicing of the Loan after a Special Servicing Loan Event and the amount of compensation paid to the Servicer, the Special Servicer, the Certificate Administrator and the Trustee, separately listing the Certificate Administrator Fee, the Trustee Fee and the Special Servicing Fee; in accordance with CREFC® reporting requirements;

(xi) an itemized listing of any fees received by the Special Servicer of any Disclosable Special Servicer Fees received by the Special Servicer and its affiliates with respect to the related Distribution Date;

(xii) the number of days the Borrower is delinquent if the Borrower is delinquent at least 30 days and the date upon which any foreclosure proceedings have been commenced;

(xiii) if a Foreclosure Event has occurred;

(xiv) as to any item of Collateral released, liquidated or disposed of during the preceding Collection Period, the identity of such item and the amount of proceeds of any liquidation or other amounts, if any, received therefrom during the related Collection Period;

(xv) the aggregate amount of all Advances, if any, not yet reimbursed;

(xvi) the amount of any reimbursement of Nonrecoverable Advances paid to the Servicer or the Trustee;

(xvii) an itemized report identifying any Calculated Portfolio Value Reduction Amount (as set forth on the Property Activity Report);

(xviii) the amount of Default Interest, if any, and late payment charges, if any, paid by the Borrower during the related Collection Period;

(xix) the aggregate amount of the Borrower Reimbursable Trust Fund Expenses;

(xx) all amounts paid pursuant to the Fannie Mae Guaranty, including any Class A Guaranteed Interest Deficiency Amount and any Class A Guaranteed Principal Distribution Amount, for such Distribution Date; and

(xxi) all amounts paid to the Guarantor, including the Fannie Mae Guaranty Fee and any amounts reimbursing the Guarantor with respect to any Class A Guaranteed Interest Deficiency Amount and any Class A Guarantor Principal Reimbursement Amount, for such Distribution Date and any remaining Class A Guarantor Entitlement Amount.

On each Distribution Date occurring in April, June, September and December, the Certificate Administrator will be required to prepare and make available to any Privileged Person that has provided the Certificate Administrator

with an Investor Certification or a Directing Certificateholder Access Party Certification, as applicable, a statement, based solely upon the quarterly supplemental data (provided that the Certificate Administrator has received the quarterly supplemental data from the Servicer no later than three (3) Business Days prior to the Distribution Date), a supplemental report substantially in the form of Annex H to this information circular (a "Supplemental Report").

Upon receipt of the Property Activity Report by the Certificate Administrator from the Servicer, the Certificate Administrator will use reasonable efforts to attach such report for inclusion in the Distribution Date Statement, provided, however, if such Property Activity Report cannot be attached to the Distribution Date Statement as a result of electronic limitations or otherwise, the Certificate Administrator will post such report on the Certificate Administrator's website simultaneously with the Distribution Date Statement, and will include a notice on the Distribution Date Statement that such Property Activity Report is available separately on the Certificate Administrator's website, and the information contained therein will be deemed to be included in the Distribution Date Statement. "Property Activity Report" means a report prepared by the Servicer, which will include the information set forth in (vii), (viii), and (xvii) above.

The Depositor, the Trustee, the Certificate Administrator, the Servicer and the Special Servicer may agree to enhance the reporting requirements of the Distribution Date Statement or the Supplemental Report without Certificateholder approval. The Depositor, the Trustee, the Certificate Administrator, the Servicer and the Special Servicer will provide such other information as may be reasonably requested by the Guarantor or Directing Certificateholder. The Certificate Administrator will rely solely on the supplemental data for producing the Supplemental Reports, and will not be required to utilize data from any other source (including any other data it may have in its possession) to produce such reports.

Within a reasonable period of time after the end of each calendar year, the Certificate Administrator is required to furnish to each person who at any time during the calendar year was a Certificateholder upon written request to the Certificate Administrator, a statement containing the information set forth in clauses (i), (ii) and (iv) above as to the applicable Class, aggregated for the calendar year or applicable portion of such year during which such person was a Certificateholder, together with such other information as the Certificate Administrator deems necessary or desirable, or that a Certificateholder or beneficial owner of a Certificate reasonably requests, to enable Certificateholders to timely prepare their tax returns for such calendar year. This obligation of the Certificate Administrator will be deemed to have been satisfied to the extent that substantially comparable information is provided by the Certificate Administrator pursuant to any requirements of the Code as from time to time are in force.

The Certificate Administrator will be entitled to rely on such information provided to it by the Servicer or the Special Servicer without independent verification. The Servicer, the Special Servicer, the Certificate Administrator and the Trustee will be entitled to rely on information supplied by the Relevant Parties without independent verification.

The Certificate Administrator will make available to the Directing Certificateholder in electronic format all reports and other information sent to the Certificate Administrator by the Trustee, the Servicer or the Special Servicer, as the case may be, and any other information reasonably requested by the Directing Certificateholder relating to the Loan or any other matter relating to the accounts maintained in connection with the servicing of the Loan, in each case to the extent in its possession. The Certificate Administrator may condition such disclosure upon the Directing Certificateholder entering into a confidentiality agreement.

"Disclosable Special Servicer Fees" means with respect to the Loan or any Foreclosed Collateral (including any Foreclosed Properties) (or following a Foreclosure Event with respect to the Equity Collateral, the Properties), any compensation and other remuneration (including, without limitation, in the form of commissions, brokerage fees, appraisal fees or fees for Broker Price Opinions or rebates, or as a result of any other fee-sharing arrangement) received or retained by the Special Servicer or any of its affiliates that is paid by any person (including, without limitation, the Trust, the Borrower, any manager, any guarantor, any indemnitor or any other Relevant Party in respect of the Loan and any purchaser of the Loan or Foreclosed Collateral (or Properties)) in connection with the disposition, workout or foreclosure of the Loan, the management or disposition of any Foreclosed Collateral (including any Foreclosed Properties) (or following a Foreclosure Event with respect to the Equity Collateral, the Properties), and the performance by the Special Servicer or any such affiliate of any other special servicing duties under the Trust and Servicing Agreement, other than (1) any Permitted Special Servicer/Affiliate Fees and (2) any compensation to which the Special Servicer is entitled pursuant to the Trust and Servicing Agreement.

Information Available Electronically

The Certificate Administrator will make available to any Privileged Person via the Certificate Administrator's website (to the extent such items were prepared by or delivered to the Certificate Administrator in electronic format):

The following "deal documents":

- (a) this information circular and any other disclosure document relating to the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates;
- (b) the private placement memorandum relating to the Class R Certificates and any other disclosure document relating to the Certificates;
- (c) the Trust and Servicing Agreement, each sub-servicing agreement and any amendments and exhibits thereto; and
- (d) the CREFC® Loan Setup File prepared by, or delivered to, the Certificate Administrator;

The following "periodic reports" (which will also be made available to any person that has delivered an Access Certification):

- (a) the Distribution Date Statements and Supplemental Reports;
- (b) the CREFC® Reports (other than the CREFC® Loan Setup File); and
- (c) the Quarterly Investor Rollup Report delivered to the Certificate Administrator pursuant to the Trust and Servicing Agreement;

The following "additional documents":

- (a) a summary of any Asset Status Report delivered to the Certificate Administrator pursuant to the Trust and Servicing Agreement;
- (b) all inspection reports delivered to the Certificate Administrator pursuant to the Trust and Servicing Agreement; and
- (c) any Calculated Portfolio Value Reduction Amount delivered to the Certificate Administrator pursuant to the Trust and Servicing Agreement (but not any underlying Broker Price Opinions used in determining the Calculated Portfolio Value); and

The following "special notices":

- (a) notice of final payment on the Certificates;
- (b) any notice of termination of the Servicer or the Special Servicer;
- (c) all notices of Servicer Termination Events or Special Servicer Termination Events;
- (d) any request by the Certificateholders representing at least 25% of the Voting Rights to terminate the Special Servicer;
- (e) notice of resignation of the Trustee or Certificate Administrator and notice of the acceptance of appointment by the successor Trustee or successor Certificate Administrator, as applicable;
- (f) officer's certificates supporting the determination that any Advance was (or, if made, would be) a Nonrecoverable Advance;
- (g) any "special notice" by a Certificateholder that wishes to communicate with others, pursuant to the Trust and Servicing Agreement;
- (h) any notice of bankruptcy of a Relevant Party or relating to bankruptcy court filings;
- (i) any Assessment of Compliance delivered to the Certificate Administrator;

- (j) any Attestation Reports delivered to the Certificate Administrator;
- (k) any Fannie Mae Guaranty Termination Notice delivered pursuant to the Trust and Servicing Agreement; and
- (l) any Fannie Mae Transfer Notice delivered pursuant to the Trust and Servicing Agreement.

The following “risk retention notices”:

- (a) notice of any material difference between the actual eligible horizontal residual interest retained by the Securitization Sponsor (or Majority Owned Affiliate) as of the Closing Date and the eligible horizontal residual interest the Securitization Sponsor (or Majority Owned Affiliate) intends to acquire or retain as described in this information circular or the private placement memorandum relating to the Class R Certificates; and
- (b) such additional risk retention reporting furnished to it by the Securitization Sponsor in accordance with the terms of the Risk Retention Agreement.

The “Investor Q&A Forum”; and

The “Investor Registry” (solely to the Certificateholders and beneficial owners).

“Access Certification” means a certificate (which may be submitted electronically or by means of a clickthrough confirmation on the Certificate Administrator’s website) representing that such person executing the certificate is not a Relevant Party, the Manager, an affiliate of a Relevant Party or the Manager or an agent of any of the foregoing.

The Directing Certificateholder/17g-5 Information Provider will make available to the Directing Certificateholder and the Directing Certificateholder Access Party and following the Ratings Assignment Effective Date, if any, the Rating Agencies and to NRSROs the following items, via the Directing Certificateholder/17g-5 Information Provider’s website (to the extent delivered to the Directing Certificateholder/17g-5 Information Provider):

- (a) Asset Status Reports;
- (b) notice of final payments on the Certificates;
- (c) environmental reports;
- (d) Assessments of Compliance;
- (e) Attestation Reports;
- (f) any Calculated Portfolio Value Reduction Amount delivered to the Directing Certificateholder/17g-5 Information Provider pursuant to the Trust and Servicing Agreement;
- (g) any additional information requested by the Depositor or the Rating Agencies pursuant to the terms of the Trust and Servicing Agreement;
- (h) any requests for DC Approval that are delivered to the Directing Certificateholder/17g-5 Information Provider;
- (j) following the Ratings Assignment Effective Date, if any, any notices to Rating Agencies relating to the Special Servicer’s determination to take action without receiving a No Downgrade Confirmation;
- (k) following the Ratings Assignment Effective Date, if any, any requests for No Downgrade Confirmation that are delivered to the Directing Certificateholder/17g-5 Information Provider;
- (l) following the Ratings Assignment Effective Date, if any, any summary of oral communications with the Rating Agencies that are delivered to the Directing Certificateholder/17g-5 Information Provider pursuant to the Trust and Servicing Agreement that the summary of such oral communications will not attribute which Rating Agency the communication was with;
- (m) all notice of termination, resignation or assignment of rights and duties of the Servicer, the Special Servicer, the Certificate Administrator or the Trustee (and appointments of successors to the

Servicer, the Special Servicer, the Certificate Administrator or the Trustee) received by the Directing Certificateholder/17g-5 Information Provider;

- (n) any other information delivered to the Directing Certificateholder/17g-5 Information Provider pursuant to the Trust and Servicing Agreement;
- (o) officer's certificates supporting nonrecoverable determinations relating to Advances;
- (p) a copy of any amendment to the Trust and Servicing Agreement;
- (q) any Fannie Mae Transfer Notice delivered pursuant to the Trust and Servicing Agreement;
- (r) any Fannie Mae Guaranty Termination Notice delivered pursuant to the Trust and Servicing Agreement;
- (s) all notices of "Second Delivery of Draft Asset Status Report" and "Second Delivery of Revised Draft Asset Status Report" in accordance with the Trust and Servicing Agreement;
- (t) all notices of Extraordinary Operating Expenses in accordance with the Trust and Servicing Agreement;
- (u) all notices of a Proposed Transfer or substitution in accordance with the Trust and Servicing Agreement;
- (v) all information delivered by the Borrower in connection with a Proposed Transfer or substitution in accordance with the Trust and Servicing Agreement;
- (w) the Servicer's recommendation with respect to any Proposed Transfer or substitution, in accordance with the Trust and Servicing Agreement;
- (x) each collateral event report prepared by the Servicer in accordance with the Trust and Servicing Agreement;
- (y) any "Final Notice of Substitution" in accordance with the Trust and Servicing Agreement;
- (z) any "Final Notice of Special Release" in accordance with the Trust and Servicing Agreement;
- (aa) all notices of a Proposed Entity Interest Transfer in accordance with the Trust and Servicing Agreement;
- (bb) all information delivered by the Borrower in connection with a Proposed Entity Interest Transfer in accordance with the Trust and Servicing Agreement;
- (cc) any "Final Notice of Proposed Entity Interest Transfer" delivered in accordance with the Trust and Servicing Agreement;
- (dd) all Loan Reporting in accordance with the Trust and Servicing Agreement;
- (ee) any notice from the Borrower that a Property does not constitute an Eligible Property in accordance with the Trust and Servicing Agreement;
- (ff) the Quarterly Properties Schedule, related compliance certificates and all electronic files relating thereto and required to be delivered by the Borrower to the Lender under the Loan Agreement in accordance with the Trust and Servicing Agreement;
- (gg) each Calculation Date Report prepared by the Servicer in accordance with the Trust and Servicing Agreement;
- (hh) any "Second Delivery of Request for Action on Major Decision" in accordance with the Trust and Servicing Agreement;
- (ii) any Delivery of Request for Action on Adjusted Aggregate BPO/Appraised Value or Adjusted Appraised Equity Value in accordance with the Trust and Servicing Agreement;

- (jj) any "Second Delivery of Request for Action on Adjusted Aggregate BPO/Appraised Value or Adjusted Appraised Equity Value" in accordance with the Trust and Servicing Agreement;
- (kk) any Foreclosure Event Insurance Notice in accordance with the Trust and Servicing Agreement;
- (ll) any "Second Delivery of Request for Action on Foreclosure Event Insurance Notice" in accordance with the Trust and Servicing Agreement; and
- (mm) the "Directing Certificateholder/Rating Agency Q&A Forum and Servicer Document Request Tool."

The Certificate Administrator will make the "Investor Q&A Forum" available to Privileged Persons only, via the Certificate Administrator's website, where (i) Privileged Persons that are Certificateholders or beneficial owners of Certificates who provide the Certificate Administrator with an Investor Certification in the form attached to the Trust and Servicing Agreement or any Directing Certificateholder Access Party that has delivered a Directing Certificateholder Access Party Certification may submit inquiries to the Certificate Administrator relating to the Distribution Date Statement, or submit inquiries to the Servicer or the Special Servicer relating to the CREFC® Reports, the Loan or the Properties, or the data on the Supplemental Report and (ii) all Privileged Persons may view previously submitted inquiries and related answers. Upon receipt of an inquiry from a Privileged Person for the Servicer or Special Servicer, the Certificate Administrator will be required to forward such inquiry to the appropriate person (as identified to the Certificate Administrator by the Servicer or Special Servicer, as applicable) at the Special Servicer or Servicer, as applicable, in each case via email within a commercially reasonable period of time following receipt of such inquiry. Following receipt of such an inquiry, the Certificate Administrator, the Servicer or the Special Servicer, as applicable, will be required to answer each inquiry, unless it determines that answering the inquiry would not be in the best interests of the Trust Fund and/or the Certificateholders, would be in violation of applicable law, the Trust and Servicing Agreement or the Loan Documents, would materially increase the duties of, or result in significant additional cost or expense to, the Trustee, the Certificate Administrator, the Servicer or the Special Servicer, as applicable, or is otherwise not advisable to answer. The Certificate Administrator will be required to post the inquiries and related answers on the Investor Q&A Forum, subject to and in accordance with the Trust and Servicing Agreement. The Investor Q&A Forum will not reflect questions, answers and other communications which are not submitted through the Certificate Administrator's website. Answers posted on the Investor Q&A Forum will be attributable only to the respondent, and will not be deemed to be answers from any of the Depositor, the Placement Agents or any of their respective affiliates. None of the Placement Agents, Depositor or any of their respective affiliates will certify to any of the information posted in the Investor Q&A Forum and no such party will have any responsibility or liability for the content of any such information. The Certificate Administrator will not be required to post to the Certificate Administrator's website any investor inquiry or answer thereto that the Certificate Administrator determines, in its sole discretion, is administrative or ministerial in nature.

The Certificate Administrator will make the "Investor Registry" available to any Certificateholder and beneficial owner via the Certificate Administrator's website. Certificateholders and beneficial owners may register on a voluntary basis for the investor registry and obtain contact information for any other Certificateholder or beneficial owner that has also registered, provided, that they comply with certain requirements as provided for in the Trust and Servicing Agreement.

The Certificate Administrator's website will initially be located at www.ctslink.com. Access will be provided by the Certificate Administrator to Privileged Persons. In connection with providing access to the Certificate Administrator's website, the Certificate Administrator may require registration and the acceptance of a disclaimer. The Certificate Administrator will not be liable for the dissemination of information in accordance with the terms of the Trust and Servicing Agreement (including, for the avoidance of doubt, any information made available by the Certificate Administrator to any party that submits an Access Certification). The Certificate Administrator will make no representations or warranties as to the accuracy or completeness of such documents and will assume no responsibility for them. Assistance in using the Certificate Administrator's website can be obtained by calling the Certificate Administrator's customer service desk at 1-866-846-4526.

The Certificate Administrator will make certain information concerning the Loan and the Certificates, including the Distribution Date Statements, Supplemental Reports, CREFC® Reports and supplemental notices, available to Bloomberg, L.P., Trepp, LLC and Intex Solutions, Inc. upon receipt by the Certificate Administrator from such persons of a certification in the form attached to the Trust and Servicing Agreement.

The Directing Certificateholder/17g-5 Information Provider will make available to the Directing Certificateholder and the Directing Certificateholder Access Party, and following the Ratings Assignment Effective Date, to NRSROs the "Directing Certificateholder /Rating Agency Q&A Forum and Servicer Document Request Tool" via the Directing

Certificateholder/17g-5 Information Provider's website in accordance with the terms of the Trust and Servicing Agreement.

The Directing Certificateholder/17g-5 Information Provider's website will initially be located within the Certificate Administrator's website (www.ctslink.com), under the "NRSRO" tab on the page relating to this transaction. Access will be provided by the Directing Certificateholder/17g-5 Information Provider to (a) the Directing Certificateholder upon receipt by the Directing Certificateholder/17g-5 Information Provider of a Directing Certificateholder Certification, (b) the Directing Certificateholder Access Party upon receipt of a Directing Certificateholder Access Party Certification and, (c) following receipt of written notice of a Rating Assignment, if any, each NRSRO, upon receipt by the Directing Certificateholder/17g-5 Information Provider of a NRSRO Certification, which certification may be submitted electronically via the Certificate Administrator's website. The Directing Certificateholder/17g-5 Information Provider will not be liable for the dissemination of information in accordance with the terms of the Trust and Servicing Agreement. The Directing Certificateholder/17g-5 Information Provider will make no representations or warranties as to the accuracy or completeness of any information being made available and will assume no responsibility for same. The Certificate Administrator and the Directing Certificateholder/17g-5 Information Provider will not be deemed to have knowledge of any information posted on its website solely by virtue of posting by the Directing Certificateholder/17g-5 Information Provider on such website. Assistance in using the Directing Certificateholder/17g-5 Information Provider's website can be obtained by calling the Certificate Administrator's customer service desk at 1-866-846-4526.

Notwithstanding anything to the contrary contained in the Trust and Servicing Agreement, information made available to the Directing Certificateholder or the Directing Certificateholder Access Party through the Directing Certificateholder/17g-5 Information Provider's website will be subject to the confidentiality provisions set forth in an exhibit to the Trust and Servicing Agreement and may not be communicated to any investor in the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates or any other certificates collateralized by the Class A Certificates.

"CREFC®" means the CRE Finance Council, or any successor thereto. If such organization or association does not exist, "CREFC®" will be deemed to refer to such other association or organization as will be reasonably acceptable to the Servicer, the Special Servicer, the Certificate Administrator, the Trustee and the Directing Certificateholder.

"CREFC® Borrower-Affiliate Reports" collectively refers to the following reports and files: (i) CREFC® Bond Level File, (ii) CREFC® Collateral Summary File, (iii) CREFC® Property File, (iv) CREFC® Loan Periodic Update File, (v) CREFC® Loan Setup File, (vi) CREFC® Financial File, (vii) CREFC® Comparative Financial Status Report, (viii) CREFC® Operating Statement Analysis Report (ix) CREFC® NOI Adjustment Worksheet, (x) CREFC® Loan Level Reserve – LOC Report, and (xi) CREFC® Reconciliation of Funds Template.

"CREFC® Reports" collectively refers to the following reports as such may be amended, updated or supplemented from time to time as part of the CREFC® "IRP" (Investor Reporting Package), and any additional reports that become part of the CREFC® IRP from time to time (if agreed to by the parties to the Trust and Servicing Agreement): (a) the following seven electronic files: (i) CREFC® Bond Level File, (ii) CREFC® Collateral Summary File, (iii) CREFC® Property File, (iv) CREFC® Loan Periodic Update File, (v) CREFC® Loan Setup File, (vi) CREFC® Financial File, and (vii) CREFC® Special Servicer Loan File; and (b) the following sixteen supplemental reports: (i) CREFC® Comparative Financial Status Report, (ii) CREFC® Delinquent Loan Status Report, (iii) CREFC® Historical Loan Modification and Corrected Mortgage Loan Report, (iv) CREFC® Operating Statement Analysis Report, (v) CREFC® NOI Adjustment Worksheet, (vi) CREFC® REO Status Report, (vii) SFR Servicer Watch List, (viii) CREFC® Loan Level Reserve – LOC Report, (ix) CREFC® Advance Recovery Report, (x) CREFC® Total Loan Report, (xi) CREFC® Servicer Realized Loss Template, (xii) CREFC® Reconciliation of Funds Template, (xiii) CREFC® Historical Bond/Collateral Realized Loss Reconciliation Template, (xiv) CREFC® Historical Liquidation Loss Template, (xv) CREFC® Interest Shortfall Reconciliation Template and (xvi) CREFC® Appraisal Reduction Template. In the case of the CREFC® Property File, the CREFC® Financial File and the CREFC® NOI Adjustment Worksheet, tenant level information will not be presented.

"Directing Certificateholder Access Party" means as of the Closing Date, Wells Fargo Bank, National Association; provided, however, that upon receipt of a notice from the Directing Certificateholder that a Directing Certificateholder Access Party is no longer designated as such, there will be no Directing Certificateholder Access Party until such time as the Directing Certificateholder provides written notice to each of the parties to the Trust and Servicing Agreement of the identity of such Directing Certificateholder Access Party.

"Directing Certificateholder Access Party Certification" mean a certification executed by the Directing Certificateholder Access Party in favor of the Directing Certificateholder/17g-5 Information Provider (or in favor of the

Servicer or Special Servicer, as the case may be), substantially in the form attached to the Trust and Servicing Agreement that states that (a) such entity is the Directing Certificateholder Access Party and (b) such Directing Certificateholder Access Party agrees to be bound by the provisions of the confidentiality agreement attached to the Trust and Servicing Agreement which will be applicable to it with respect to any information obtained from the Directing Certificateholder/17g-5 Information Provider's website or the Servicer or Special Servicer's website, as applicable.

"Directing Certificateholder Certification" means a certification executed by the Directing Certificateholder in favor of the Directing Certificateholder/17g-5 Information Provider (or in favor of the Servicer or Special Servicer, as the case may be) substantially in the form attached to the Trust and Servicing Agreement that states that (a) such entity is the Directing Certificateholder and (b) such Directing Certificateholder agrees that it will be bound by the provisions of the confidentiality agreement attached to the Trust and Servicing Agreement which will be applicable to it with respect to any information obtained from the Directing Certificateholder/17g-5 Information Provider's website or the Servicer or Special Servicer's website, as applicable.

"Fannie Mae Grantor Trust 2017-T1 Beneficial Owner" means each beneficial owner of a Fannie Mae Guaranteed Grantor Trust Pass-Through 2017-T1, Class A Certificate.

"Fannie Mae Grantor Trust 2017-T1 Certificateholder" means each holder of a Fannie Mae Guaranteed Grantor Trust Pass-Through 2017-T1, Class A Certificate.

"Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates" means any security designated as "Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates, Fannie Mae Grantor Trust 2017-T1, Class A Certificates" issued by Fannie Mae.

"Investor Certification" means a certificate (which may be submitted electronically or by means of a click-through confirmation on the Certificate Administrator's website) representing that such person executing the certificate is a Certificateholder, a beneficial owner, a Fannie Mae Grantor Trust 2017-T1 Certificateholder, a Fannie Mae Grantor Trust 2017-T1 Beneficial Owner or a prospective purchaser of a Certificate or a Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates and that (i) either (a) such person is not a Relevant Party, the Manager, an affiliate of a Relevant Party or the Manager or an affiliate or an agent of any of the foregoing, in which case such person will have access to all the reports and information made available to Certificateholders or Fannie Mae Grantor Trust 2017-T1 Certificateholders under the Trust and Servicing Agreement, or (b) such person is a Relevant Party, a Manager, an affiliate of a Relevant Party or the Manager or an agent of one or more of the foregoing, in which case such person will only receive access to the Distribution Date Statements and Supplemental Reports prepared by the Certificate Administrator (and in the case of the Depositor, if applicable, the CREFC® Borrower-Affiliate Reports) or (ii) for purposes of exercising Voting Rights, (a) such person is not the Certificate Administrator, the Trustee, a Relevant Party, the Manager, an affiliate of any of the foregoing or an agent of any Relevant Party or Manager and (b) such person is or is not the Servicer, the Special Servicer or an affiliate of any of the foregoing, such certificate in the case of clause (i) and (ii), to be substantially in the form of an exhibit to the Trust and Servicing Agreement or in the form of an electronic certification contained on the Certificate Administrator's website. The Certificate Administrator may require that Investor Certifications are resubmitted from time to time in accordance with its policies and procedures.

"Loan Reporting" means any reports required to be delivered by the Borrower to the Lender under the Loan Agreement, including without limitation the Quarterly Properties Schedule and Periodic Reporting Information.

"NRSRO Certification" means, following the Ratings Assignment Effective Date, if any, a certification executed (or provided electronically and provided by means of a "click-through" confirmation on the Directing Certificateholder/17g-5 Information Provider's website by any nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act ("NRSRO") in favor of the Directing Certificateholder/17g-5 Information Provider in the form attached to the Trust and Servicing Agreement that states that (a) such NRSRO is a Rating Agency, or (b) such NRSRO agrees that it will be bound by the provisions of the confidentiality agreement attached to the Trust and Servicing Agreement which will be applicable to it with respect to any information obtained from the Directing Certificateholder/17g-5 Information Provider's website.

"Periodic Reporting Information" means the information delivered by the Borrower or the Manager pursuant to the Loan Agreement.

"Privileged Person" includes any of (i) the Depositor and its designees, the Placement Agents, the Servicer, the Special Servicer, the Trustee, the Certificate Administrator, the Directing Certificateholder and any Directing Certificateholder Access Party that has delivered a Directing Certificateholder Access Party Certification, (ii) any

person (including a Fannie Mae Grantor Trust 2017-T1 Certificateholder) who provides the Certificate Administrator with an Investor Certification and (iii) following the Ratings Assignment Effective Date, if any, any NRSRO that delivers an NRSRO Certification to the Certificate Administrator. Any such Investor Certification and NRSRO Certification may be submitted electronically via the Certificate Administrator's website. For purposes of receiving any information or report from the Certificate Administrator's website, other than Distribution Date Statements and Supplemental Reports only (and in the case of the Depositor, if applicable, the CREFC® Borrower-Affiliate Reports), none of any Relevant Party, the Manager or any of their respective agents or affiliates (as evidenced by an Investor Certification) will be deemed to be a "Privileged Person."

"Quarterly Properties Schedule" means the properties schedules delivered on a quarterly basis pursuant to the Loan Agreement.

"Quarterly Investor Rollup Report" means the Quarterly Investor Rollup Report delivered by the Borrower under the Loan Agreement and containing certain information regarding the properties by the top 10 MSAs.

Other Information

The Certificate Administrator will provide any Privileged Person (other than the Rating Agencies) and to the Office of the Comptroller of the Currency, the FDIC and any other banking or insurance regulatory authority that may exercise authority over any Certificateholder, access to any documentation regarding the Loan or the other assets of the Trust Fund (and in the case of the Depositor, if applicable, the CREFC® Borrower-Affiliate Reports) that are in its possession or within its control. Such access will be provided without charge but only upon reasonable prior written request and during normal business hours at the offices of the Certificate Administrator.

Duties of the Trustee and the Certificate Administrator

Neither the Trustee nor the Certificate Administrator will make representations as to the validity or sufficiency of the Trust and Servicing Agreement (other than its execution of the Trust and Servicing Agreement), the Certificates, the Loan or Loan Documents, except as specifically set forth in the Trust and Servicing Agreement. Neither the Trustee nor the Certificate Administrator will be accountable for the use or application by the Depositor of any of the Certificates issued to it or of the proceeds of such Certificates, or for the use of or application of any funds paid to the Servicer or the Special Servicer, as applicable, in respect of the Loan deposited into the Certificate Collection Account (except to the extent that the Certificate Collection Account is held by the Trustee or the Certificate Administrator in their commercial capacities), or for investment of such amounts (other than investments made with the Trustee or the Certificate Administrator in their commercial capacities). The Trustee (or the Servicer or the Special Servicer on its behalf) and the Certificate Administrator (or the Servicer or the Special Servicer on its behalf) will have the power to exercise all the rights of a holder of the Loan on behalf of the Certificateholders, subject to the terms of the Loan Documents.

The Trustee or the Certificate Administrator may resign upon written notice to (i) the Depositor, the Placement Agents, the Servicer, the Special Servicer, Fannie Mae, the Certificate Registrar (if other than the Certificate Administrator) and Certificateholders, and (ii) the Trustee, the Directing Certificateholder/17g-5 Information Provider or the Certificate Administrator, as applicable, which will post such notice on its website not less than 60 days before the date specified in such notice for such resignation to take effect, provided, that a successor trustee or successor certificate administrator, as applicable, must have been appointed by the Depositor and must have accepted such appointment before such resignation can take effect. If no successor trustee or successor certificate administrator is appointed within 30 days after the giving of such notice of resignation, the resigning trustee or certificate administrator may petition the court for appointment of a successor trustee or successor certificate administrator, as applicable.

The Depositor may remove the Trustee or the Certificate Administrator if (a) the Trustee or Certificate Administrator as applicable, ceases to be eligible to continue as such under the Trust and Servicing Agreement and fails to resign after written request by the Depositor, the Servicer or the Special Servicer, as applicable, (b) the Trustee or Certificate Administrator materially defaults in the performance of its obligations under the Trust and Servicing Agreement or (c) the Trustee or the Certificate Administrator becomes incapable of acting, or is adjudged bankrupt or insolvent, or a receiver of the Trustee or the Certificate Administrator, as applicable, or its property is appointed, or any public officer takes charge or control of the Trustee or Certificate Administrator, as applicable, or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation. In addition, the Directing Certificateholder or Certificateholders evidencing, in the aggregate, not less than a majority of the Voting Rights of the outstanding Certificates may remove the Trustee or the Certificate Administrator upon 30 days' written notice to the Depositor, the Servicer, the Special Servicer, the Certificate Administrator and the Trustee. Any removal of the Trustee or the Certificate Administrator and appointment of a successor trustee or successor certificate administrator (subject to a DC Approval), as applicable, will not become effective until acceptance of the appointment by the

successor trustee or successor certificate administrator, as applicable, and approval by the Directing Certificateholder. If no successor trustee or successor certificate administrator is appointed within 90 days after the giving of such notice of removal, the Trustee or Certificate Administrator may petition a court for appointment of a successor trustee or successor certificate administrator, as applicable, and such petition will be an expense of the Trust Fund.

In the event of any resignation or removal of the Trustee or the Certificate Administrator (other than a resignation of the Trustee that is required solely due to a change in law or a conflict of interest arising after the Closing Date that is not waived by all of the parties in conflict or is unwaivable), such resignation or removal will be effective with respect to each of such party's other capacities under the Trust and Servicing Agreement (including, without limitation, such party's capacities as Trustee, Custodian, Certificate Administrator, Certificate Registrar and Directing Certificateholder/17g-5 Information Provider, as the case may be).

The Trustee and the Certificate Administrator, by reason of the action or inaction of its directors, officers, members, managers, partners, employees or agents will have no liability to the Trust or the Certificateholders for any action taken or for refraining from the taking of any action in good faith pursuant to the Trust and Servicing Agreement, or for errors in judgment; provided, however, that the Trustee, the Certificate Administrator or any such person will not be protected against any liability that would otherwise be imposed by reason of willful misconduct, bad faith, fraud or negligence of the Trustee, the Certificate Administrator, or any such person. The Trustee, the Certificate Administrator and any director, officer, employee, affiliate, agent or "controlling person" (within the meaning of the Securities Act) of the Trustee or the Certificate Administrator, as applicable, will be indemnified by the Trust and held harmless against any loss, liability, claim, demand or expense incurred in connection with any legal action or other claims, losses, penalties, fines, foreclosures, judgments or liabilities incurred in connection with or related to the Trustee's or the Certificate Administrator's, as applicable, performance of its powers and duties under the Trust and Servicing Agreement unless caused by the Trustee's or the Certificate Administrator's, as applicable, willful misconduct, bad faith, fraud or negligence. Each of the Trustee and the Certificate Administrator will be entitled to and responsible for all of the same rights, protections, immunities and indemnities afforded to it as Trustee and Certificate Administrator, as the case may be, in each capacity for which it serves under the Trust and Servicing Agreement (including, without limitation, as Custodian, Certificate Registrar, Directing Certificateholder/17g-5 Information Provider and authenticating agent). The payment of any such indemnification will reduce the amount available for distribution to the Certificateholders to the extent described in this information circular. See "*Description of the Certificates—Payment on the Certificates*" in this information circular. The Certificate Administrator will be responsible for the acts or failure to act as Servicer or Special Servicer during any time the Certificate Administrator is serving as Servicer to the same extent that the Servicer or Special Servicer would be liable for the Servicer's or Special Servicer's acts or failure to act under the Trust and Servicing Agreement. Under the Trust and Servicing Agreement, the Depositor will not have any obligations to monitor or supervise the performance of the Trustee or the Certificate Administrator.

The Trust and Servicing Agreement provides that neither the Trustee nor the Certificate Administrator will be liable for an error of judgment made in good faith by a responsible officer of the Trustee or the Certificate Administrator, as applicable, unless it is proved that the Trustee, the Certificate Administrator or such responsible officer was negligent in ascertaining the pertinent facts. In addition, neither the Trustee nor the Certificate Administrator will be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the Trust and Servicing Agreement or at the direction of Holders of Certificates evidencing, in the aggregate, not less than 25% of the Voting Rights of the Certificates, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or Certificate Administrator, or exercising any trust or power conferred upon the Trustee or the Certificate Administrator, under the Trust and Servicing Agreement.

The Certificate Administrator will be entitled to receive a fee (the "Certificate Administrator Fee") in respect of its services under the Trust and Servicing Agreement on each Distribution Date. With respect to the Loan and for any Distribution Date, the Certificate Administrator Fee will be equal to \$6,575 for such Distribution Date. The Trustee, on any Distribution Date and with respect to the Loan, will be entitled to receive a monthly fee (the "Trustee Fee") equal to \$250 for such Distribution Date. The Trustee and the Certificate Administrator will also be entitled to reimbursement of certain expenses as provided in the Trust and Servicing Agreement.

The Trustee and the Certificate Administrator, as applicable, will be required to indemnify and hold harmless the Trust from and against any claims, losses, damages, penalties, fines, forfeitures, legal fees and expenses and related costs, judgments and other costs and expenses incurred by the Trust that arise out of or are based upon (i) a breach by the Trustee or the Certificate Administrator, as applicable, of its representations and warranties under the Trust and Servicing Agreement or (ii) negligence, bad faith, fraud or willful misconduct on the part of the Trustee or the Certificate Administrator, as applicable, in the performance of their respective obligations or their negligent disregard of their respective obligations and duties under the Trust and Servicing Agreement.

The Certificate Administrator is required to indemnify and hold harmless the Depositor from and against any claims, losses, damages, penalties, fines, forfeitures, legal fees and expenses and related costs, judgments and other costs and expenses incurred by the Depositor or its affiliates that arise out of or are based upon (i) a breach by the Certificate Administrator, in its capacity as Directing Certificateholder/17g-5 Information Provider, of its obligations under the Trust and Servicing Agreement or (ii) negligence, bad faith, fraud or willful misconduct on the part of the Certificate Administrator, in its capacity as Directing Certificateholder/17g-5 Information Provider, in the performance of such obligations or its negligent disregard of such obligations and duties under the Trust and Servicing Agreement.

Each of the Depositor, the Servicer and the Special Servicer (each, for purposes of this paragraph only, an "Indemnifying Party") is required to (severally and not jointly) indemnify the Trustee (both in its capacity as Trustee and individually), the Certificate Administrator (in each of its capacities as Certificate Administrator, Custodian, Certificate Registrar, Authenticating Agent and Directing Certificateholder/17g-5 Information Provider) and the Guarantor and each of their affiliates and each of the directors, officers, employees and agents of the Trustee and the Certificate Administrator and each of their Affiliates (each, for purposes of this paragraph only, an "Indemnified Party"), and hold each of them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable legal fees and related costs, judgments, and any other costs, fees and expenses that the Indemnified Party may sustain in connection with the Trust and Servicing Agreement (including, without limitation, reasonable fees and disbursements of counsel incurred by the Indemnified Party in any action or proceeding between the Indemnifying Party and the Indemnified Party or between the Indemnified Party and any third party or otherwise) resulting from each such Indemnifying Party's respective willful misconduct, bad faith, fraud or negligence in the performance of each of its respective duties or by reason of negligent disregard of its respective obligations and duties (including in the case of the Servicer, any agent of the Servicer or sub-servicer).

Each of the Certificate Administrator (including in its capacities as Custodian, Certificate Registrar, Authenticating Agent and Directing Certificateholder/17g-5 Information Provider) and the Trustee (in each case with respect to itself only, for purposes of this paragraph only, an "Indemnifying Party") is required to (severally and not jointly) indemnify the Depositor, the Servicer and the Special Servicer, the Guarantor and their respective affiliates and each of the directors, officers, employees and agents of the Servicer, the Guarantor and the Special Servicer and their respective affiliates (each, for purposes of this paragraph only, an "Indemnified Party"), and hold each of them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable legal fees and related costs, judgments, and any other costs, fees and expenses that the Indemnified Party may sustain in connection with the Trust and Servicing Agreement (including, without limitation reasonable fees and disbursements of counsel incurred by the Indemnified Party in any action or proceeding between the Indemnifying Party and the Indemnified Party or between the Indemnified Party and any third party or otherwise) resulting from the applicable Indemnifying Party's willful misconduct, bad faith, fraud or negligence in the performance of its duties or by reason of negligent disregard of its obligations and duties.

Early Termination

Following a Rights Termination Event, at any time at least two (2) years following the Closing Date, any holder or group of holders, as the case may be, of 100% of each of the Class A Certificates (the "Class A Sole Certificateholder(s)") may exchange the Class A Certificates for the Loan or any Foreclosed Collateral remaining in the Trust Fund by giving written notice to all the parties to the Trust and Servicing Agreement no later than 60 days prior to the anticipated date of exchange.

In the event that the Principal Balance of the Class A Certificates is greater than zero and the Class A Sole Certificateholder(s) elect(s) to exchange all of such Certificates for the Loan or any Foreclosed Collateral remaining in the Trust Fund, such Class A Sole Certificateholder(s), not later than the Business Day prior to the Distribution Date on which the final distribution on the Certificates is to occur, must deposit in the Certificate Collection Account an amount in immediately available funds equal to the sum of (i) to extent the Class B Certificates have a Certificate Balance greater than zero, the fair value of the Class B Certificates (which fair value will be determined by taking the middle bid of three bids obtained from three investment banks (other than any affiliate of the Accommodation Loan Seller) that are experienced in trading similar types of securities, or if three bids cannot be obtained, the average of two bids obtained); provided, that if such Class A Sole Certificateholder(s) is also the holder of the Class B Certificates, in lieu of delivering such amount, such Sole Certificateholder(s) will be permitted instead to exchange such Class B Certificates, (ii) the amount, if any, of the Class A Guarantor Entitlement Amount and (iii) all amounts then due and owing to the Servicer, the Special Servicer, the Certificate Administrator and the Trustee.

Following the surrender of all the Class A Certificates on the final distribution date, the Trustee will release or cause to be released to the Class A Sole Certificateholder(s) (or any designee thereof), the Loan File and will execute all assignments, endorsements and other instruments furnished to it by the Class A Sole Certificateholder(s) as necessary to effectuate transfer of the Loan or any Foreclosed Collateral to the Class A Sole Certificateholder(s) (or

any designee thereof). In the case of such exchange by the Class A Sole Certificateholder(s) upon such release, the Class B Certificates will have no further right to receive any distributions.

After the Certificate Balance of the Class A Certificates has been reduced to zero, holders of the Class B Certificates may similarly exercise an exchange right for the Loan and any Foreclosed Collateral upon payment of the sum of (i) the amount, if any, of the Class A Guarantor Entitlement Amount and (ii) all amounts then due and owing to the Servicer, the Special Servicer, the Certificate Administrator and the Trustee under the Trust and Servicing Agreement.

Governing Law

The Trust and Servicing Agreement will be governed by the laws of the State of New York without the application of conflict of laws principles.

USE OF PROCEEDS

The net proceeds from the sale of the Certificates will be required to be applied by the Depositor towards the purchase of the Loan from the Accommodation Loan Seller. The net proceeds from the Loan will be used by the Borrower to repay the 2014-SFR1 Loan, to fund certain reserves and to pay transaction fees and expenses incurred with respect to the transactions described in this information circular. Any remaining net proceeds may be used for making distributions to the Borrower's direct and indirect equity holders and may be applied to partially repay the loan that serves as the primary asset backing the Invitation Homes 2014-SFR2 Single Family Rental Pass-Through Certificates issued by the Invitation Homes 2014-SFR2 Trust.

YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS

General

The yield to maturity on the Certificates will be affected by the price (par, discount or premium to par) paid by the holder, the related Pass-Through Rate and the rate and timing of principal payments on the Components of the Note and the allocation of such amounts to reduce the Certificate Balances of the Certificates.

The rate of principal payments on the Components of the Note (and thus the Certificates) will be affected by the rate and timing of principal payments (including scheduled monthly payments allocable to principal, partial prepayment, prepayment in whole, default and liquidation) on the Loan.

We make no representation as to the anticipated rate of payments (including scheduled monthly payments allocable to principal, partial prepayment, prepayment in whole, default, liquidation and loss) on the Loan or as to the anticipated yield to maturity of any Certificate. Generally, prepayments on the Components of the Note will tend to shorten the weighted average life of the corresponding Classes of Certificates whereas an extension of the Maturity Date of the Loan and delays in liquidation will tend to lengthen the weighted average life of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates). Any changes in such weighted average lives may adversely affect the yield to maturity of holders of the Certificates (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

Although the Components have prepayment protection in the form of Yield Maintenance Premiums prior to the Yield Maintenance End Date for voluntary prepayments (other than payments arising from a casualty or condemnation or mandatory prepayments required in certain circumstances if a Property becomes a Disqualified Property) we cannot assure you that involuntary prepayments will not occur at any time. The Borrower will be freely entitled to voluntarily prepay the Loan in whole or in part at any time on or after the Yield Maintenance End Date without the payment of any yield maintenance charge or prepayment premium. Although Yield Maintenance Premiums will be allocated between the Guarantor and the Certificates as described herein, such allocation will not necessarily compensate the holders of the Certificates for the lost yield resulting from the related prepayment. In addition, the Loan will provide for mandatory prepayments in certain circumstances such as casualty and condemnation without a yield maintenance premium. Any principal prepayments of the Loan will be required to be allocated to the Certificates in Sequential Order. See "*Description of the Certificates—Payment on the Certificates*" in this information circular.

The Loan Purchase Agreement contains certain limited representations and warranties that could result in a repurchase of the Loan as described under "*Description of the Loan Purchase Agreement*" in this information circular. Additionally, the Trust and Servicing Agreement contains certain limited documentation requirements with respect to

delivery of the Loan Documents that could result in a repurchase of the Loan as described under “*Description of the Trust and Servicing Agreement—Assignment of the Loan*” in this information circular.

In the event of prepayments, the Certificate Balances of the Class A and Class B Certificates may be reduced to zero prior to the Assumed Final Distribution Date. In addition, delinquencies could result in distributions on one or more Classes of Certificates occurring after the Assumed Final Distribution Date (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates). As a result, the Certificate Balances of the Class A and Class B Certificates may be reduced to zero earlier or later than the Assumed Final Distribution Date (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates).

Without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates, the Certificate Balance of the Class A Certificates may also be reduced without distributions thereon as a result of the allocation of Realized Losses to such Class. Reductions due to Realized Losses would result in a reduction in the maximum amount distributable to the Class A Certificates in respect of Certificate Balance (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates), as well as the amount of interest that would have accrued on that Certificate Balance in the absence of such reduction. In general, without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates, a Realized Loss occurs when the aggregate principal balance of the Loan is reduced without an equal distribution to the holders of Certificates in reduction of the Certificate Balances of such Certificates. Without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates, Realized Losses are likely to occur in connection with a default on the Loan and the liquidation of the Properties or a reduction in the principal balance of the Note by a bankruptcy court.

Although the Fannie Mae Guaranty will mitigate the yield and maturity considerations with respect to the Class A Certificates discussed in this information circular, the Fannie Mae Guaranty is not backed by the full faith and credit of the United States. If the guarantor were unable to pay under the Fannie Mae Guaranty, such mitigation would not apply.

The Loan is expected to have a substantial remaining principal balance as of the Maturity Date. See “*Risk Factors—Interest-Only Loan; Balloon Payment*” in this information circular. In connection with a default on the Balloon Payment of the Loan, the Servicer may agree to extend the Maturity Date of the Loan as described under “*Description of the Trust and Servicing Agreement—Modification of the Loan Documents*” in this information circular. In the case of any such default, recovery of proceeds may be delayed by and until, among other things, a work-out is negotiated, foreclosures are completed or bankruptcy proceedings are resolved. Certificateholders are not entitled to receive distributions in respect of the Balloon Payment on the Loan except to the extent it is actually received. Consequently, without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates, a defaulted Balloon Payment will tend to extend the weighted average life of the Certificates, whether or not a permitted extension of the Maturity Date of the Loan has been effected. See “*Risk Factors—Variability of Average Life May Affect the Yield on your Certificates*” in this information circular. No representation is made by any person as to the likelihood or magnitude of delinquencies or defaults with respect to the Loan.

If a purchaser of a Certificate offered at a discount from its initial Certificate Balance calculates its anticipated yield to maturity based on an assumed rate of payment that is faster than that actually experienced on that Certificate, the actual yield to maturity may be lower than that so calculated. Similarly, if a purchaser of a Certificate offered at a premium calculates its anticipated yield to maturity based on an assumed rate of payment that is slower than that actually experienced on that Certificate, the actual yield to maturity may be lower than that so calculated.

In addition, the use of payments received on the Loan to reimburse certain Advances or other amounts owed to the Servicer, the Special Servicer, the Certificate Administrator or the Trustee, may additionally delay payments of principal to each Class of Certificates and have the same effect on yield as any delay on payment of principal on the Loan.

The timing of changes in the rate of payments on the Components of the Note and/or the Certificates may significantly affect a Certificateholder’s actual yield to maturity even if the average rate of principal payments is consistent with the expectation of a purchaser of the Class A Certificates. In general, the earlier payments of principal on a Certificate occur, the greater the effect on a related Certificateholder’s yield to maturity. The effect on a Certificateholder’s yield of principal payments occurring at a rate higher (or lower) than the rate anticipated by a purchaser of Class A Certificates during the period immediately following the issuance of the Class A Certificates may not be offset by a subsequent like decrease (or increase) in the rate of principal payments.

Weighted Average Life

Weighted average life refers to the average amount of time from the date of issuance of a security until each dollar in respect of the Certificate Balance of such security will be repaid to a purchaser of Class A Certificates. The weighted average life of a Certificate is determined by (i) multiplying the amount of each distribution in reduction of the outstanding Certificate Balance of the Class of such Certificate by the number of years from the date of issuance of such Certificate to the related Distribution Date, (ii) adding the results and (iii) dividing the sum by the original Certificate Balance of such Certificate.

As described above and in “*Risk Factors—Variability of Average Life May Affect the Yield on your Certificates*,” the payment experience on the Notes will affect the actual distribution experience on and the weighted average life of the Certificates. Any changes in weighted average life of the Class A Certificates may adversely affect the yield to holders of such Class (without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates). Prepayments resulting in a shortening of the weighted average life may be made at a time of low interest rates when a Certificateholder may be unable to reinvest the resulting payments of principal on its Class A Certificates at a rate comparable to the rate borne by those Class A Certificates. Without taking into consideration the Fannie Mae Guaranty in the case of the Class A Certificates, delays and extensions resulting in a lengthening of such weighted average life may occur at a time of high interest rates when a Certificateholder may have been able to reinvest at higher rates principal distributions that would otherwise have been received by it. See “*Risk Factors—Variability of Average Life May Affect the Yield on your Certificates*.”

Prepayments on the Loan may be measured by a prepayment standard or model. The model used in this information circular is the Constant Prepayment Rate (“CPR”) model. The CPR model assumes that a mortgage loan experiences prepayments each month at a specified constant annual rate. As used in each of the tables in Annex B and Annex C with respect to the Class A Certificates, the column headed “0% CPR” assumes that no portion of the Loan is prepaid before maturity. The columns headed “10% CPR”, “20% CPR”, “30% CPR” and “40% CPR” assume that no prepayments are made on the Loan prior to the Yield Maintenance End Date, and are otherwise made on the Loan at the indicated CPR percentages. There is no assurance, however, that prepayment of the Loan (whether or not prior to the Yield Maintenance End Date) will conform to any particular CPR percentages, and no representation is made that the Loan will prepay in accordance with the assumptions at any of the CPR percentages shown or at any other particular prepayment rate, that the Loan will prepay in accordance with the assumptions at the same rate or that the Loan will not prepay as a result of involuntary liquidations upon default or otherwise prior to the Yield Maintenance End Date.

The tables in Annex B indicate the percentage of the initial Certificate Balance the Class A Certificates that would be outstanding after each of the dates and the corresponding weighted average life of the Class A Certificates. The tables in Annex C indicate the pre-tax yield to maturity of the Class A Certificates. The tables in Annex B and Annex C have been prepared on the basis of the information set forth in this information circular regarding the payment terms of the Loan and the following assumptions (collectively, the “Modeling Assumptions”), among others:

- (i) the Closing Date is April 28, 2017;
- (ii) the Pass-Through Rate and the initial Certificate Balance of the Class A Certificates are as described in this information circular;
- (iii) scheduled payments of Monthly Debt Service Payment Amounts including payments due at maturity of principal and/or interest on the Loan and each Component will be received on a timely basis and will be distributed on the 9th day of the related month, beginning in June 2017;
- (iv) on the Closing Date, the Borrower will pay interest on the outstanding principal balance of the Components for the Initial Loan Interest Accrual Period and the Depositor will transfer an amount equal to the Initial Deposit; such interest payment will be used to make the initial distribution on the Certificates in May 2017;
- (v) the Loan accrues interest on the basis of a 30-day Loan Interest Accrual Period and a 360-day year;
- (vi) there are no delinquencies or losses in respect of the Loan and there is no casualty or condemnation affecting the Property;
- (vii) there are no releases of the Property, including releases of Disqualified Properties;

(viii) prepayments and payments are made on the Loan pursuant to various designated scenarios as described in “*Weighted Average Life*” above;

(ix) the Loan will not be repurchased by the Accommodation Loan Seller for a Material Breach or by the Depositor for a Material Document Defect and no party that is entitled under the Trust and Servicing Agreement will exercise its option to purchase the Loan and thereby cause an early liquidation of the Issuing Entity;

(x) the Class A Sole Certificateholder(s) will not exercise its right to exchange the Class A Certificates for the Loan and any Foreclosed Collateral and thereby cause an early termination of the Issuing Entity and the Class B Sole Certificateholder(s) will not exercise its right to exchange the Class B Certificates for the Loan and any Foreclosed Collateral and thereby cause an early termination of the Issuing Entity;

(xi) no Yield Maintenance Premiums are collected;

(xii) there are no unanticipated or extraordinary Trust expenses;

(xiii) the Fannie Mae Guaranty Fee Rate is a *per annum* rate equal to 1.27% and is calculated on the Certificate Balance of the Class A Certificates and in the same manner as interest is calculated on the Class A Certificates;

(xiv) the Servicing Fee is a *per annum* rate equal to 0.06% and is calculated on the outstanding principal balance of the Loan and in the same manner as interest is calculated on the Loan;

(xv) the Certificate Administrator Fee and the Trustee Fee are paid in full on each Monthly Payment Date by the Borrower;

(xvi) CREFC® License Fee is a *per annum* rate equal to 0.0005% and is calculated on the principal balance of the Loan and in the same manner as interest is calculated on the Loan;

(xvii) distributions on the Certificates are made on the 25th day of each month; and

(xviii) no Loan Event of Default has occurred and is continuing.

To the extent that the Loan has characteristics or performs in a manner that differs from the assumptions used in preparing the tables set forth in Annex A-1, the Class A Certificates may mature earlier or later than indicated by the tables.

It is not likely that the Modeling Assumptions will be realized. You must make your own decision as to the appropriate assumptions (including prepayment, default and loss assumptions) to be used in deciding whether to purchase the Offered Certificates.

Pre-Tax Yield to Maturity Tables

The tables set forth in Annex C indicate the pre-tax yields to maturity on the Class A Certificates by projecting the monthly aggregate payments of principal and interest on the Class A Certificates and computing the corresponding pre-tax yield to maturity on a corporate bond equivalent basis that, when applied to the assumed stream of cash flows to be paid on the Class A Certificates shown, would cause the discounted present value of such cash flows to equal the assumed purchase price from the Closing Date, based on the Modeling Assumptions. To the extent that the Loan has characteristics or performs in a manner that differs from the assumptions used in preparing the table set forth in Annex C, the Class A Certificates may be paid earlier or later than indicated by the tables. It was further assumed that the purchase price of the Class A Certificates are as specified in the tables, in each case expressed as a percentage of the initial Certificate Balance of the Class A Certificates. Any differences between such assumptions and the actual characteristics and performance of the Loan and of the Class A Certificates may result in pre-tax yields being different from those shown in such table.

CERTAIN LEGAL ASPECTS OF THE LOAN

The following discussion contains a general summary of certain legal aspects of mortgage loans secured by real properties and pledges of equity. Because those legal aspects are governed by applicable state law, which laws may

differ substantially, the summaries do not purport to be complete, to reflect the laws of any particular state, or to encompass the laws of all states in which the security for the Loan, or similar loans underlying any security, is situated. Accordingly, the summaries are qualified in their entirety by reference to the applicable laws of those states.

Mortgages, Deeds to Secure Debt and Deeds of Trust Generally

The Loan will be evidenced by one componentized note and secured by an instrument granting a security interest in real property, which may be a mortgage, deed of trust or a deed to secure debt, depending upon the prevailing practice and law in the state in which the related Property is located. A mortgage, deed to secure debt or deed of trust creates a lien upon the real property encumbered thereby. Such lien is not prior to the lien for real estate taxes and assessments and other encumbrances which may be permitted under the loan documents, and may not be prior to certain other statutory liens, such as mechanic and materialman liens. The priority of the lien created or interest granted will depend on the terms of the mortgage, deed of trust or deed to secure debt, as applicable, and, in some cases, on the knowledge of the parties to the mortgage and, generally, the order of recordation of the mortgage in the appropriate public recording office. However, the lien of a recorded mortgage will generally be subordinate to later-arising liens for real estate taxes and assessments and other charges imposed under governmental police powers.

There are two parties to a mortgage or a deed to secure debt, the borrower, who is the borrower and property owner or lease (if the property being mortgaged is a leasehold interest), and the mortgagee, who is the lender. Under the mortgage or deed to secure debt instrument, the borrower delivers to the mortgagee a note or bond and the mortgage or deed to secure debt. The mortgagee's authority under a mortgage or deed to secure debt is governed by applicable law and the express provisions of the mortgage or deed to secure debt.

Although a deed of trust is similar to a mortgage, a deed of trust has three parties, the borrower/property owner called the trustor or grantor (similar to the borrower), a lender called the beneficiary (similar to a mortgagee), and a third-party grantee called the trustee. Under a deed of trust, the borrower irrevocably grants the property to the trustee until the debt is paid, in trust for the benefit of the beneficiary to secure payment of the obligation generally with a power of sale. The trustee's authority under a deed of trust is governed by applicable law, the express provisions of the deed of trust and, in some cases, the directions of the beneficiary.

State Law Limitations on Lenders

The following discussion contains summaries of certain legal aspects of the Loan with respect to the Properties located in the State of Florida (representing approximately 29.9% of the Cut-off Date Loan Balance), in the State of California (representing approximately 27.5% of the Cut-off Date Loan Balance) and in the State of Arizona (representing approximately 17.0% of the Cut-off Date Loan Balance). The summaries do not purport to be complete and are qualified in their entirety by reference to the applicable federal and state laws applicable to the Loan.

Florida. Mortgage loans involving real property in Florida are secured by mortgages and foreclosures are accomplished by judicial foreclosure. There is no power of sale in Florida. After an action for foreclosure is commenced and the lender secures a judgment, the final judgment will provide that the property be sold at a public sale online or at the courthouse if the full amount of the judgment is not paid prior to the scheduled sale. Generally, the foreclosure sale must occur no earlier than 20 (but not more than 35) days after the judgment is entered. During this period, a notice of sale must be published once a week for two consecutive weeks in the county in which the property is located. There is no right of redemption after the foreclosure sale. Florida does not have a "one action rule" or "antideficiency legislation." However, subsequent to a foreclosure sale, a mortgagor may be required to prove the value of the property sold as of the date of foreclosure in order to recover a deficiency. Further, other statutory provisions in Florida limit any deficiency judgment (if otherwise permitted) against a borrower following a judicial sale to the excess of the outstanding debt over the value of the property at the time of the judicial sale. In certain circumstances, the mortgagor may have a receiver appointed.

California. 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 in accordance with the California Civil Code (so long as it is permitted under a specific provision in the deed of trust) or by judicial foreclosure in accordance with the California Code of Civil Procedure. 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. California case law has held that acts such as an offset of an unpledged account constitute violations of such statutes. Violations of such statutes may result in the loss of some or all of the security under the Loan 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 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.

Arizona. A deed of trust is normally enforced in Arizona by exercise of the trustee's power of sale through a non-judicial trustee's sale. A non-judicial foreclosure sale is commenced by the recording of a notice of trustee's sale setting a sale date that is not a Saturday or legal holiday and that is not earlier than 90 days after the date the notice is recorded. After recording, the notice must be posted and copies sent to the borrower and other parties having an interest in the encumbered real property, all in the manner required by statute. No redemption rights are available after a non-judicial trustee's foreclosure sale. If permitted by the loan documents, a deficiency may be recovered after a trustee's sale by commencement of a judicial action within the time period required by statute. The amount of a deficiency judgment is limited to (1) the total debt owed to the lender as of the date of the trustee's sale, as determined by the court, less (2) the greater of (i) the fair market value of the property on the date of sale as determined by the court or (ii) the sale price at the trustee's sale. If the property encumbered by the deed of trust and sold pursuant to the trustee's power of sale is two and one-half acres or less and is limited to and utilized for either a single one-family or a single two-family dwelling, no action may be maintained to recover any difference between the amount obtained by sale and the amount of the indebtedness and any interest, costs and expenses. A deed of trust may also be foreclosed as a mortgage, but that procedure is not commonly utilized because of the additional time and cost involved and the redemption rights afforded the borrower and junior lienholders.

Leases and Rents

Mortgages that encumber income-producing property often contain an assignment of rents and leases. Under such assignments, the borrower typically assigns its right, title and interest as lessor under each lease and the income derived therefrom to the mortgagee, while retaining a license to collect the rents for so long as there is no default under the Loan documentation. The manner of perfecting the mortgagee's interest in rents may depend on whether the borrower's assignment was absolute or one granted as security for the loan. Failure to properly perfect the mortgagee's interest in rents may result in the loss of funds that could otherwise serve as a source of repayment for such loan. If the borrower defaults, the license terminates and the lender is entitled to collect the rents. Local law may require that the lender take possession of the property and/or obtain a court-appointed receiver before becoming entitled to collect the rents.

Even after a foreclosure, the potential rent payments from the property may be less than the periodic payments that had been due under the mortgage. For instance, the net income that would otherwise be generated from the property may be less than the amount that would have been needed to service the mortgage debt if the leases on the property are at below-market rents, or as the result of excessive maintenance, repair or other obligations which a lender succeeds to as landlord.

Lenders that actually take possession of the property, however, may incur potentially substantial risks attendant to being a mortgagee in possession. Such risks include liability for environmental clean-up costs and other risks inherent in property ownership. See "*Environmental Considerations*" below.

Foreclosure

General. Foreclosure is a legal procedure that allows the lender to recover its mortgage debt by enforcing its rights and available legal remedies under the mortgage. If the borrower defaults in payment or performance of its obligations under the mortgage note or mortgage, the lender has the right to institute foreclosure proceedings to sell the real property at public auction to satisfy the indebtedness.

Foreclosure procedures vary from state to state. Two primary methods of foreclosing a mortgage are judicial foreclosure, involving court proceedings, and non-judicial foreclosure pursuant to a power of sale granted in the mortgage instrument. Other foreclosure procedures are available in some states, but they are either infrequently used or available only in limited circumstances.

A foreclosure action is subject to most of the delays and expenses of other lawsuits if defenses are raised or counterclaims are interposed, and sometimes requires several years to complete. Moreover, as discussed below, even a non-collusive, regularly conducted foreclosure sale may be challenged as a fraudulent conveyance, regardless of the parties' intent, if a court determines that the sale was for less than fair consideration and that the sale occurred while the borrower was insolvent and within a specified period prior to the borrower's filing for bankruptcy protection.

Judicial Foreclosure. In the United States, foreclosure of a mortgage is generally accomplished by judicial action. The action is initiated by the service of legal pleadings upon all parties having an interest in the real property. Delays in completion of the foreclosure may occasionally result from difficulties in locating necessary parties. When the mortgagee's right to foreclose is contested, the legal proceedings necessary to resolve the issue can be time consuming. At the completion of the judicial foreclosure proceedings, if the mortgagee prevails, the court generally issues a judgment of foreclosure and appoints a referee or other court officer to conduct the sale of the property. Such sales are made in accordance with procedures which vary from state to state. The purchaser at such sale acquires the estate or interest in real property covered by the mortgage. If the mortgage covered the tenant's interest in a lease and leasehold estate, the purchaser at foreclosure will acquire such tenant's interest subject to the tenant's obligations under the lease to pay rent and perform other covenants contained in the lease. Generally, state law controls the amount of foreclosure expenses and costs, including attorneys' fees, which may be recovered by a lender.

Non-Judicial Foreclosure. In a majority of cases, foreclosure of a deed of trust is accomplished by a non-judicial trustee's sale under a specific provision in the deed of trust and/or applicable statutory requirements which authorize the trustee, following a request from the beneficiary/lender, to sell the property at a public sale upon any default by the borrower under the terms of the note or deed of trust. A number of states may also require that a lender provide notice of acceleration of a note to the borrower. Notice requirements under a trustee's sale vary from state to state. In some states, prior to the trustee's sale, the trustee must record a notice of default and send a copy to the borrower, to the trustor, to any person who has recorded a request for a copy of a notice of default and notice of sale and to any successor in interest to the trustor. In addition, in some states the trustee must provide notice to any other person having an interest in the real property, including any junior lienholders, and to certain other persons connected with the deed of trust. If the deed of trust is not reinstated, a notice of sale must be posted in a public place and, in most states, published for a specific period of time in one or more newspapers. In addition, some state laws require that a copy of the notice of sale be posted on the property and sent to all parties having an interest in the real property.

A deed to secure debt is foreclosed through a non-judicial sale similar to that conducted under a deed of trust, except that the sale is conducted by the mortgagee rather than a trustee.

The borrower, or any other person having a junior encumbrance on the real estate, may, after acceleration but not after a foreclosure sale has occurred, cure the default by paying the entire amount in arrears plus the costs and expenses incurred in enforcing the obligation.

Public Sale. A third party may be unwilling to purchase a mortgaged property at a public sale because of the difficulty in determining the value of such property at the time of sale, due to, among other things, redemption rights that may exist and the possibility of physical deterioration of the property during the foreclosure proceedings. Potential buyers may be reluctant to purchase property at a foreclosure sale as a result of the 1980 decision of the United States Court of Appeals for the Fifth Circuit in Durrett v. Washington National Insurance Co., 621 F.2d 201 (5th Cir., 1980) and other decisions that have followed its reasoning. The court in Durrett held that even a non-collusive, regularly conducted foreclosure sale was a fraudulent transfer under the federal Bankruptcy Code and, therefore, could be rescinded in favor of the bankrupt's estate, if (i) the foreclosure sale was held while the debtor was insolvent and not more than one year prior to the filing of the bankruptcy petition and (ii) the price paid for the foreclosed property did not represent "fair consideration" ("reasonably equivalent value" under the Bankruptcy Code). Although the reasoning and result of Durrett in respect of the Bankruptcy Code were rejected by the United States Supreme Court in BFP v. Resolution Trust Corp., 511 U.S. 531 (1994), the case could nonetheless be persuasive to a court applying a state fraudulent conveyance law which has provisions similar to those construed in Durrett. For these reasons, a lender may be unwilling to purchase the property from the trustee or referee for less than an amount equal to the principal amount of the mortgage, accrued or unpaid interest and the expenses of foreclosure. After a foreclosure in which the lender purchases the property, the lender will assume the burdens of ownership, including obtaining casualty insurance and making such repairs at its own expense as are necessary to render the property

suitable for sale. Frequently, the lender employs a third-party management company to manage and operate the property. The costs of operating and maintaining property may be significant and may be greater than the income derived from that property. The lender will commonly obtain the services of a real estate broker and pay the broker's commission in connection with the sale of the property. Depending upon market conditions, the ultimate proceeds of the sale of the property may not equal the lender's investment in the mortgaged property. Any loss may be reduced by the receipt of any mortgage insurance proceeds. Moreover, a lender commonly incurs substantial legal fees and court costs in acquiring a mortgaged property through contested foreclosure and/or bankruptcy proceedings. Furthermore, an increasing number of states require that any environmental hazards be eliminated before a property may be resold. In addition, a lender may be responsible under federal or state law for the cost of cleaning up a mortgaged property that is environmentally contaminated. See "*Environmental Considerations*" below. As a result, a lender could realize an overall loss on a loan even if the related mortgaged property is sold at foreclosure or resold after it is acquired through foreclosure for an amount equal to the full outstanding principal balance of the Loan, plus accrued interest. In certain jurisdictions, foreclosure may be a lengthy process.

Rights of Redemption. The purposes of a foreclosure action are to enable the mortgagee to realize upon its security and to bar the borrower, and all persons who have an interest in the property which is subordinate to the mortgage being foreclosed, from exercise of their "equity of redemption." The doctrine of equity of redemption provides that, until the property covered by a mortgage has been sold in accordance with a properly conducted foreclosure and foreclosure sale, those having an interest which is subordinate to that of the foreclosing mortgagee have an equity of redemption and may redeem the property by paying the entire debt with interest. In addition, in some states, when a foreclosure action has been commenced, the redeeming party must pay certain costs of such action. Those having an equity of redemption must generally be made parties and joined in the foreclosure proceeding in order for their equity of redemption to be cut off and terminated.

The equity of redemption is a common-law (non-statutory) right which exists prior to completion of the foreclosure, is generally not waivable by the borrower, must be exercised prior to foreclosure sale and should be distinguished from the post-sale statutory rights of redemption. In some states, after sale pursuant to a deed of trust or foreclosure of a mortgage, the borrower and foreclosed junior lienors are given a statutory period in which to redeem the property from the foreclosure sale. In some states, statutory redemption may occur only upon payment of the foreclosure sale price. In other states, redemption may be authorized if the former borrower pays only a portion of the sums due. The effect of a statutory right of redemption is to diminish the ability of the lender to sell the foreclosed property. The exercise of a right of redemption would defeat the title of any purchaser from a foreclosure sale or sale under a deed of trust. Consequently, the practical effect of the redemption right is to force the lender to maintain the property and pay the expenses of ownership until the redemption period has expired. In some states, a post-sale statutory right of redemption may exist following a judicial foreclosure, but not following a trustee's sale under a deed of trust.

Anti-Deficiency Legislation. The Loan will be a nonrecourse loan and recourse in the case of default, will be limited to the Property and those other assets, if any, that were pledged to secure the Loan. However, even if the Loan by its terms provides for recourse to the borrower's other assets, a lender's ability to realize upon those assets may be limited by state law. For example, in some states a lender cannot obtain a deficiency judgment against the borrower following foreclosure or sale under a deed of trust. A deficiency judgment is a personal judgment against the former borrower equal to the difference between the net amount realized upon the public sale of the real property and the amount due to the lender. Other statutes may require the lender to exhaust the security afforded under a mortgage before bringing a personal action against the borrower. In certain other states, the lender has the option of bringing a personal action against the borrower on the debt without first exhausting that security; however, in some of those states, the lender, following judgment on that personal action, may be deemed to have elected a remedy and thus may be precluded from foreclosing upon the security. Consequently, lenders in those states where an election of remedy provision exists will usually proceed first against the security. Finally, other statutory provisions, designed to protect borrowers from exposure to large deficiency judgments that might result from bidding at below-market values at the foreclosure sale, limit any deficiency judgment to the excess of the outstanding debt over the fair market value of the property at the time of the sale.

Security Interests in Pledged Equity Securities Generally

The Uniform Commercial Code (the "UCC"), a comprehensive body of commercial law adopted and modified on a state-by-state basis, governs the perfection, priority and enforcement of security interests in the Collateral. Under the UCC, equity interests in limited partnerships and limited liability companies, such as the general and limited partnership interests securing the guaranty of the Loan by the Equity Owners, constitute "general intangibles" unless such equity interests have certain characteristics specified in the UCC. A security interest in a general intangible can only be perfected by filing a financing statement with the appropriate state filing office. Priority of competing security interests in such collateral perfected by the filing of a financing statement is generally determined by the order of

filing. If the issuer of an equity interest were to change the characteristics of such equity interest such that it could be characterized as a “security” under the UCC, “protected purchasers” of such security could have priority senior to that of secured parties who are perfected only by filing. Under the UCC, a “protected purchaser” is a purchaser of a security who gives value, does not have notice of any adverse claim to the security and obtains control of the security.

Section 8-103(c) of the UCC provides that an interest in a limited partnership or limited liability company that, by its terms, expressly provides that it is a security governed by Article 8 of the UCC, is a “security” for purposes of Article 8 of the UCC, rather than a general intangible in which a security interest may only be perfected by filing. To the extent (a) the equity interests that constitute the collateral for a loan are represented by security certificates that state, on the face of each such certificate, that the interest is a security governed by Article 8 of the UCC and (b) the limited partnership or limited liability company agreements governing the applicable issuer provides that such equity interest is a “security” for purposes of Article 8 of the UCC, such equity interests will be considered “certificated securities” for purposes of the UCC, which security interests can be perfected by control if such certificate is indorsed to the purchaser or in blank by an effective endorsement. In the event that a limited partnership or limited liability agreement of an issuer does not elect to treat the equity interests securing a loan as a “certificated security” for purposes of Article 8 of the UCC, such collateral will generally constitute a “general intangible” that may be perfected only by filing. A security interest in a “certificated security” for purposes of Article 8 of the UCC perfected by control could have priority over a security interest perfected solely by filing. The limited partnership agreement of the Borrower states that each general and limited partnership interest in the Borrower is a security governed by Article 8 of the UCC and the Borrower has purported to issue and endorse in blank security certificates representing the equity interests constituting the Collateral for the Loan. A perfected security interest, regardless of the method of perfection, also can be primed by certain tax and other governmental liens.

Finally, under the laws of certain states, e.g., Delaware, provisions in the limited partnership or limited liability company agreement or other constituent document that prohibit the pledge or assignment of a member’s equity interest without the consent of the other members may, absent such consent, render any such grant ineffective.

Foreclosure on Pledged Collateral

The UCC provides that, after default, a secured party has the rights provided by the agreement of the parties, as well as the statutory right to foreclose on the collateral. The UCC does not define “default.” A secured party after default may dispose of any or all of the collateral. The borrower, or any other person having a junior security interest in the collateral, may, prior to a disposition of the collateral or the acceptance by the secured party of the collateral in satisfaction of the indebtedness, redeem the collateral by performing the obligations secured thereby and paying the expenses incurred in connection with enforcing such obligations. Depending upon market conditions, the ultimate proceeds of the disposition of such collateral may not equal the amount of the obligations secured thereby.

Disposition of collateral after default may be by public or private disposition. Regardless of the method of disposition, “every aspect of a disposition of collateral, including the method, manner, time, place and other terms must be commercially reasonable.” Given the lack of case law regarding foreclosure on limited partnership, limited liability company and similar equity interests, ensuring the “commercial reasonableness” of a post-default disposition of the Collateral may involve greater uncertainty and impose greater obligations on the secured party than would be the case with respect to other types of collateral.

The determination of commercial reasonableness depends upon the totality of the circumstances of the case. The secured party has the burden of proving the commercial reasonableness of a sale under the UCC.

The UCC does not define “public disposition” or “private disposition.” According to the official UCC comment, a public disposition is a disposition “at which the price is determined after the public has had a meaningful opportunity for competitive bidding. ‘Meaningful opportunity’ is meant to imply that some form of advertisement or public notice must precede the sale (or other disposition) and that the public must have access to the sale (disposition).”

An important distinction between a public and a private disposition is that the foreclosing creditor can bid at a private disposition only if the collateral is of a type that is customarily sold on a recognized market or the subject of widely distributed standard price quotations. It is highly unlikely that either condition will apply to the collateral securing the Loan. Any purchase of the collateral by the secured party (or an affiliate of the secured party), even at a public disposition, is likely to be subject to heightened judicial scrutiny.

In order to comply with the UCC’s overarching requirement of “commercial reasonableness,” in the case of a public disposition, attention is required to be paid to scheduling such disposition at a time and place convenient for likely purchasers.

In contrast, a private sale need not be open to the public or advertised and may be “effected by solicitation and negotiation conducted either directly or through a broker.”

The secured party must generally send notification of the disposition to (i) the borrower, (ii) any “secondary obligor” (*i.e.*, a guarantor), (iii) any other secured creditor from whom the secured party receives notification of an interest in the collateral and (iv) any other secured creditor that has filed a financing statement describing the collateral.

A secured party has a duty to solicit bids for the collateral, although the case law in this respect is not entirely clear or consistent. Traditionally, a secured party has owed a duty to the debtor to dispose of collateral “for the best price obtainable.” Boender v. Chicago North Clubhouse Ass’n, 608 N.E.2d 207, 212 (Ill. App 1992). Under this principle, a secured creditor is required to solicit buyer interest from likely purchasers of the collateral. See Connex Press, Inc. v. International Airmotive, Inc., 436 F. Supp. 41, 57 (D.D.C. 1977).

Under New York law construing the prior version of the UCC, “some authorities suggest that optimizing resale price is the prime objective of the UCC’s default mechanisms and that the other factors listed in the UCC are merely designed to ensure that the highest price is achieved. Others would have commercial reasonableness turn on the procedures employed.” Bankers Trust Co. v. J.V. Dowler & Co., 417 N.Y.S.2d 47, 51 (N.Y. 1979). The Revised UCC appears to reflect a trend emphasizing the procedures employed. In any event, the secured party must identify and solicit participation at a sale from the most likely purchasers of the collateral. New York courts have also made clear that the price obtained in a foreclosure sale is only one of several factors to determine commercial reasonableness. See *e.g.*, DeRosa v. Chase Manhattan Mortg. Corp., 10 A.D.3d 317, 322 (1st Dep’t 2004), Thornton v. Citibank N.A., 226 A.D.2d 162, 163 (1st Dep’t), *lv.* to appeal denied, 89 N.Y.2d 805 (1996).

With respect to a disposition of limited partnership, limited liability company and similar equity interests, a secured party may be further constrained, because of current or future circumstances, by the Securities Act, together with the rules and regulation promulgated thereunder, as now or hereafter in effect, or any similar federal or state statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect being called the “Securities Laws”). Compliance with the Securities Laws might limit the course of conduct of a secured party attempting to dispose of such equity interests and might also limit the extent to which or the manner in which any subsequent transferee of any equity interests could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting a secured party in any attempt to dispose of limited partnership, limited liability company and similar equity interests under applicable “blue sky” or other state securities laws or similar laws analogous in purpose or effect. In light of such restrictions and limitations, a secured party may, with respect to any sale of such equity interests, desire to approach and negotiate with a limited number of potential purchasers (including a single potential purchaser) to effect such sale and to limit the purchasers to those who will agree, among other things, to acquire such equity interests for their own account, for investment, and not with a view to the distribution or resale thereof. If a secured party conducts a disposition of equity interests in a manner that may qualify as a “public offering” or “distribution” as defined in the Securities Laws, then a registration statement may have to be filed for the purpose of registering such equity interest under the Securities Laws. Accordingly, compliance for the requirements for a “public disposition” and “commercial reasonableness” under the UCC discussed above may be subject to constraints imposed by the Securities Laws. The limitations imposed by such restrictions might result in prices and other terms less favorable than if such sale were a public sale without such restrictions.

Instead of conducting a disposition of the collateral, a secured party may propose to retain the collateral in full or partial satisfaction of the debtor’s obligation. This is known as “strict foreclosure.” A secured party proposing strict foreclosure must send written notice of such proposal to the debtor and to any other secured creditor to whom the secured party would be required to send a notification of disposition and may not retain the collateral in satisfaction of the debt if the debtor or any creditor objects to such strict foreclosure within the 20-day period following such notification. In addition, a secured party may not retain collateral in partial satisfaction of the debt unless the debtor affirmatively consents to the terms of such partial satisfaction by an agreement entered into after the default occurred.

Remedies available to the borrower if the secured party fails to comply with the default provisions of the UCC include the secured party (i) losing its deficiency claim against the debtor, (ii) being liable for the difference between the amount credited to the debtor in the foreclosure and the amount determined by a court to be fair market value of the collateral and (iii) statutory damages. In addition, courts have upheld the right of the party to seek damages outside those provided by the UCC, including punitive damages, where the facts underlying the commercially unreasonable activity also support an independent cause of action.

In addition, even if the secured party exercises its remedies in a commercially reasonable manner, state law other than the UCC may excuse the general and limited partners of a limited partnership or members of the limited

liability company from admitting a foreclosing secured creditor as a member or otherwise rendering performance to such creditor.

Bankruptcy Issues

Numerous statutory provisions, including the Bankruptcy Code and state laws affording relief to debtors, may substantially interfere with and delay the ability of a secured lender (whether its claim is secured by real property or personal property) to obtain payment of a loan, to exercise remedies to realize upon collateral and/or to enforce a deficiency judgment. For example, upon the filing of a voluntary or involuntary petition for relief under the Bankruptcy Code, virtually all actions (including foreclosure actions and deficiency judgment proceedings) to obtain possession of property of or from a debtor's estate are subject to the automatic stay of section 362(a). Often, no interest or principal payments are made during the course of the bankruptcy proceedings. The delay caused by the automatic stay can be substantial and its consequences can be significant. In addition, a bankruptcy filing by or with respect to a third party under the Bankruptcy Code may adversely affect a secured lender's rights. For example, the filing of a petition in bankruptcy by or on behalf of a junior mortgage lien holder may stay the senior mortgage lender from taking action to foreclose out such junior lien. At a minimum, the senior mortgage lender would suffer delay due to its need to seek bankruptcy court approval before taking any foreclosure or other action that could be deemed in violation of the automatic stay applicable to such junior mortgage lien holder.

The Bankruptcy Code may affect the ability to enforce certain rights under a pledge of equity and other security interests if the owner of a borrower (with respect to a pledge of equity interests in a borrower) or a borrower becomes the subject of a bankruptcy or reorganization proceeding under the Bankruptcy Code. Section 362 of the Bankruptcy Code operates as an automatic stay of, among other things, any act to obtain possession of property of or from a debtor's estate, which may delay any exercise of such remedies, including foreclosure, in the event that an equity owner or borrower becomes the subject of a proceeding under the Bankruptcy Code. While relief from the automatic stay to enforce remedies may be requested, it can be denied for a number of reasons, including where the collateral is "necessary to an effective reorganization" for the debtor, and if a debtor's case has been administratively consolidated with those of its affiliates, the court may also consider whether the property is "necessary to an effective reorganization" of the debtor and its affiliates, taken as a whole.

Under Sections 363(b) and (f) of the Bankruptcy Code, a trustee, or an equity owner or borrower as debtor in possession, may, under certain circumstances, despite the provisions of the related pledge, security agreement or mortgage to the contrary, sell the related assets or property free and clear of all liens, which liens would then attach to the proceeds of such sale. Such a sale may be approved by a bankruptcy court even if the proceeds are insufficient to pay the secured debt in full.

Under the Bankruptcy Code, provided certain substantive and procedural safeguards for a lender are met, the amount and terms of a mortgage or other security agreement secured by property of a debtor may be modified under certain circumstances. Pursuant to a confirmed plan of reorganization, or a lien avoidance or claim objection proceeding, the secured claim arising from a loan secured by real property or other collateral may be reduced to the then-current value of the property (with a corresponding reduction of the value of lender's security interest), thus leaving the lender as a secured creditor to the extent of the then-current value of the property and a general unsecured creditor for the difference between such value and the outstanding balance of the loan. Other modifications may include the reduction in the amount of each monthly payment, which reduction may result from a reduction in the rate of interest and/or the alteration of the repayment schedule (with or without affecting the unpaid principal balance of the loan), and/or an extension (or reduction) of the final maturity date. Some courts with federal bankruptcy jurisdiction have approved plans, based on the particular facts of the reorganization case, that effected the curing of a Loan default by paying arrearages over a number of years. Also, under the Bankruptcy Code, a bankruptcy court may permit a debtor through its plan of reorganization to decelerate a secured loan and to reinstate the loan even though the lender accelerated the Loan and final judgment of foreclosure had been entered in state court (provided no sale of the property had yet occurred) prior to the filing of the debtor's petition. Thus, the full amount due under the original loan may never be repaid. Other types of significant modifications to the terms of Loan that may be approved by the bankruptcy court include, among other things, the making of distributions to the mortgage holder of property other than cash, or the substitution of collateral which is the "indubitable equivalent" of the real property subject to the mortgage, or the subordination of the mortgage to liens securing new post-petition debt (provided that the lender's secured claim is "adequately protected" as such term is defined and interpreted under the Bankruptcy Code), with such modifications depending on the particular facts and circumstances of the specific case.

Federal bankruptcy law may also interfere with or otherwise adversely affect the ability of a secured mortgage lender to enforce an assignment by a borrower of rents and leases related to a mortgaged property if the related borrower is a debtor in a bankruptcy case. Under section 362 of the Bankruptcy Code, a mortgagee may be stayed

from enforcing the assignment. An assignment of rents and leases also may be ineffective in bankruptcy to the extent, among other things, (i) the assignment is not fully perfected under state law prior to commencement of the bankruptcy proceeding, (ii) such rents and leases are used by the borrower to maintain the mortgaged property, or for other court authorized expenses, (iii) other collateral may be substituted for the rents and leases, (iv) the bankruptcy court determines that the lender is adequately protected or (v) the court determines, based on the equities of the case that the post-petition rents are not subject to the lender's pre-petition security interest. Additionally, the borrower, as debtor in possession, or its bankruptcy trustee has special powers to avoid, subordinate or disallow debts. The Bankruptcy Code also may interfere with the ability of the Trustee, on behalf of the Certificateholders, to enforce lockbox requirements. The legal proceedings necessary to resolve these issues can be time consuming and costly and may significantly delay or diminish the receipt of rents by the Trust.

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, including on property that is already subject to a lien. In the recent bankruptcy case of In re General Growth Properties, the debtors initially sought approval of a debtor-in-possession loan to the corporate parent entities guaranteed by the property-level special purpose entities and secured by second liens on their properties. Although the debtor-in-possession loan subsequently was modified to eliminate the subsidiary guarantees and second liens, we cannot assure you that, in the event of a bankruptcy of an owner of a borrower entity, such party 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 subsidiary guarantees and liens on subsidiary properties which would have priority over all claims not secured by liens on such properties.

In a bankruptcy or similar proceeding involving a borrower or an affiliate, action may be taken seeking the recovery as a preferential transfer of any payments made by such borrower under the related real estate loans or to avoid the granting of the liens in the transaction in the first instance, or any replacement liens that arise by operation of law or the security agreement. Payments on long-term debt may be protected from recovery as preferences if they qualify for the "ordinary course" exception under the Bankruptcy Code or if certain of the other defenses in the Bankruptcy Code are applicable. Whether any particular payment would be protected depends upon the facts specific to a particular transaction. In addition, in a bankruptcy or similar proceeding involving a borrower, an action may be taken to avoid the transaction (or any component thereof, such as joint and several liability on the real estate loans) as an actual or constructive fraudulent conveyance under state or federal law. Any payment by a borrower in excess of its allocated share of the loan could be challenged as a fraudulent conveyance by creditors of that borrower in an action outside a bankruptcy case or by the representative of the borrower's bankruptcy estate in a bankruptcy case. Generally, under federal and most state fraudulent conveyance statutes, the incurrence of an obligation or the transfer of property by a person will be subject to avoidance under certain circumstances if the person transferred such property with the intent to hinder, delay or defraud its creditors or the person did not receive fair consideration or reasonably equivalent value in exchange for such obligation or transfer and (i) was insolvent or was rendered insolvent by such obligation or transfer, (ii) was engaged in business or a transaction, or was about to engage in business or a transaction, for which any property remaining with the person constituted unreasonably small capital or (iii) intended to, or believed that it would, incur debts that would be beyond the person's ability to pay as such debts matured. The measure of insolvency will vary depending on the law of the applicable jurisdiction. However, an entity will generally be considered insolvent if the present fair saleable value of its assets is less than (x) the sum of its debts or (y) the amount that would be required to pay its probable liabilities on its existing debts as they become absolute and matured. Cross-collateralization arrangements could be challenged as fraudulent transfers by creditors of a borrower, guarantor or other obligor in an action brought outside a bankruptcy case or, if a borrower, guarantor or other obligor were to become a debtor in a bankruptcy case, by the debtor as debtor-in-possession or its bankruptcy trustee. Among other things, a legal challenge to the granting of liens may focus on the benefits realized by a borrower, guarantor or other obligor from the real estate loan proceeds, in addition to the overall cross-collateralization. Accordingly, a lien granted by a borrower, guarantor or other obligor to secure repayment of the loan in excess of the benefit it received could be avoided if a court were to determine that (i) such debtor was insolvent at the time of granting the lien, was rendered insolvent by the granting of the lien, was left with inadequate capital, or was not able to pay its debts as they matured and (ii) the debtor did not, when it allowed its property to be encumbered by a lien securing the entire indebtedness represented by the loan, receive fair consideration or reasonably equivalent value for pledging such property for the equal benefit of the relevant borrower or borrowers.

A trustee in a bankruptcy proceeding may in some cases be entitled to collect its costs and expenses in preserving or selling pledged property, if any, ahead of payment even to the lender secured by a pledge of such property and ahead of payments to all other creditors. In certain circumstances, a debtor in bankruptcy may have the power to grant liens senior to the lien of a pledge agreement or other security interest, and analogous state statutes and general principles of equity may also provide the borrower with means to halt a foreclosure proceeding or sale and to force a restructuring of a real estate loan on terms a lender would not otherwise accept. Under the Bankruptcy

Code, if the court finds that actions of lenders, whether secured or unsecured, have been unreasonable, the claims of such creditors may be subordinated to the claims of unsecured creditors.

It is likely that any management agreement relating to the real properties constitutes an “executory contract” for purposes of the Bankruptcy Code. Federal bankruptcy law provides generally that rights and obligations under an executory contract of a debtor may not be terminated or modified at any time after the commencement of a case under the Bankruptcy Code solely on the basis of a provision in such contract to such effect or because of certain other similar events. This prohibition on so-called “ipso facto” clauses could limit the ability of the related borrower (or the trustee as its assignee) to exercise certain contractual remedies with respect to a management agreement relating to any such real property. In addition, the Bankruptcy Code provides that a trustee in bankruptcy or debtor-in-possession may, subject to approval of the court, (a) assume an executory contract and (i) retain it or (ii) unless applicable law excuses a party other than the debtor from accepting performance from or rendering performance to an entity other than the debtor, assign it to a third party (notwithstanding any other restrictions or prohibitions on assignment) or (b) reject such contract. In a bankruptcy case of the related property manager, if the related management agreement(s) were to be assumed, the trustee in bankruptcy on behalf of such property manager, or such property manager as debtor-in-possession, or the assignee, if applicable, must cure any defaults under such agreement(s), compensate the borrower for its losses and provide the borrower with “adequate assurance” of future performance. Such remedies may be insufficient, however, as the related borrower may be forced to continue under a management agreement with a manager that is a poor credit risk or an unfamiliar manager if a management agreement was assigned (if applicable state law does not otherwise prevent such an assignment), and any assurances provided to the borrower may, in fact, be inadequate. If a management agreement is rejected, such rejection generally constitutes a breach of the executory contract immediately before the date of the filing of the petition. As a consequence, the related borrower generally would have only an unsecured claim against the related property manager for damages resulting from such breach, which could adversely affect the security for the Notes. It is also likely that any franchise agreement relating to a real property constitutes an “executory contract” for purposes of the Bankruptcy Code. If so, the analysis set forth above with respect to the management agreement would generally be applicable to the franchise agreement.

The laws governing limited partnerships in certain states provide that the commencement of a case under the Bankruptcy Code with respect to a general partner will cause a person to cease to be a general partner of the limited partnership, unless otherwise provided in writing in the limited partnership agreement. This provision may be construed as an “ipso facto” clause and, in the event of the general partner’s bankruptcy, may not be enforceable. Certain limited partnership agreements may provide that the commencement of a case under the Bankruptcy Code with respect to the related general partner constitutes an event of withdrawal (assuming the enforceability of the clause is not challenged in bankruptcy proceedings or, if challenged, is upheld) that might trigger the dissolution of the limited partnership, the winding up of its affairs and the distribution of its assets, unless (i) at the time there was at least one other general partner and the written provisions of the limited partnership permit the business of the limited partnership to be carried on by the remaining general partner and that general partner does so or (ii) the written provisions of the limited partnership agreement permit the limited partners to agree within a specified time frame (often 60 days) after the withdrawal to continue the business of the limited partnership and to the appointment of one or more general partners and the limited partners do so. In addition, the laws governing general partnerships in certain states provide that the commencement of a case under the Bankruptcy Code or state bankruptcy laws with respect to a general partner of the partnerships triggers the dissolution of the partnership, the winding up of its affairs and the distribution of its assets. Those state laws, however, may not be enforceable or effective in a bankruptcy case. The dissolution of a borrower, the winding up of its affairs and the distribution of its assets could result in an acceleration of its payment obligation under the borrower’s real estate loan, which may reduce the yield on the Notes in the same manner as a principal prepayment.

In addition, the bankruptcy of the general or limited partner of a borrower that is a partnership, or the bankruptcy of a member of a borrower that is a limited liability company or the bankruptcy of a shareholder of a borrower that is a corporation may provide the opportunity in the bankruptcy case of the partner, member or shareholder to obtain an order from a court consolidating the assets and liabilities of the partner, member or shareholder with those of the borrower pursuant to the doctrines of substantive consolidation or piercing the corporate veil. In such a case, the respective real property, for example, would become property of the estate of the bankrupt partner, member or shareholder. Not only would the real property be available to satisfy the claims of creditors of the partner, member or shareholder, but an automatic stay would apply to any attempt by the trustee to exercise remedies with respect to the real property. However, such an occurrence should not affect the trustee’s status as a secured creditor with respect to the borrower or its security interest in the real property.

A borrower that is a limited partnership, in many cases, may be required by the loan documents to have a special purpose entity as its sole general partner, and a borrower that is a general partnership, in many cases, may be required by the loan documents to have as its general partners only entities that are special purpose entities. A

borrower that is a limited liability company may be required by the loan documents to have a special purpose member or a springing member. All borrowers that are tenants-in-common may be required by the loan documents to be special purpose entities. These provisions are designed to mitigate the risk of the dissolution or bankruptcy of the borrower partnership or its general partner, a borrower limited liability company or its member (if applicable), or a borrower that is a tenant-in-common. However, we cannot assure you that any borrower partnership or its general partner, or any borrower limited liability company or its member (if applicable), or a borrower that is a tenant-in-common, will not dissolve or become a debtor under the Bankruptcy Code.

Environmental Considerations

General. An investor in real estate may be subject to environmental risks when acquiring an investment backed by real property. Of particular concern may be properties that are or have been the site of, or are located near other properties that have been the site of, industrial, manufacturing, military or disposal activity. Those environmental risks include the possible diminution of the value of a contaminated property or, as discussed below, potential liability for clean-up costs or other remedial actions that could exceed the value of the property or the amount of a lender's loan secured by such property. In some circumstances, a lender may decide to abandon a contaminated real property as collateral for its loan rather than foreclose and risk liability for clean-up costs.

Superlien Laws. Under the laws of many states, contamination on a property may give rise to a lien on the property for clean-up costs. In several states, that lien has priority over all existing liens, including those of existing mortgages. In these states, the lien of a mortgage may lose its priority to that superlien.

CERCLA. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), imposes joint and several strict liability on present and past "owners" and "operators" of contaminated real property for the costs of clean-up. A secured lender or equity investor in a property owner may be liable as an "owner" or "operator" of a contaminated real property if agents or employees of the lender or equity investor have participated in the management of the property or the operations of the borrower. Liability may exist even if the lender or investor did not cause or contribute to the contamination and regardless of whether the investor has taken ownership of the property or the lender has actually taken possession of the contaminated property through foreclosure, deed in lieu of foreclosure or otherwise. Moreover, liability is not limited to the original or unamortized principal balance of a loan or to the value of the related collateral. Excluded from CERCLA's definition of "owner" or "operator," however, is a person who, without participating in the management of the facility, holds indicia of ownership primarily to protect his security interest. This is the so called "secured creditor exemption."

The Asset Conservation, Lender Liability and Deposit Insurance Act of 1996 (the "Lender Liability Act") amended, among other things, the provisions of CERCLA with respect to lender liability and the secured creditor exemption. The Lender Liability Act offers substantial protection to lenders by defining the activities in which a lender can engage and still have the benefit of the secured creditor exemption. In order for a lender to be deemed to have participated in the management of a real property, the lender must actually participate in the operational affairs of the property of the borrower. The Lender Liability Act provides that "merely having the capacity to influence, or unexercised right to control" operations does not constitute participation in management. A lender will lose the protection of the secured creditor exemption only if:

- (i) it exercises decision-making control over a borrower's environmental compliance and hazardous substance handling and disposal practices; or
- (ii) assumes day-to-day management of operational functions of a real property.

The Lender Liability Act also provides that a lender will continue to have the benefit of the secured creditor exemption even if it forecloses on a real property, purchases it at a foreclosure sale or accepts a deed-in-lieu of foreclosure, provided, that the lender seeks to sell that property at the earliest practicable commercially reasonable time on commercially reasonable terms.

Other Federal and State Laws. Many states have statutes similar to CERCLA, and not all those statutes provide for a secured creditor exemption. In addition, under federal law, there is potential liability relating to hazardous wastes and underground storage tanks under the federal Resource Conservation and Recovery Act.

Some federal, state and local laws, regulations and ordinances govern the management, removal, encapsulation or disturbance of asbestos-containing materials. These laws, as well as common law standards, may:

- (i) impose liability for releases of or exposure to asbestos-containing materials; and

(ii) provide for third parties to seek recovery from owners or operators of real properties for personal injuries associated with those releases.

Federal legislation requires owners of residential housing constructed prior to 1978 to disclose to potential residents or purchasers any known lead-based paint hazards and will impose treble damages for any failure to disclose. In addition, the ingestion of lead-based paint chips or dust particles by children can result in lead poisoning. If lead-based paint hazards exist at a property, then the owner of that property may be held liable for injuries and for the costs of removal or encapsulation of the lead-based paint.

In a few states, transfers of some types of properties are conditioned upon cleanup of contamination prior to transfer. In these cases, a lender that becomes the owner of a property through foreclosure, deed in lieu of foreclosure or otherwise, may be required to clean up the contamination before selling or otherwise transferring the property.

Beyond statute-based environmental liability, there exist common law causes of action related to hazardous environmental conditions on a property, such as actions based on nuisance, trespass or on toxic tort resulting in death, personal injury or damage to property. While it may be more difficult to hold a lender liable under common law causes of action, unanticipated or uninsured liabilities of the borrower may jeopardize the borrower's ability to meet its collateral interests.

Federal, state and local environmental regulatory requirements change often. It is possible that compliance with a new regulatory requirement could impose significant compliance costs on a borrower. These costs may jeopardize the borrower's ability to meet its collateral interests.

Additional Considerations. The cost of remediating hazardous substance contamination at a property can be substantial. If a lender becomes liable, it can bring an action for contribution against the owner or operator who created the environmental hazard. However, that individual or entity may be without substantial assets required to operate the property in accordance with those laws and regulations. This compliance may entail substantial expense, especially in the case of industrial or manufacturing properties.

In addition, a lender may be obligated to disclose environmental conditions on a property to government entities and/or to prospective buyers, including prospective buyers at any attempted sale of a property or upon obtaining control of property upon a foreclosure in the equity of a property owning entity. This disclosure may decrease the amount that prospective buyers are willing to pay for the affected property, sometimes substantially.

Certain Laws and Regulations

The Properties are subject to compliance with various federal, state and local statutes and regulations. Failure to so comply (together with an inability to remedy any such failure) could result in material diminution in the value of a Property which could, together with the limited alternative uses for such Property, result in a failure to realize the full principal amount of the Loan. Any material failure to comply with such statutes and regulations, however, could result in a Loan Event of Default by the Borrower, enabling the Servicer or the Special Servicer to pursue remedies available by law or under the Loan Documents.

Statutory Liabilities

The Code provides priority to certain tax liens over the lien of the Mortgages. In addition, substantive requirements are imposed upon mortgage lenders in connection with the origination and the servicing of Loan by numerous federal and some state consumer protection laws. These laws include the federal Truth-in-Lending Act, Real Estate Settlement Procedures Act, Equal Credit Opportunity Act, Fair Credit Billing Act, Fair Credit Reporting Act and related statutes. These federal laws impose specific statutory liabilities upon lenders who originate Loans and who fail to comply with the provisions of the law. In some cases this liability may affect assignees of the Loan.

Enforceability of Certain Provisions

Each Mortgage (or the related security documents, as applicable) contains a due-on-sale clause, which permits the mortgagee to declare an event of default if the related borrower transfers or conveys the related Property in violation of the restrictions with respect thereto set forth in such Mortgage (or the related security documents, as applicable). In such an event, the mortgagee will be entitled to exercise its remedies against the related Property and to accelerate the entire indebtedness evidenced by the Loan. The ability of mortgagees and their assignees and transferees to enforce due-on-sale clauses was addressed by Congress when it enacted the Garn-St. Germain Depository Institutions Act of 1982 (the "Garn-St. Germain Act"). The legislation, subject to certain exceptions,

provides for federal preemption of all state restrictions on the enforceability of due-on-sale clauses. Although the Garn-St. Germain Act provides that due-on-sale clauses are enforceable, the Garn-St. Germain Act states that a mortgagee is “encouraged” to permit an assumption of a loan at the existing contract rate of interest or at some other rate less than the average of the contract rate and the market rate and some states have taken exception to or otherwise not given full effect to the Garn-St. Germain Act.

Each Mortgage (or the related security documents, as applicable) includes a debt-acceleration clause, which permits the mortgagee to accelerate the full debt upon a monetary or nonmonetary default of the related borrower. The courts of all states will enforce clauses providing for acceleration in the event of a material payment default after giving effect to any appropriate notices. The equity courts of any state, however, may refuse to foreclose a mortgage when an acceleration of the indebtedness would be inequitable or unjust or the circumstances would render the acceleration unconscionable.

Upon foreclosure, courts have applied general equitable principles. These equitable principles are generally designed to relieve the borrower from the legal effect of its defaults under the loan documents. Examples of judicial remedies that have been fashioned include judicial requirements that the lender undertake affirmative and expensive actions to determine the causes of the borrower’s default and the likelihood that the borrower will be able to reinstate the loan. In some cases, courts have substituted their judgment for the lender’s judgment and have required that lenders reinstate loans or recast payment schedules in order to accommodate borrowers who are suffering from temporary financial disability. In other cases, courts have limited the right of the lender to foreclose if the default under the mortgage instrument is not monetary, such as the borrower’s failing to maintain adequately the property or the borrower’s executing a second mortgage affecting the property. Finally, some courts have been faced with the issue of whether or not federal or state constitutional provisions reflecting due process concerns for adequate notice require that borrowers under deeds of trust or mortgages receive notices in addition to the statutorily-prescribed minimum. For the most part, these cases have upheld the notice provisions as being reasonable.

The laws of certain states may limit the ability of mortgagees or beneficiaries to apply the proceeds of hazard insurance and partial condemnation awards to the secured indebtedness. In those states, the borrower or trustor must be allowed to use the proceeds of hazard insurance to repair the damage unless the security of the mortgagee or beneficiary has been impaired. Similarly, in certain states, the mortgagee or beneficiary is entitled to the award for a partial condemnation of the real property security only to the extent that its security is impaired.

Various states have imposed statutory prohibitions or limitations that limit the remedies of a mortgagee under a mortgage or a beneficiary under a deed of trust. The Loan will be a limited recourse loan and is, therefore, generally not recourse to the Borrower but limited to the Properties. Even though recourse is available pursuant to the terms of the Loan, certain states have adopted statutes which impose prohibitions against or limitations on such recourse. Limitations or other restrictions in other jurisdictions where the Properties are located may restrict the ability of the Servicer or the Special Servicer, as applicable, to realize on the Loan and may adversely affect the amount and timing of receipts on the Loan.

Impact of Protecting Tenants at Foreclosure Act

On May 20, 2009, President Obama signed into law the Helping Families Save Their Homes Act of 2009, which includes Title VII, Protecting Tenants at Foreclosure Act (the “Tenant Foreclosure Act”). The Tenant Foreclosure Act provides that in the case of any foreclosure on a federally related mortgage loan or on any dwelling or residential real property, the party taking title to property pursuant to the foreclosure (“Foreclosing Party”) assumes the property subject to the rights of any bona fide tenant. If the Foreclosing Party wishes to evict the tenant, the Foreclosing Party must provide the tenant with 90-days’ notice to vacate. However, if a bona fide lease was entered into before the date of the foreclosure, the tenant has the right to remain at the property until the end of the lease term, except that the lease may be terminated prior to the expiration of such lease upon the sales of the property to a purchaser who will occupy the property as a primary residence, subject to the 90-days’ notice. In the case of a tenant without a lease or if there is a lease terminable at-will, the tenant must be given the 90-day termination notice. The Tenant Foreclosure Act also includes a provision stating that any state or local law providing for longer time period or other additional protections for tenants will not be affected by the Tenant Foreclosure Act. The Tenant Foreclosure Act may impede the Servicer’s ability to liquidate the Loan upon foreclosure.

Alternative Mortgage Instruments

Alternative mortgage instruments originated by non-federally chartered lenders have historically been subjected to a variety of restrictions. Such restrictions differed from state to state, resulting in difficulties in determining whether a particular alternative mortgage instrument originated by a state-chartered lender was in compliance with applicable law. These difficulties were alleviated substantially as a result of the enactment of Title VIII of the Garn-St. Germain

Act ("Title VIII"). Title VIII provides that, notwithstanding any state law to the contrary, state-chartered banks may originate alternative mortgage instruments in accordance with regulations promulgated by the Comptroller of the Currency with respect to origination of alternative mortgage instruments by national banks, state-chartered credit unions may originate alternative mortgage instruments in accordance with regulations promulgated by the National Credit Union Administration with respect to origination of alternative mortgage instruments by federal credit unions, and all other non-federally chartered housing creditors, including state-chartered savings and loan associations, state-chartered savings banks and mortgage banking companies, may originate alternative mortgage instruments in accordance with the regulations promulgated by the Federal Home Loan Bank Board (now the Office of the Thrift Supervision) with respect to origination of alternative mortgage instruments by federal savings and loan associations. Title VIII authorized any state to reject applicability of the provision of Title VIII by adopting, prior to October 15, 1985, a law or constitutional provision expressly rejecting the applicability of such provisions. Certain states have taken such action.

Default Interest and Limitations on Prepayments

Loans may contain provisions that obligate the borrower to pay a late charge or additional interest if payments are not timely made. They may also contain provisions that prohibit prepayments for a specified period and/or condition prepayments upon the borrower's payment of prepayment premiums, fees or charges. In some states, there are or may be specific limitations upon the late charges that a lender may collect from a borrower for delinquent payments. Some states also limit the amounts that a lender may collect from a borrower as an additional charge if the loan is prepaid. In addition, the enforceability of provisions that provide for prepayment premiums, fees and charges upon an involuntary prepayment is unclear under the laws of many states.

Applicability of Usury Laws

Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980 provides that state usury limitations will not apply to various types of residential first real estate loans originated by particular lenders after March 31, 1980. Title V authorized any state to reimpose interest rate limits by adopting, before April 1, 1983, a law or constitutional provision that expressly rejects application of the federal law. In addition, even where Title V is not rejected, any state is authorized by the law to adopt a provision limiting discount points or other charges on real estate loans covered by Title V. Some states have taken action to reimpose interest rate limits and/or to limit discount points or other charges.

Secondary Financings

The Loan Agreement prohibits the Borrower from incurring indebtedness secured by junior mortgages on the Properties. Where a borrower encumbers mortgaged property with one or more junior liens, the senior lender is subject to additional risk. First, the borrower may have difficulty servicing and repaying multiple loans. Second, acts of the senior lender which prejudice the junior lender or impair the junior lender's security may create a superior equity in favor of the junior lender. For example, if the borrower and the senior lender agree to an increase in the principal amount of or the interest rate payable on the senior loan, the senior lender may lose its priority to the extent an existing junior lender is prejudiced or the borrower is additionally burdened. Third, if the borrower defaults on the senior loan and/or any junior loan or loans, the existence of junior loans and actions taken by junior lenders can impair the security available to the senior lender and can interfere with, delay and in certain circumstances even prevent the taking of action by the senior lender. Fourth, the bankruptcy of a junior lender may operate to stay foreclosure or similar proceedings by the senior lender.

Americans with Disabilities Act

Under Title III of the Americans with Disabilities Act of 1990 and rules promulgated thereunder (the "ADA"), in order to protect individuals with disabilities, owners of "public accommodations" must remove architectural and communication barriers which are structural in nature from existing places of public accommodation to the extent "readily achievable." In addition, under the ADA, alterations to a place of public accommodation or a commercial facility are to be made so that, to the maximum extent feasible, the altered portions are readily accessible to and usable by disabled individuals. The "readily achievable" standard takes into account, among other factors, the financial resources of the affected property owner, landlord or other applicable person. In addition to imposing a possible financial burden on the borrower in its capacity as owner or landlord, the ADA may also impose requirements on a lender who succeeds to the interest of the borrower as owner or landlord. Furthermore, because the "readily achievable" standard may vary depending on the financial condition of the owner or landlord, a lender succeeding in interest that is financially more capable than the borrower of complying with the requirements of the ADA may be subject to more stringent requirements than those to which the borrower is subject.

Forfeitures in Drug, RICO and Money Laundering Proceedings

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 by and ordered forfeited to the United States of America. The offenses which can trigger such a seizure and forfeiture include, among others, violations of the Racketeer Influenced and Corrupt Organizations Act, the Bank Secrecy Act, the anti-money laundering laws and regulations, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (commonly referred to as the Patriot Act) and the regulations issued pursuant to that Act, as well as the narcotic drug laws. Under procedures contained in the comprehensive Crime Control Act of 1984, the government may seize the property even before conviction. The government must publish notice of the forfeiture proceeding and may give notice to all parties “known to have an alleged interest in the property,” including the holders of real estate loans.

In the event of a forfeiture proceeding, a lender 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) the lender, at the time of the execution of the mortgage, “did not know or was reasonably without cause to believe that the property was subject to forfeiture.” However, there is no assurance that such a defense will be successful.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of certain anticipated material federal income tax consequences of purchasing, owning and disposing of the Offered Certificates. It has been prepared with the advice of Sidley Austin LLP, as special tax counsel to the Placement Agents. This discussion is based on the Code, the Treasury regulations promulgated thereunder, guidance issued by the Internal Revenue Service (“IRS”) and current case law. These authorities are subject to change or different interpretations and any change or different interpretation can be applied retroactively. No rulings have been or will be sought from the IRS with respect to any of the matters discussed herein and no assurance can be given that the IRS will agree with the views expressed herein.

The discussion does not purport to cover all federal income tax consequences applicable to particular investors, some of which may be subject to special rules. Investors subject to such special rules include dealers in securities, certain traders in securities, financial institutions, tax-exempt organizations, insurance companies, persons who hold Offered Certificates as part of a hedging transaction or as a position in a straddle or conversion transaction, and persons whose functional currency is not the U.S. dollar.

In addition, this discussion does not address the state, local or other tax consequences of the purchase, ownership, and disposition of the Offered Certificates. Investors are encouraged to consult their tax advisors in determining the federal, state, local and other tax consequences of purchasing, owning and disposing of the Offered Certificates under their particular circumstances. By acceptance of these materials, each investor recognizes that the Placement Agents are not providing any tax advice with respect to the purchase, ownership, and disposition of the Offered Certificates.

Definitions. Unless otherwise specified, for purposes of this discussion, (a) the term “holder” refers to the beneficial owner of an Offered Certificate, and (b) the term “U.S. Person” means (i) a citizen or resident alien of the United States, (ii) a corporation created or organized under the laws of the United States or any State (iii) an estate that is subject to U.S. federal income tax regardless of the source of its income and (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of such trust, and one or 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). The term “Non-U.S. Person” means any person other than a U.S. Person.

Partnerships. If a partnership (or entity treated as a partnership for federal income tax purposes) is a holder of Offered Certificates, the tax treatment of a partner in the partnership will depend on the status of the partner and the activities of the partnership. A partnership that holds a Certificate is encouraged to consult its tax advisor concerning the consequences of investing in a Certificate under the partnership’s particular circumstances.

Tax Treatment of the Trust

The Trust will consist of a single REMIC (the “Trust REMIC”) and a Grantor Trust for federal income tax purposes. The assets of the Trust REMIC will consist of the Note and any other assets designated in the Trust and Servicing Agreement. The Trust REMIC will issue one class of REMIC regular interests, which will be represented by

the Class A Certificates and a single class of REMIC residual interest, which will be represented by the Class R Certificates. The assets of the Grantor Trust will consist of entitlement to the principal and interest amounts payable on Component B, and the Grantor Trust will issue the Class B Certificates, representing beneficial ownership interest of such entitlement. In addition, the Certificate Administrator will treat (1) entitlement to the interest amounts payable on Component B as held by the Grantor Trust, (2) entitlement to the principal amounts payable on Component B as held by the Grantor Trust and (3) the Class B Certificates as evidencing beneficial ownership interests in the property held by the Grantor Trust.

Tax Treatment of Offered Certificates

This discussion is directed solely to investors that purchase the Offered Certificates at issuance for their issue price and hold them as “capital assets” within the meaning of Section 1221 of the Code.

Basis for Discussion. In addition to other authorities, this discussion is based on the original issue discount regulations (the “OID Regulations”) and the provisions of the Tax Reform Act of 1986 (the “1986 Act”). Prospective investors should be aware, however, that the OID Regulations do not address certain issues relevant to securities, such as the Offered Certificates. If the OID Regulations do not address such issues, the Certificate Administrator intends to apply the methodology described in the Conference Committee Report to the 1986 Act (the “Report”). We cannot assure you that the IRS will agree with how the Certificate Administrator interprets the Report. Moreover, the OID Regulations include an anti-abuse rule allowing the IRS to apply or depart from the OID Regulations if 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, however, in the absence of a substantial effect on the present value of a taxpayer’s tax liability. Prospective investors should consult their tax advisors on the OID Regulations, the Report and the appropriate method for reporting interest and original issue discount (“OID”) on the Offered Certificates.

Interest Income and OID. Although you would ordinarily take interest income on a debt instrument into account under your regular method of accounting, you must include interest accrued on an Offered Certificate in income under the accrual method of accounting regardless of the method of accounting you otherwise use for tax purposes.

The Offered Certificates may be issued with OID. A debt instrument is issued with OID to the extent its stated redemption price at maturity exceeds its issue price. If the OID is less than a statutorily defined *de minimis* amount equal to the product of (1) 0.25 percent, (2) the stated redemption price at maturity of the class and (3) the weighted average maturity of the class, then the OID will be considered to be zero. A beneficial owner of an Offered Certificate generally must report *de minimis* OID with respect to the Offered Certificate *pro rata* as principal payments are received, and that income will generally be capital gain if the Offered Certificate is held as a capital asset.

For OID purposes, the issue price of an Offered Certificate generally is the first price at which a substantial amount of that Class of Offered Certificates is sold to the public (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 Offered Certificates for which there is no substantial sale as of the issue date, or that is retained by the depositor, as the fair market value of such Class of Offered Certificates as of the issue date. The issue price of an Offered Certificate also includes any amount paid for accrued interest (if any) that relates to the period before the issue date of the Offered Certificate, although a holder of an Offered Certificate may, under certain circumstances, elect on its federal income tax return to exclude that amount from the issue price and to recover it on the first Distribution Date.

The stated redemption price at maturity of a debt instrument includes all payments, other than interest unconditionally payable at fixed intervals of one year or less at either a fixed rate or a variable rate (“Qualified Stated Interest”). Interest is unconditionally payable only if either (1) reasonable legal remedies exist to compel the timely payment of interest or (2) the terms or conditions under which the debt instrument is issued make the late payment or nonpayment of interest a remote likelihood. For tax information reporting purposes, the Certificate Administrator or other person responsible for tax information reporting will treat all stated interest on each Offered Certificate as Qualified Stated Interest. If, however, all or a portion of the stated interest payable on an Offered Certificate is not Qualified Stated Interest, then the stated interest, or portion thereof, would be included in the Offered Certificate’s stated redemption price at maturity. Qualified Stated Interest payable on an Offered Certificate must be included in the income of the Certificateholder under an accrual method of accounting, regardless of the method otherwise used by the Certificateholder.

If an Offered Certificate is issued with OID, the Certificateholder will be required to include in income, as ordinary income, the daily portion of such OID attributable to each day it holds such Certificate. This requirement generally will result in the accrual of income before the receipt of cash attributable to that income.

The daily portion of such OID will be determined on a constant yield to maturity basis in accordance with Section 1272(a)(6) of the Code (the “PAC Method”). Under the PAC Method, the amount of OID allocable to any accrual period for a Class of Offered Certificates will equal (1) the sum of (i) the adjusted issue price of that Class of Offered Certificates at the end of the accrual period and (ii) any payments made on that Class of Offered Certificates during the accrual period of amounts included in the stated redemption price at maturity of that Class of Offered Certificates, *minus* (2) the adjusted issue price of that Class of Offered Certificates at the beginning of the accrual period. The OID so determined is allocated ratably among the days in the accrual period to determine the daily portion for each such day.

The adjusted issue price of an Offered Certificate at the beginning of its first accrual period will be its issue price. The adjusted issue price at the end of any accrual period (and, therefore, at the beginning of the subsequent accrual period) is determined by discounting the remaining payments due on the Offered Certificate at their yield to maturity. The remaining payments due are determined based on the prepayment assumption made in pricing the Offered Certificates, but are adjusted to take into account the effect of payments actually made on the Note.

For this purpose, the yield to maturity of an Offered Certificate is determined by projecting payments due on the Offered Certificate based on a prepayment assumption made with respect to the Note. The yield to maturity of an Offered Certificate is the discount rate that, when applied to the stream of payments projected to be made on that Offered Certificate as of its issue date, produces a present value equal to the issue price of that Offered Certificate. The Code requires that the prepayment assumption be determined in the manner prescribed in Treasury Department regulations. To date, no such regulations have been issued. The legislative history of the REMIC Provisions of the Code indicates that the regulations will provide that the assumed prepayment rate must be the rate used by the parties in pricing the particular transaction. The prepayment assumption to be used for tax reporting purposes is 0% *per annum*. No representation, however, is made as to the rate at which principal payments on the Offered Certificates will occur.

Under the PAC Method, accruals of OID will increase or decrease (but never below zero) if the payments on the Note are occurring at a rate that is faster or slower than that assumed under the prepayment assumption. If the OID accruing on an Offered Certificate is negative for any period, a beneficial owner of that Offered Certificate will be entitled to offset such negative accruals only against future positive OID accruals on that Offered Certificate.

Acquisition Premium. If a Certificateholder purchases an Offered Certificate for a price that is greater than its adjusted issue price but less than its stated redemption price at maturity, the Certificateholder will have acquired the Offered Certificate at an “acquisition premium” as that term is defined in Section 1272(a)(7) of the Code. The Certificateholder must reduce future accruals of OID on the Offered Certificate by the amount of the acquisition premium. Specifically, a Certificateholder must reduce each future accrual of OID on the Offered Certificate by an amount equal to the product of the OID accrual and a fixed fraction, the numerator of which is the amount of the acquisition premium and the denominator of which is the OID remaining to be accrued on the Offered Certificate at the time the Certificateholder purchased the Offered Certificate. Certificateholders should be aware that this fixed fraction methodology will not always produce the appropriate recovery of acquisition premium in situations where stated interest on an Offered Certificate is included in the Offered Certificate’s stated redemption price at maturity because the total amount of OID remaining to be accrued on such Offered Certificate at the time of purchase is not fixed.

Market Discount. If a Certificateholder acquires an Offered Certificate at a discount from its outstanding Certificate Balance (or, if the Offered Certificate is issued with OID, its adjusted issue price), the purchaser will acquire the Offered Certificate with market discount (a “market discount bond”). If the market discount is less than a statutorily defined *de minimis* amount equal to the product of (i) 0.25 percent, (ii) the stated redemption price at maturity of the Offered Certificate and (iii) the remaining weighted average maturity of the Offered Certificate, then the market discount will be considered to be zero. It appears that *de minimis* market discount would be reported in a manner similar to *de minimis* OID. See “—Interest Income and OID” above.

Treasury regulations interpreting the market discount rules have not yet been issued; therefore, we recommend that prospective investors consult their own tax advisors regarding the application of those rules and the advisability of making any of the elections described below.

Unless the beneficial owner of a market discount bond elects under Section 1278(b) of the Code to include market discount in income as it accrues, any principal payment (whether a scheduled payment or a prepayment) or any gain on disposition of the market discount bond will be treated as ordinary income to the extent that it does not exceed the accrued market discount at the time of such payment. If the beneficial owner makes the election under Section 1278(b) of the Code, the election will apply to all market discount bonds acquired by the beneficial owner at

the beginning of the first taxable year to which the election applies and all market discount bonds thereafter acquired by it. The election may be revoked only with the consent of the IRS.

The Code grants the Treasury Department authority to issue regulations providing for the computation of accrued market discount on debt instruments, such as the Offered Certificates, the principal of which is payable in more than one installment, but no regulations have been issued. The relevant legislative history provides that, until such regulations are issued, the beneficial owner of a market discount bond may elect to accrue market discount either on the basis of a constant interest rate or according to a *pro rata* method described in the legislative history. Under that method, the amount of market discount that accrues in any accrual period in the case of an Offered Certificate issued with OID equals the product of (i) the market discount that remains to be accrued as of the beginning of the accrual period and (ii) a fraction, the numerator of which is the OID accrued during the accrual period and the denominator of which is the sum of the OID accrued during the accrual period and the amount of OID remaining to be accrued as of the end of the accrual period. In the case of an Offered Certificate that was issued without OID, the amount of market discount that accrues in any accrual period will equal the product of (i) the market discount that remains to be accrued as of the beginning of the accrual period and (ii) a fraction, the numerator of which is the amount of stated interest accrued during the accrual period and the denominator of which is the total amount of stated interest remaining to be accrued at the beginning of the accrual period. For purposes of determining the amount of OID or interest remaining to be accrued with respect to an Offered Certificate, the prepayment assumption applicable to calculating the accrual of OID on such Offered Certificate applies.

If a beneficial owner of an Offered Certificate incurred or continues indebtedness to purchase or hold the Offered Certificate with market discount, the beneficial owner may be required to defer a portion of its interest deductions for the taxable year attributable to any such indebtedness. Any such deferred interest expense would not exceed the market discount that accrues during such taxable year and is, in general, allowed as a deduction not later than the year in which such market discount is includible in income. If such beneficial owner elects to include market discount in income currently as it accrues under Section 1278(b) of the Code, the interest deferral rule will not apply.

Amortizable Bond Premium. A Certificateholder that purchases an Offered Certificate for an amount (net of accrued interest) greater than its stated redemption price at maturity will have premium with respect to that Offered Certificate in the amount of the excess. Such a purchaser need not include in income any remaining OID with respect to that Offered Certificate and may elect to amortize the premium under Section 171 of the Code. If a Certificateholder makes this election, the amount of any interest payment that must be included in the Certificateholder's income for each period will be reduced by a portion of the premium allocable to the period based on a constant yield method. In addition, the relevant legislative history states that premium should be amortized in the same manner as market discount. The election under Section 171 of the Code also will apply to all debt instruments (the interest on which is not excludable from gross income) held by the Certificateholder at the beginning of the first taxable year to which the election applies and to all such taxable debt instruments thereafter acquired by it. The election may be revoked only with the consent of the IRS.

Election to Treat All Interest as OID. The OID Regulations permit a beneficial owner of an Offered Certificate to elect to accrue all interest, discount (including *de minimis* OID and *de minimis* market discount), and premium with respect to the Offered Certificate in income as interest, based on a constant yield method (a "constant yield election"). It is unclear whether, for this purpose, the initial prepayment assumption would continue to apply or if a new prepayment assumption as of the date of the Certificateholder's acquisition would apply. If such an election were to be made and the Offered Certificate were acquired at a premium, such a Certificateholder would be deemed to have made an election to amortize bond premium under Section 171 of the Code, which is described above. Similarly, if the Certificateholder had acquired the Offered Certificate with market discount, the Certificateholder would be considered to have made the election in Section 1278(b) of the Code, which is described above. A constant yield election may be revoked only with the consent of the IRS.

Pass-Through of Certain Expenses

Because the Trust REMIC will issue only a single class of REMIC regular interest, the Trust REMIC will be treated as a "single-class REMIC" under Treasury Regulations Section 1.67-3T. Offered Certificateholders that are individuals, estates or trusts will be required to include in income a share of the expenses of the Trust REMIC (such as servicing and administrative costs) but will only be able to deduct those expenses subject to the limitations of Section 67 of the Code and Section 68 of the Code. In general, Section 67 of the Code permits individuals, trusts and estates to deduct such expenses only to the extent that such expenses, in total, exceed 2 percent of adjusted gross income. Section 68 of the Code reduces itemized deductions otherwise allowable for a taxable by the lesser of (i) 3 percent of the excess, if any, of adjusted gross income over \$250,000 in the case of an unmarried individual, \$300,000 in the case of married individuals filing a joint return, and \$150,000 in the case of a married individual filing a separate return (in each case, as adjusted for post-2012 inflation) and (ii) 80 percent of the amount of itemized

deductions otherwise allowable for that year. In addition, those expenses are not deductible for purposes of computing the alternative minimum tax.

Treatment of Losses

Certificateholders will be required to report income with respect to an Offered Certificate on the accrual method without giving effect to delays and reductions in distributions attributable to the performance of the Note, except possibly, in the case of income that constitutes Qualified Stated Interest, to the extent that it can be established that such amounts are uncollectible. In addition, potential investors are cautioned that while they may generally 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 Offered Certificate is disposed of in a taxable transaction or becomes worthless in accordance with the rules of Section 166 of the Code. As a result, the amount of income required to be reported by a holder of an Offered Certificate in any period could exceed the amount of cash distributed to such Certificateholder in that period.

Although not entirely clear, it appears that: (a) a Certificateholder who holds an Offered Certificate in the course of a trade or business or a Certificateholder that is a corporation generally should be allowed to deduct as an ordinary loss any loss sustained on account of the Offered Certificate's partial or complete worthlessness and (b) a noncorporate Certificateholder who does not hold an Offered Certificate in the course of a trade or business generally should be allowed to deduct as a short-term capital loss any loss sustained on account of the Offered Certificate's complete worthlessness. We recommend that Certificateholders consult their own tax advisors regarding the appropriate timing, character and amount of any loss sustained with respect to an Offered Certificate, particularly subordinated Certificates.

Sale or Other Disposition

If a Certificateholder sells, exchanges or otherwise disposes of an Offered Certificate, or the Offered Certificate is redeemed, the Certificateholder will recognize gain or loss in an amount equal to the difference between the amount realized with respect to the Offered Certificate upon the sale, exchange, redemption or other disposition and the Certificateholder's adjusted tax basis in the Offered Certificate. The adjusted tax basis of an Offered Certificate to a particular Certificateholder generally will equal the Certificateholder's cost of the Offered Certificate, increased by any market discount and OID previously included by the Certificateholder in income with respect to the Offered Certificate and decreased by the amount of bond premium, if any, previously amortized and by the amount of payments that are part of the Offered Certificate's stated redemption price at maturity previously received by the Certificateholder. Any such gain or loss will be capital gain or loss if the Offered Certificate was held as a capital asset, except for gain representing accrued interest and accrued market discount not previously included in income. Capital losses generally may be used only to offset capital gains.

Gain from the sale of an Offered Certificate that might otherwise be treated as capital gain will be treated as ordinary income to the extent that such gain does not exceed the excess of (1) the amount that would have been includible in the Certificateholder's income had the income accrued at a rate equal to 110 percent of the Applicable Federal Rates (the "AFR") as of the date of purchase, over (2) the amount actually includible in such Certificateholder's income.

Non-U.S. Persons

Interest (including OID) paid to or accrued by a Holder of an Offered Certificate who is a Non-U.S. Person generally will be considered "portfolio interest" and generally will not be subject to United States federal income tax or withholding tax, provided the interest is not effectively connected with the conduct of a trade or business within the United States by the Non-U.S. Person and the Non-U.S. Person (i) does not actually or constructively hold 10 percent or more of the Class R Certificates and is not a "controlled foreign corporation" that is "related" to the Trust REMIC (all within the meaning of the Code) and (ii) provides the Certificate Administrator or other person who is otherwise required to withhold U.S. tax with respect to the Certificates (the "withholding agent") with an appropriate statement on Form W-8BEN (in the case of an individual that is eligible for the benefits of the portfolio interest exemption or an exemption from (or reduced rate of) withholding tax, based on an income tax treaty) or Form W-8BEN-E (in the case of an entity, such as a corporation, that is eligible for the benefits of the portfolio interest exemption or an exemption from (or reduced rate of) withholding tax, based on an income tax treaty). If an Offered Certificate is held through a securities clearing organization or certain other financial institutions, the organization or institution may provide the relevant signed statement to the withholding agent; in that case, however, the signed statement must be accompanied by a Form W-8BEN or W-8BEN-E provided by the Non-U.S. Person that owns the Offered Certificate. If the information shown on Form W-8BEN or W-8BEN-E changes, a new Form W-8BEN or W-8BEN-E must be filed. If the foregoing requirements are not met, then interest (including OID) on the Offered Certificates will be subject to

United States federal income and withholding tax at a rate of 30 percent, unless reduced or eliminated pursuant to an applicable tax treaty.

Under Treasury regulations relating to withholding obligations, a payment to a foreign partnership is treated, with some exceptions, as a payment directly to the partners, so that the partners are required to provide any required certifications. Non-U.S. Persons that intend to hold a Certificate through a partnership or other pass-through entity should consult their own tax advisors regarding the application of those Treasury regulations to an investment in an Offered Certificate.

Any capital gain realized on the sale, redemption, retirement or other taxable disposition of an Offered Certificate by a Non-U.S. Person will be exempt from United States federal income and withholding tax, provided that (i) such gain is not effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Person and (ii) in the case of a Non-U.S. Person who is an individual, the Non-U.S. Person is not present in the United States for 183 days or more in the taxable year.

The Foreign Account Tax Compliance Act imposes a U.S. federal withholding tax of 30% on interest on, and the gross proceeds from a disposition of, the Offered Certificates, paid to (i) "foreign financial institutions" unless they agree to collect and disclose to the IRS information identifying their direct and indirect U.S. account holders, and (ii) certain "non-financial foreign entities" unless they certify certain information regarding their direct and indirect U.S. owners. These withholding obligations apply to the interest payable on the Offered Certificates, and will apply to the gross proceeds from a disposition of the Offered Certificates payable on and after January 1, 2019.

Changes in Tax Law: No Gross-Up in Respect of the Certificates

Although no withholding tax is currently imposed on the interest or principal payments made to holders of Offered Certificates that provide the appropriate forms and documentation to the Trustee and with respect to whom interest on the Offered Certificate is "portfolio interest," there can be no assurance that, as a result of any change in any applicable law, treaty, rule or regulation, or interpretation of any applicable law, treaty, rule or regulation, the payments on the Offered Certificates in respect of the Loan would not in the future become subject to withholding taxes.

To the extent that any withholding tax is imposed on any payments made to Certificateholders, neither the Borrower nor the Trust have an obligation to make any "gross-up" payments to the Certificateholders in respect of such withholding tax, which would, therefore, result in a shortfall to affected Certificateholders.

Special Tax Attributes

The Offered Certificates will be treated as assets described in Section 7701(a)(19)(C) of the Code, and as "real estate assets" under Section 856(c)(5)(B) of the Code, generally, in the same proportion that the Notes will be so treated. In addition, the interest derived from the Offered Certificates will be interest on obligations secured by interests in real property for purposes of section 856(c)(3) of the Code, subject to the same limitation in the preceding sentence. If at any time during a calendar year less than 95 percent of the assets of a REMIC consist of "real estate assets," then the portion of the Offered Certificates that are real estate assets under Section 856(c)(5)(B) during the calendar year will be limited to the portion of the assets of the REMIC that are real estate assets.

Information Reporting

Payments of interest (including OID, if any) on an Offered Certificate held by a U.S. Person other than a corporation or other exempt holder are required to be reported to the IRS. Moreover, the Certificate Administrator on behalf of the Trust is required to make available to Certificateholders information concerning the amount of OID and Qualified Stated Interest accrued for each accrual period for which the Offered Certificates are outstanding, the adjusted issue price of the Offered Certificates as of the end of each accrual period, and information to enable a holder of an Offered Certificate to compute accruals of market discount or bond premium using the *pro rata* method described under "*Tax Treatment of Offered Certificates—Market Discount*" above.

Payments of interest (including OID, if any) on an Offered Certificate held by a Non-U.S. Person are required to be reported annually on IRS Form 1042-S, which the withholding agent must file with the IRS and furnish to the recipient of the income.

Backup Withholding

Distributions on the Offered Certificates, and proceeds from the sale of the Offered Certificates to or through certain brokers, may be subject to “backup” withholding tax under Section 3406 of the Code unless (i) the Certificateholder is a U.S. Person and provides a properly completed IRS Form W-9, (ii) the Certificateholder is a Non-U.S. Person and provides a properly completed IRS Form W-8BEN or W-8BEN-E or (iii) the Certificateholder is as an “exempt recipient” under the Treasury regulations under the Code.

Any amounts subject to backup withholding are usually 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. Non-U.S. Persons 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”

U.S. Certificateholders that are individuals, estates and certain trusts are 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 Offered 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. Such U.S. Certificateholders are encouraged to consult their tax advisors with respect to the 3.8% Medicare tax.

Taxes on a REMIC

A REMIC is subject to tax at a rate of 100 percent on the net income the REMIC derives from prohibited transactions. In general, a “prohibited transaction” means the disposition of a qualified mortgage other than pursuant to certain specified exceptions, the receipt of income from a source other than a qualified mortgage or certain other permitted investments, the receipt of compensation for services, or gain from the disposition of an asset purchased with the payments on a qualified mortgage for temporary investment pending distribution on the Certificates. The Code also imposes a 100 percent tax on the value of any contribution of assets to the REMIC after the Closing Date other than pursuant to specified exceptions, and subjects “net income from foreclosure property” to tax at the highest corporate rate.

If an entity elects to be treated as a REMIC but fails to comply with one or more of the ongoing requirements of the Code for REMIC status during any taxable year, the entity will not qualify as a REMIC for such year and thereafter. In this event, the entity may be subject to taxation as a separate corporation, and an Offered Certificate issued by the entity may not be treated as a debt instrument or otherwise accorded the status described under “—*Special Tax Attributes*” above. In the case of an inadvertent termination of REMIC status, the Treasury Department has authority to issue regulations providing relief; however, sanctions, such as the imposition of a corporate tax on all or a portion of the entity's income for the period during which the requirements for REMIC status are not satisfied, may accompany any such relief.

Taxable Income or Net Loss of the REMIC

Generally, a REMIC determines its taxable income or net loss for a given calendar quarter in the same manner as would an individual having the calendar year as the taxable year and using the accrual method of accounting. There are, however, certain modifications. First, a deduction is allowed for accruals of interest and OID on the regular interests (that is, on the Offered Certificates) issued by the REMIC. Second, market discount will be included in income as it accrues, based on a constant yield to maturity method. Third, no item of income, gain, loss or deduction allocable to a prohibited transaction is taken into account. Fourth, the REMIC generally may deduct only items that would be allowed in calculating the taxable income of a partnership under Section 703(a) of the Code. Fifth, the limitation on miscellaneous itemized deductions imposed on individuals by Section 67 of the Code does not apply at the REMIC level to investment expenses such as trustee fees or servicing fees. See, however, “—*Pass-Through of Certain Expenses*” below. If the deductions allowed to a REMIC exceed its gross income for a calendar quarter, such excess will be the net loss for the REMIC for that calendar quarter. For purposes of determining the income or loss of a REMIC, the regulations applicable to REMICs provide that a REMIC has an initial tax basis in its assets equal to the total of the issue prices of all regular and residual interests in the REMIC.

CERTAIN STATE AND LOCAL TAX CONSIDERATIONS

In addition to the federal income tax consequences described in “*Certain Federal Income Tax Considerations*,” purchasers of Offered Certificates should consider the state income tax consequences of the acquisition, ownership,

and disposition of the Offered 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 or locality. Potential purchasers should consult their own tax advisors with respect to the various state and local tax consequences of investment in the Offered Certificates.

LEGAL INVESTMENT

The Offered Certificates will not constitute “mortgage related securities” for purposes of SMMEA. As a result, the appropriate characterization of the Offered Certificates under various legal investment restrictions, and the ability of investors subject to these restrictions to purchase the Offered Certificates, may be subject to significant interpretive uncertainties.

In addition, investors should note that the Trust Fund will not be required to register as an investment company, as defined in Section 3(a)(1) of the Investment Company Act of 1940, as amended, in reliance on the exception provided for pursuant to Section 3(c)(5) thereof, although there may be additional exemptions or exclusions available to the Trust Fund. 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).

No representations are made as to the proper characterization of the Offered Certificates for legal investment, financial institution regulatory, or other purposes, or as to the ability of particular investors to purchase the Offered Certificates under applicable legal investment restrictions. Investors whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal advisors in determining whether and to what extent the Offered Certificates will constitute legal investments for them or are subject to investment, capital, or other restrictions.

CREDIT RISK RETENTION

General

Section 15G of the Exchange Act, which was added by Section 941 of the Dodd-Frank Act, imposes credit risk retention requirements in connection with certain securitization transactions. In October 2014, implementing rules were jointly adopted by the FDIC, the Federal Housing Finance Agency, the Office of the Comptroller of the Currency of the Department of the Treasury, the SEC, the Board of Governors of the Federal Reserve System and the U.S. Department of Housing and Urban Development (the “Risk Retention Rules”). The Risk Retention Rules require a sponsor of a securitization transaction, or a majority-owned affiliate of the sponsor (as defined in the Risk Retention Rules, a “Majority-Owned Affiliate”), to retain a specified minimum economic interest in the credit risk of the securitized assets (“Required Credit Risk”). Under the Risk Retention Rules, a “sponsor” means a person who organizes and initiates a securitization transaction by selling or transferring assets, either directly or indirectly, including through an affiliate, to the issuing entity.

Under the Risk Retention Rules, the retaining sponsor of a securitization transaction or a Majority-Owned Affiliate may hold the Required Credit Risk in the form of an “eligible horizontal residual interest” (an “EHRI”) in the issuing entity. The EHRI must have a fair value equal to at least 5% of the fair value of all of the ABS interests in the issuer issued as part of the securitization transaction (as defined in the Risk Retention Rules, the “ABS Interests”). Such fair value is determined as of the closing date for the securitization transaction using a fair value measurement framework under GAAP.

IH OP, as Securitization Sponsor, is the “sponsor” with respect to the securitization transaction resulting from the offer and sale of the Certificates by the Depositor.

The Securitization Sponsor will be required to retain and hold the Required Credit Risk, either directly or through a Majority-Owned Affiliate until the latest of (i) the date on which the total unpaid principal balance of the securitized assets that collateralize the securitization transaction has been reduced to 33 percent of the total unpaid principal balance of the securitized assets as of the closing of the securitization transaction; (ii) the date on which the total unpaid principal obligations under the ABS Interests issued in the securitization transaction has been reduced to 33 percent of the total unpaid principal obligations of the ABS Interests at closing of the securitization transaction; or (iii) two years after the date of the closing of the securitization transaction, (the “Sunset Date”).

Sponsor to Hold the Risk Retained Certificates

The Securitization Sponsor, as “securitizer” of this transaction, has elected to retain either directly or through a Majority-Owned Affiliate, an EHRI with a fair value equal to not less than 5% of the fair value of the Certificates as

determined using a fair value measurement framework under GAAP. As of the Closing Date, the Securitization Sponsor or a Majority-Owned Affiliate of the Securitization Sponsor will retain all of the Class B Certificates, which have a fair value equal to at least 5% of the fair value of all Certificates (without regard to the Class R Certificates) in the transaction, thereby satisfying the Risk Retention Rules. The Class R Certificates are disregarded for purposes of this calculation because they are not ABS Interests.

Material Terms of the EHRI

The Class B Certificates will be issued on the Closing Date and will represent interests in the Issuing Entity. The Class B Certificates are subordinate to the Class A Certificates and will have the Certificate Balance and Pass-Through Rate and other terms and conditions as described in this information circular.

Prohibition on Hedging, Transfer and Financing of Required Credit Risk

The Risk Retention Rules impose limitations on the ability of the entity retaining the Required Credit Risk to dispose of, or hedge, the Required Credit Risk until the Sunset Date. In general, prior to the Sunset Date, the Securitization Sponsor may not transfer the Required Credit Risk to any person other than a Majority-Owned Affiliate. In addition, prior to the Sunset Date, the sponsor and its affiliates may not engage in any hedging transactions if payments on the hedge position are materially related to the Required Credit Risk and the hedge position would limit the financial exposure of the sponsor (or a majority-owned affiliate) to the Required Credit Risk. Finally, the sponsor (or an affiliate) may not pledge its interest in any Required Credit Risk as collateral for any financing unless such financing is with full recourse to the sponsor (or the affiliate).

Fair Value of the ABS Interests

The estimated fair value of the EHRI that will be retained by the Securitization Sponsor, expressed as a dollar amount and as a percentage of the fair value of all of the Certificates, is set forth below:

Class of Certificates	Initial Certificate Balance	Estimated Fair Value of the EHRI	Estimated Fair Value of the EHRI (as a % of all Certificates)
Class B	\$55,499,713	\$51,919,982	5.211%

The fair value of the eligible horizontal residual interest that the Securitization Sponsor is required to retain under the Risk Retention Rules is at least \$49,820,999 and the fair value of the eligible horizontal residual interest that the Securitization Sponsor is required to retain under the Risk Retention Rules, as a percentage of fair value of all of the Certificates, is at least 5.000%.

The fair value of the Class A Certificates is set forth below:

Class of Certificates	Initial Certificate Balance	Fair Value
Class A	\$944,500,000	\$944,500,000

The aggregate fair value of all of the Certificates is approximately \$996,419,982.

Fair Value Framework

The estimated fair value of the ABS Interests was determined by the Securitization Sponsor using a fair value measurement framework under GAAP. Under GAAP, in measuring fair value, the use of observable and unobservable inputs and their significance in measuring fair value are reflected in a fair value hierarchy assessment, with Level 1 inputs favored over Level 2 inputs and Level 3 inputs, and Level 2 inputs favored over Level 3 inputs:

Level 1: Inputs include quoted prices for identical instruments and are the most observable;

Level 2: Inputs include quoted prices for similar instruments and observable inputs such as interest rates and yield curves; and

Level 3: Inputs include data not observable in the market and reflect management judgment about the assumptions market participants would use in pricing in the instrument.

The fair value of the Class A Certificates is categorized within Level 1 of the hierarchy. The fair value of the Class B Certificates is categorized within Level 3 of the hierarchy, as many of the inputs to the fair value calculation for the Class B Certificates are generally not observable, however the valuation took into account certain Level 2 inputs as described below.

In estimating the fair value of the Class A Certificates, it is assumed that the value of the Class A Certificates is equal to the value of the Fannie Mae Grantor Trust 2017-T1 Guaranteed Grantor Trust Pass-Through Certificates, Class A Certificates, and that no Fannie Mae Guaranty Fee Termination Event occurs.

To calculate the estimated fair value of the Class B Certificates, the Securitization Sponsor used an internal valuation model. This model projects future interest and principal payments on the Loan, the interest and principal payments on the Class A and Class B Certificates and transaction fees and expenses and other applications of collections. The resulting cash flows to the Class B Certificates are discounted to present value based on a range of discount rates described below.

In connection with estimating the fair value of the Class B Certificates, the Securitization Sponsor identified a number of comparable securitization transactions in the market, which it considers to be comparable based on the type of underlying collateral, and features such as average life, amortization type and interest rate type. Within these comparable transactions, the Securitization Sponsor identified specific mezzanine or subordinate tranches that correlate to an implicit total loan-to-value ratio that is at or close to the anticipated Certificate Balance to BPO Value Ratio of the Class B Certificates in this transaction. The Securitization Sponsor observed market data for secondary trades and other transactions in these comparable tranches, and based on this market data, the Securitization Sponsor estimated a range of implied spreads over the 10 year US swap rate for these comparable tranches. The Securitization Sponsor further interpolated these implied spreads for comparable tranches based on the anticipated Certificate Balance to BPO Value Ratio of the Class B Certificates in this transaction, to derive a range of implied spreads for the Class B Certificates over the 10 year US swap rate. In estimating the fair value of the Class B Certificates, the Securitization Sponsor utilized a range of discount rates determined based on this range of implied spreads for the Class B Certificates over the 10 year US swap rate.

In completing these calculations, the Securitization Sponsor has used the Modelling Assumptions except as otherwise specified below, and made the following additional assumptions and inputs:

- the Pass-Through Rate on the Class A Certificates is 2.898%;
- the Pass-Through Rate on the Class B Certificates is 4.168%;
- the initial Certificate Principal Balance of the Class A Certificates and Class B Certificates are each as set forth in this information circular;
- the aggregate amount of principal and interest received on the Loan is modelled using the Modelling Assumptions described under "*Yield, Prepayment and Maturity Considerations—Weighted Average Life*," which assumptions are based in part on historical information of the Securitization Sponsor with respect to its portfolio of single-family rental properties, as well as past securitizations and other financing transactions;
- a 0% CPR prepayment rate is assumed with respect to the Loan;
- no Fannie Mae Guaranty Fee Termination Event occurs;
- a discount rate for the projected cash flows on the Class B Certificates ranging from 4.183% to 4.973% was assumed by the Securitization Sponsor in making its calculations, which range was determined as described in the preceding paragraph; provided however, that the results of the calculations that are shown above under "Fair Value of the ABS Interests" only include results that are based on a discount rate of 4.973%;
- the fair value of the Class B Certificates is assumed to not be reduced due to the restrictions on transfer pursuant to the Risk Retention Rules; and
- the 10 year US swap rate as of April 19, 2017 of 2.173% was used.

The Securitization Sponsor believes that the inputs and assumptions described above are reasonable and include the inputs and assumptions that could have a material impact on the fair value calculation or a prospective Certificateholder's ability to evaluate the fair value calculation. The fair value of the Certificates was calculated based on the assumptions described above, including the assumptions regarding the characteristics and performance of the Loan that likely will differ from the actual characteristics and performance of the Loan.

Post-Closing Date Disclosure

If (a) the EHRI retained by the Securitization Sponsor (or Majority Owned Affiliate) as of the Closing Date is materially different from the amount that the Securitization Sponsor (or Majority Owned Affiliate) intends to acquire and retain or (b) there are any material differences between the valuation methodology or any of the key inputs and assumptions that were used in calculating the fair value or range of fair values disclosed in the preliminary information circular prior to the pricing of the Certificates and the valuation methodology or the key inputs and assumptions that were used in calculating the fair value disclosed in the final information circular on the Closing Date, then the Certificate Administrator, based solely on information provided to it by the Securitization Sponsor, will post such information to the Certificate Administrator's website under the "risk retention notices" tab within two (2) Business Days of receiving such information from the Securitization Sponsor, setting forth the actual eligible horizontal residual interest retained by the Securitization Sponsor (or Majority Owned Affiliate) as of the Closing Date.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of an exchange agreement, the Depositor has agreed with Fannie Mae to exchange the Class A Certificates for the Fannie Mae Guaranteed Grantor Trust Pass-Through Certificates, issued by Fannie Mae and backed by the Class A Certificates. The Depositor will offer the Class A Certificates through the Placement Agents directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale.

LEGAL MATTERS

The validity of the Certificates will be passed upon by Simpson Thacher & Bartlett LLP as counsel for the Depositor. Certain federal income tax considerations will be passed upon by Sidley Austin LLP as counsel for the Placement Agents.

INDEX OF SIGNIFICANT TERMS

1

1986 Act.....266

2	
2013-SFR1 Loan.....	94
2014-SFR1 Loan.....	6, 93
2015 Budget Act.....	86

A	
A.M. Best	215
ABS Interests	272
Accepted Servicing Practices	203
Access Certification	240
Accommodation Loan Seller	i, 5
Accommodation Loan Seller Indemnification Payment	198
Accommodation Loan Seller's Knowledge	198
Accounts	144
ACMs	59
Acquisition Basis (Pre-Rehab)	98
Acquisition Month and Year	98
Acting General Counsel's Opinion	72
ADA	264
Additional Capex (Post-Initial Rehab)	98
Adjusted Aggregate BPO/Appraised Value	179
Adjusted Appraised Equity Value	179
Administration	78
Administrative Advances	28, 226
Administrative Services	118
Advance Rate	227
Advances	28, 226
AFR	269
Aggregate BPO/Appraised Value	179
Aggregate Cut-off Date BPO Value	iii
Allocated Cut-off Date Balance	8, 98
Allocated Loan Amount	8, 125
Allocated Original Balance	98
ALS Purchase	181
ALTA	150
Annual Budget	147
Annual Debt Service	98
Applicable HOA Properties	160
Applicable HOA State	160
Applied Realized Loss Amount	173
Appraisal	180
Appraised Equity Value	180
Appraised Value	180
Approved Annual Budget	147
Approved Capital Expenditures	147
Assessment of Compliance	230
Asset Status Report	208
Assignment of Management Agreement	122
Assumed Amortization End Date	17, 135
Assumed Final Distribution Date	23
Assumed Monthly Payment	225
Assumed Payment Date	225

Assumption Application Fees	207
Assumption Fees	207
Attestation Report	231
Available Cash	148
Available Funds.....	25, 173
Available Funds Reduction Amount	170

B	
Balloon Payment.....	225
Bankruptcy Code.....	72
Basic Carrying Costs.....	226
Borrower	i, 6, 93
Borrower GP	6, 93
Borrower GP Security Agreement.....	149
Borrower Reimbursable Trust Fund	
Expenses.....	27, 176
Borrower Security Agreement	149
Borrower TRS	164
Borrower's Operating Account	19, 144
BPO	54, 95
BPO Value	54, 98
BPO Value as-of Date.....	98
Broker Price Opinion	54, 95
Business Day	23
business trust.....	191

C	
Calculated Portfolio Value	180
Calculated Portfolio Value Reduction Amount	28, 179
Calculated Portfolio Value Reduction Event	179
Calculation Date	135
Calculation Date Report	160
Capital Expenditure Funds	146
Capital Expenditure Reserve Account	146
Cash Collateral Account	147
Cash Collateral Floor	147
Cash Collateral Funds	147
Casualty	151
Casualty and Condemnation Account	147
Casualty and Condemnation Funds	147
Casualty Threshold Amount	151
CERCLA	60, 261
Certificate Administrator	i, 4, 194
Certificate Administrator Fee	246
Certificate Balance	23
Certificate Balance to BPO Value Ratio	iv, 29
Certificate Collection Account	23
Certificate Registrar	183
Certificateholder	183
Certificates	i, 2, 169
CFPB	79
Class	169
Class A Certificates	23
Class A Final Distribution Guaranty Payment	174
Class A Final Guaranty Additional Interest Amount	174

Class A Guaranteed Interest Deficiency	
Amount	174
Class A Guaranteed Payment Amount	174
Class A Guaranteed Principal Distribution	
Amount	174
Class A Guarantor Entitlement Amount	174
Class A Guarantor Interest Reimbursement	
Amount	174
Class A Guarantor Principal	
Reimbursement Amount	174
Class A Guarantor Reimbursement Amount	174
Class A Sole Certificateholder(s)	247
Class B Certificates	23
Class R Certificates	23
Clearstream Participants	185
Closest MSA	98
Closing Costs	98
Closing Date	i, 23
Closing Date Debt Yield	133
Closing Date DSCR	133
CMBS	33, 191
Collateral	22, 149
Collateral Documents	149
Collection Period	173
commitment	195
Compensating Interest Payment	207
Component	iii, 8
Component A	126
Component B	126
Component Rate	iii
Components	8
Concessions	132
Condemnation	154
Congress	78
constant yield election	268
Control	164
Controlling Class	5, 213
Controlling Class Certificateholder	213
Cooperative	186
CPR	250
CREFC®	243
CREFC® Borrower-Affiliate Reports	243
CREFC® License Fee	182
CREFC® License Fee Rate	182
CREFC® Reports	243
CRR	80
CRR Investor	80
Current Interest Determination Amount	173
Custodian	194
Cut-off Date	23
Cut-off Date Loan Balance	8
Cut-off Date Loan LTV Ratio	98
Cut-off Date Loan to BPO Value Ratio	iii
Cut-off Date Loan to BPO Value Ratio	98

D

Date of Lease Expiration	98
DC Approval	223
DC Approval Requesting Party	223
Debt Yield	17, 135
Deed	97

Default Interest	10
Default Rate	127
Defect	77, 201
Definitive Certificate	183
Delivery Date	199
Depositories	183
Depositor	i, 3, 188
Depositor Indemnification Payment	202
Designated HOA Properties	128
Designated Party	138
Determination Date	24, 171
Directing Certificateholder	5, 213
Directing Certificateholder /Rating Agency	
Q&A Forum and Servicer Document	
Request Tool	242
Directing Certificateholder Access Party	243
Directing Certificateholder Access Party	
Certification	243
Directing Certificateholder Certification	244
Directing Certificateholder /17g-5	
Information Provider	209
Disclosable Special Servicer Fees	238
Disqualified Non-U.S. Tax Person	188
Disqualified Organization	188
Disqualified Property	13
Distribution Account	27, 171
Distribution Date	23, 171
Distribution Date Statement	236
District Court	194
Document Defect Repurchase Guarantor	3, 189
Dodd-Frank Act	79
DTC	30
DTC Rules	184

E

EEA	80
EHRI	30, 81, 272
Eligibility Funds	149
Eligibility Reserve Account	149
Eligible Account	144
Eligible Institution	145
Eligible Lease	94
Eligible Property	128
Environmental Indemnitor	7, 90
Environmental Indemnity Agreement	140
Environmental Laws	141
Environmental Permit	142
Equity Collateral	22, 126
Equity Owner GP	93
Equity Owner Guaranty	22, 126
Equity Owner LP	6, 93
Equity Owner LP Security Agreement	149
Equity Owners	i, 6, 93
Euroclear Operator	186
Euroclear Participants	185
Excess Deductible	147
Excluded Sub-Servicer	203
Expiration Date	121
Extraordinary Operating Expense	212

F	
Fannie Mae Default.....	181
Fannie Mae Grantor Trust 2017-T1	
Beneficial Owner	244
Fannie Mae Grantor Trust 2017-T1	
Certificateholder	244
Fannie Mae Grantor Trust 2017-T1 Trust	
Termination Transfer	181
Fannie Mae Guaranteed Grantor Trust	
Pass-Through Certificates	2, 169
Fannie Mae Guaranty	2, 5, 26, 180
Fannie Mae Guaranty Fee	174
Fannie Mae Guaranty Fee Rate.....	174
Fannie Mae Guaranty Fee Termination	
Event	181
Fannie Mae Guaranty Termination.....	181
Fannie Mae Guaranty Termination Notice	181
Fannie Mae Loan Fee	171
Fannie Mae Release Fee	171
Fannie Mae Review Fee	171
Fannie Mae Substitution Fee	171
Fannie Mae Transfer Fee	171
Fannie Mae Transfer Notice.....	181
FDIA.....	73
FDIC.....	42
Fed Release.....	130
Federal Court Complaint.....	194
FHFA.....	78
FHFA.....	195
Final Asset Status Report	209
Final Recovery Determination	26
First Full Monthly Debt Service	98
Fiscal Year	147
Fitch	145
Foreclosed Collateral	218
Foreclosed Collateral Account	219
Foreclosed Property.....	180
Foreclosing Party	263
Foreclosure Event	218
Foreclosure Event Insurance Notice	212
Fully Condemned Property	154
Fully Condemned Property Prepayment	
Amounts	154

G	
GAAP	133
Garn-St. Germain Act.....	262
GPCA	93
GPR	132
Grantor Trust.....	31
GRC	54
GSE Act	195
Guaranteed Certificates	i, 23, 169
Guarantor	i, 5
Guaranty Payment Account	181
Guaranty Principal Final Distribution Date	35, 174

H	
Hazardous Materials	142
HOA Fees	117

HOA Funds	145
HOA Policy.....	166
HOA Property.....	160
HOA Subaccount	145
HOAs	39
holder	265
Holder	183
HUD	195
HVAC	38

I	
IH LP.....	7, 36, 90
IH OP	3
Independent Appraiser.....	180
Indirect Participants.....	184
Individual Material Adverse Effect.....	150
Initial Deposit.....	199
Initial IH Owners.....	90
Initial Loan Interest Accrual Period.....	11, 126
Inspection Reference Date.....	207
Institutional Accredited Investors.....	187
Insurance Account	146
Insurance Funds	146
Insurance Premiums	167
Interest Accrual Period.....	172
Interest Distribution Amount.....	173
Interest Rate	127
Interest Shortfall	173
Interested Person	220
Investor Certification	244
Investor Registry	242
Invitation Homes	36
Involuntary Proceeding	138
IRS	265
Issuing Entity.....	190

K	
KBRA	145

L	
Lease	94
Lease Start Date	99
Lender	x, 125
Lender Liability Act.....	261
Liquidation Fee.....	205
Loan	i, 8, 126
Loan Agreement.....	125
Loan Amount.....	8, 126
Loan Closing Escrow Agent.....	97
Loan Collection Account	18, 145
Loan Debt Service Coverage Ratio	17, 135
Loan Documents.....	22, 125
Loan Event of Default.....	155
Loan File	200
Loan Interest Accrual Period.....	11, 127
Loan LTV	11, 131, 134
Loan Parties	7
Loan Party.....	7
Loan Purchase Agreement	77
Loan Reporting.....	244

Loan Sponsor	7, 89
Loan U/W NCF Debt Yield	iii
Loan U/W NCF DSCR	iii
Loan Underwritten Debt Service Amount (Assumed Amortization)	17, 136
Loan Underwritten Net Cash Flow	132
Low Debt Yield Cure Prepayment	135
Low Debt Yield Period	16, 135
Low Debt Yield Trigger	17, 136
Low DSCR Cure Prepayment	136
Low DSCR Period	16, 136
Low DSCR Trigger	16, 136
LTV Ratio at Maturity	99

M

Major Decision	210
Majority-Owned Affiliate	272
Management Agreement	7, 116
Management Fee	121
Management Services	116
Manager	7, 90
market discount bond	267
Marketing Services	118
Material Adverse Effect	160
Material Breach	77
Material Document Defect	77, 201
Maturity Date	10, 99, 126
Midland	191
Modeling Assumptions	250
Modification Fees	205
Monthly Debt Service Payment Amount	126
Monthly Payment	206
Monthly Payment Advance	28, 225
Monthly Payment Date	11, 126
Month-to-Month	99
Moody's	145
Mortgage	125
Mortgage Documents	97
Mortgages	22
MSAs	62

N

Net Assets	157
Net Modification Fees	205
Net Proceeds	151
No Downgrade Confirmation	225
Non-Offered Certificates	i, 23, 169
Nonrecoverable Advance	226
Non-U.S. Person	265
Note	i, 125
Notice of Claim	181
NRSRO	85, 244
NRSRO Certification	244

O

O&M Plan	142
OCC	190
Offered Certificates	i, 23, 169
OID	266
OID Regulations	266

OLA	72
Operating Account	117
Operating Budget	117
Operating Expenses	133
Operation Standards	117
Original Length of Lease (months)	99
Other Allocated Costs	99
Other Charges	117
Other Receipts	133
Outside Final Distribution Date	216

P

PAC Method	267
Participants	183
Pass-Through Rate	24, 172
Patriot Act Offense	156
Percentage Interest	172
Periodic Reporting Information	244
Permitted Liens	150
Permitted Special Servicer/Affiliate Fees	204
Permitted Sponsor Transfer	164
Permitted Transferee	188
Permitted Transfers	162
Placement Agent	2
Placement Agent Entities	75
Placement Agents	2
Policies	167
Policy	167
Pool Geographic Test	133
portfolio interest	269
Preliminary Distribution Date Statement	181
Prepayment Interest Excess	206
Prepayment Interest Shortfall	206
Previously-Owned Properties Liabilities	139
Prime Rate	227
Principal Balance Certificates	i, 23, 169
Principal Distribution Amount	173
Principal Shortfall	173
Priority	160
Privileged Person	244
Prohibited Activities or Conditions	142
prohibited transaction	271
Properties	i, 9
Property	9
Property Account	138
Property Account Control Agreement	145
Property Activity Report	238
Property Covenants	13, 150
Property Cut-off Date	iii, 9
Property Operating Expenses	117
Property Representations	13, 150
Property Taxes	117
Property Value	9, 133
Proposed Entity Interest Transfer	218
Proposed Transfer	217
Public Distribution	164
Public Vehicle	164
Purchase Price	99

Q

QIB	182
-----------	-----

Qualified Manager	124
Qualified Public Sale	164
Qualified Public Vehicle	165
Qualified Stated Interest	266
Qualified Title Insurance Company	150
Qualified Transferee	165
Qualifying Prepayment	17, 136
Quarterly HOA Report	159
Quarterly Investor Rollup Report	245
Quarterly Properties Schedule	245
Quarterly Valuation Statement	160

R

Rating Agency	128
Ratings Assignment	223
Ratings Assignment Effective Date	223
Realized Loss	25
Reconciled Value	96
Record Date	24, 172
Regular Component Interest Rate	10
Regular Principal Distribution Amount	173
Regulation AB	231
Regulation D	187
Regulation S Certification	186
Regulation S Global Certificate	182
Release Amount	12, 128
Release Date	182
Release Premium Properties	12, 128
Release Property	134
Relevant Parties	93
Relevant Party	93
Relief Act	70
Remaining Lease Term (months)	99
Remedial Work	143
REMIC	86
REMIC LTV Test	88
REMIC Provisions	176
REMIC Trust	132
Remittance Date	26, 171, 206
Renovation Standards	95
Rent Deposit Account	17, 143
Rent Deposit Account Retained Amount	143
Rent Deposit Bank	143
Rented	99
Rents	117
REO Management Fee	215
Replaced Properties	130
Replaced Property	130
Replacement Management Agreement	124
Report	266
Repurchase Price	199
Requesting Party	224
Required Advance Amount	171
Required Credit Risk	81, 272
Required Parties' Approval	128
Reserve Account	169
Reserve Funds	19
Restoration	151
Restricted Junior Payment	129
Restricted Pledge Party	165
Rights Termination Event	181

Risk Retention Agreement	30, 81
Risk Retention Rules	30, 80, 272
RMBS	33, 194
Rule 144A Global Certificate	182

S

S&P	145
Securities	128
Securities Laws	257
Securitization Regulation	80
Securitization Sponsor	i, 3, 189
Security Deposit Account	144
senior preferred stock purchase agreement	195
Sequential Order	25, 173
Servicer	i, 4, 191
Servicer Recommendation	209
Servicer Termination Event	228
Services	118
Servicing Advances	28, 226
Servicing Fee	204
Servicing Fee Rate	204
Servicing Fee Rate and CREFC® License Fee Rate	99
Servicing File	201
Siebert	2
Significant Mold	143
SMMEA	79
SPC Party	155
SPE	69
Special Insurance Reserve Account	147
Special Insurance Reserve Funds	147
Special Purpose Bankruptcy Remote Entity	151
Special Release	136
Special Release Properties	14
Special Servicer	i, 4, 191
Special Servicer Termination Event	228
Special Servicing Fee	204
Special Servicing Loan Event	205
Special Serviced Loan	206
Specified IH Markets	134
Specified Liens	140
Sponsor Change of Control	165
Sponsor Corporate Transaction	165
Sponsor Financial Covenant	157
Sponsor Guaranty	21, 137
Sponsor Parent Entity	165
State Court Complaint	195
Stated Maturity Date	10, 125
Subsequent Sponsor	165
Substitute Mortgage Documents	131
Substitute Properties	130
Substitute Property	130
Sunset Date	81, 272
Supplemental Report	238

T

Tax Account	145
Tax Funds	145
Temporary Regulation S Global Certificate	182
Tenant	118
Tenant Direction Letter	144

Tenant Foreclosure Act.....	263
Term.....	121
Terminated Party.....	229
Terminating Party.....	229
Terms and Conditions.....	186
THR.....	7, 90
Title Company.....	97
Title Insurance Owner's Policy.....	150
Title Insurance Policy.....	150
Title VIII.....	264
TMPs.....	86
Total Annual Underwritten Expenses.....	100
Total Annual Underwritten Gross Income.....	100
Total Cost Basis (Post-Rehab).....	99
Total Upfront Renovation Costs.....	99
Transition Event.....	123
Transition Services.....	123
Treasury.....	195
Treasury Rate.....	130
Trigger Period.....	16, 136
Trust.....	3
Trust and Servicing Agreement.....	i, 2
Trust Fund.....	i, 22
Trust Fund Expenses.....	176
Trust REMIC.....	31, 265
Trustee.....	i, 4, 193
Trustee Fee.....	246

U

U.S. Person.....	265
U/W NCF Debt Yield.....	iv, 29
U/W NCF DSCR.....	101
U/W NOI DSCR.....	102
UCC.....	255
Underwritten Annual CapEx Reserve.....	100
Underwritten Annual HOA Fees.....	100
Underwritten Annual Insurance.....	100
Underwritten Annual Marketing and Leasing Costs.....	100
Underwritten Annual NCF.....	100
Underwritten Annual Net Cash Flow.....	100
Underwritten Annual Net Operating Income.....	101
Underwritten Annual NOI.....	101

Underwritten Annual Other Income.....	101
Underwritten Annual Property Level G&A.....	101
Underwritten Annual Property Management Fee.....	101
Underwritten Annual Real Estate Taxes.....	100
Underwritten Annual Rent.....	100
Underwritten Annual Repairs and Maintenance.....	101
Underwritten Annual Turnover Costs.....	101
Underwritten Annual Vacancy.....	101
Underwritten Capital Expenditures.....	134
Underwritten Monthly Rent.....	100
Underwritten NCF Debt Service Coverage Ratio.....	101
Underwritten NCF DSCR.....	101
Underwritten NOI DSCR.....	102
United States.....	i

V

Vacant Property.....	94
Voidable Transfer.....	143
Volcker Rule.....	79
Voluntary Action.....	13
Voting Rights.....	181

W

Wachovia Bank.....	190
warrant.....	196
Weighted Average Regular Component Interest Rate.....	204
Wells Fargo Bank.....	190, 194
WFBNA.....	5
WFS.....	2
withholding agent.....	269
Work-out Fee.....	204
WTNA.....	193

Y

Yield Maintenance End Date.....	16, 130
Yield Maintenance Premium.....	16, 130

(THIS PAGE INTENTIONALLY LEFT BLANK)

ANNEX A-1

PROPERTY SCHEDULE

See Annex A-1 on the Excel file accompanying and made part of this information circular.

(THIS PAGE INTENTIONALLY LEFT BLANK)

ANNEX B

PERCENTAGES OF THE INITIAL CERTIFICATE BALANCE OF THE CLASS A CERTIFICATES AT THE SPECIFIED CPR

(0% CPR Prior to the Yield Maintenance End Date – Otherwise at Indicated CPR)

Distribution Date	0% CPR	10% CPR	20% CPR	30% CPR	40% CPR
Closing Date	100%	100%	100%	100%	100%
April 2018	100%	100%	100%	100%	100%
April 2019	100%	100%	100%	100%	100%
April 2020	100%	100%	100%	100%	100%
April 2021	100%	100%	100%	100%	100%
April 2022	100%	100%	100%	100%	100%
April 2023	100%	100%	100%	100%	100%
April 2024	100%	100%	100%	100%	100%
April 2025	100%	100%	100%	100%	100%
April 2026	100%	100%	100%	100%	100%
April 2027	100%	95%	91%	85%	80%
April 2028	0%	0%	0%	0%	0%
Weighted Average Life (in years)...	10.16	10.14	10.13	10.11	10.09
First Principal Distribution Date.....	June 2027	December 2026	December 2026	December 2026	December 2026
Last Principal Distribution Date.....	June 2027	June 2027	June 2027	June 2027	June 2027

(THIS PAGE INTENTIONALLY LEFT BLANK)

ANNEX C

TABLES OF PRE-TAX YIELD TO MATURITY FOR THE CLASS A CERTIFICATES

(0% CPR Prior to the Yield Maintenance End Date – Otherwise at Indicated CPR)

Assumed Purchase Price (% of Initial Certificate Balance of Class A Certificates)	Pre-Tax Yield to Maturity (%) for the Class A Certificates at the Designated Scenarios Set Forth Below				
	0% CPR	10% CPR	20% CPR	30% CPR	40% CPR
100%.....	2.893%	2.893%	2.893%	2.893%	2.893%
Weighted Average Life (years).....	10.16	10.14	10.13	10.11	10.09

(THIS PAGE INTENTIONALLY LEFT BLANK)

ANNEX D

PROPERTY COVENANTS OF THE BORROWER

All capitalized terms used on this Annex D and not otherwise defined in this information circular have the meanings ascribed to such terms in the Loan Agreement or, in the case of clause 12, the Environmental Indemnity Agreement.

Borrower shall comply with the following covenants with respect to each Property:

1. Ownership of the Property. Borrower shall take all necessary action to retain title to the Property and the related Collateral irrevocably in Borrower, free and clear of any liens other than Permitted Liens. Borrower shall warrant and defend the title to the Property and every part thereof, subject only to Permitted Liens, in each case against the claims of all persons and entities whomsoever.
2. Liens Against the Property. Borrower shall not create, incur, assume or permit to exist any lien on any direct or indirect interest in any Property, except for the Permitted Liens.
3. Title Insurance for the Property. If a Title Insurance Policy or a Title Insurance Owner's Policy provided in the property file with respect to the Property initially consists of a marked or initialed binding commitment, then Borrower shall post a copy to the property file of a fully issued Title Insurance Policy or Title Insurance Owner's Policy, as applicable, for such Property in the form and with the coverages and endorsements as provided in such marked or initialed binding commitment within one hundred eighty (180) days following the Closing Date.
4. Deeds. If a deed provided in the property file with respect to the Property does not initially consist of a certified copy of the original conforming recorded deed from the applicable recording office, then Borrower shall post a copy of such a deed to the property file within three hundred sixty (360) days following the Closing Date.
5. Mortgage Documents. If any Mortgage Documents provided in the property file with respect to the Property initially consists of a copy of such Mortgage Documents in recordable form that have been submitted by the title insurance company for recording in the jurisdiction in which the Property is located, then Borrower shall post a copy to the property file of a certified or file stamped (in each case by the applicable land registry) executed original of such Mortgage Documents within one hundred eighty (180) days following the Closing Date.
6. Condition of the Property. Except if the Property has suffered a Casualty and is in the process of being restored in accordance with the Loan Agreement, Borrower shall keep and maintain in all material respects the Property in a good, safe and habitable condition and repair and free of and clear of any damage or waste, and from time to time make, or cause to be made, in all material respects, all reasonably necessary repairs, renewals, replacements, betterments and improvements thereto that are necessary to comply with the Renovation Standards and applicable legal requirements in all material respects. . Not later than twelve (12) months after the Property was first included in the Collateral, Borrower shall have completed all immediate repairs, if any, identified by Lender and notified to Borrower prior to the Property's inclusion in the Collateral.
7. Compliance with Legal Requirements. The Property (including the leasing and intended use thereof) shall comply in all material respects with all applicable legal requirements, including, without limitation, building and zoning ordinances and codes and all certifications, permits, licenses and approvals, including without limitation, certificates of completion and occupancy permits, required for the legal leasing, use, occupancy, habitability and operation of the Property, all such certifications, permits, licenses and approvals shall be maintained in full force and effect, except as would not reasonably be expected to have an Individual Material Adverse Effect on the Property. Borrower shall obtain and maintain in full force and effect all consents, approvals, orders, certifications, permits, licenses and authorizations of, and make all filings with or notices to, any court or governmental authority related to the operation, use or leasing of the Property except where the failure to obtain would not reasonably be expected to have an Individual Material Adverse Effect with respect to the Property. Borrower shall not and shall not permit any other Loan Party, any Borrower TRS, any Manager or any other person or entity in occupancy of or involved with the operation, use or leasing of the Property to commit any act or omission affording any governmental authority the right of forfeiture as against the Property or any part thereof.
8. Property Taxes, Other Charges and HOA Fees. Borrower shall promptly pay or cause to be paid all real estate and personal property taxes, assessments, water charges, sewer rents, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto now or hereafter levied or assessed or imposed by a governmental authority against any Property, any Collateral, any part of either of the foregoing or Borrower ("Property Taxes"), Other Charges and HOA Fees and shall furnish to Lender receipts for the payment of the Property Taxes,

Other Charges and HOA Fees prior to the date the same shall become delinquent, and shall promptly pay for all utility services provided to the Property as the same become due and payable (other than any such utilities which are, pursuant to the terms of any Lease, required to be paid by the Tenant thereunder directly to the applicable service provider); provided that, after prior written notice to Lender of its intention to contest any such Property Taxes, Other Charges or HOA Fees such Loan Party may contest by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity of any such Property Taxes, Other Charges and HOA Fees and, in such event, may permit the Property Taxes, Other Charges and HOA Fees so contested to remain unpaid during any period, including appeals, when a Loan Party is in good faith contesting the same so long as (i) no Loan Event of Default has occurred and remains uncured, (ii) such proceeding shall be permitted under and be conducted in accordance with all applicable legal requirements, (iii) no Property or other Collateral nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost, (iv) the applicable Loan Party has set aside on its books adequate reserves in accordance with GAAP, and the non-payment or non-discharge of such Property Taxes, Other Charges and HOA Fees would not reasonably be expected to have an Individual Material Adverse Effect on the applicable Property, (v) enforcement of the contested Property Taxes, Other Charges and HOA Fees is effectively stayed for the entire duration of such contest and no lien is imposed on any Property or other Collateral which is reasonably expected to have an Individual Material Adverse Effect, (vi) any Property Taxes, Other Charges and HOA Fees determined to be due, together with any interest or penalties thereon, are promptly paid as required after final resolution of such contest, (vii) to the extent such Property Taxes, Other Charges and HOA Fees (when aggregated with all other taxes that any Loan Party is then contesting in accordance with the Loan Agreement and for which Borrower has not delivered to Lender cash or other security permitted under the Loan Agreement) exceed \$2,500,000, Borrower shall deliver to Lender either (A) cash, or other security as may be approved by Lender, in an amount sufficient to insure the payment of any such Property Taxes, Other Charges and HOA Fees, together with all interest and penalties thereon or (B) a payment and performance bond in an amount equal to one hundred percent (100%) of the contested amount from a surety acceptable to Lender in its reasonable discretion, (viii) failure to pay such Property Taxes, Other Charges and HOA Fees will not subject Lender to any civil or criminal liability, (ix) such contest shall not affect the ownership, use or occupancy of any Property, and (x) Borrower shall, upon request by Lender, give Lender prompt notice of the status of such proceedings and/or confirmation of the continuing satisfaction of the conditions set forth in clauses (i) through (ix) above. Notwithstanding the foregoing, Borrower shall pay any contested Property Taxes, Other Charges and HOA Fees (or, if cash or other security has been provided, Lender may pay over any such cash or other security held by Lender to the claimant entitled thereto) if, in the Lender's reasonable judgment, any Property or other Collateral (or any part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost or there shall be any danger of the lien of any Collateral Document being primed by any related lien.

9. Compliance with Agreements Relating to the Properties. Borrower shall not enter into any agreement or instrument or become subject to any restriction which would reasonably be expected to have an Individual Material Adverse Effect on any Property. Borrower shall not default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which any Property is bound. Borrower shall not have a material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument by which any Property is bound, other than obligations under the Loan Documents. Borrower shall not, and shall cause each Borrower TRS not to, default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Lien with respect to any Property. No Property nor any part thereof shall be subject to any purchase options, rights of first refusal, rights of first offer or other similar rights in favor of any Tenant or other third parties.

10. Leasing. Borrower shall not enter into any Lease (including any renewals or extensions of any existing Lease) for any Property unless such Lease is an Eligible Lease.

11. Verification of HOA Payments. Borrower shall deliver to Lender, within sixty (60) days after the end of each calendar quarter of each year, with respect to each Applicable HOA Property, proof of payment of the paid HOA Fees identified in the corresponding Quarterly HOA Report (whether in the form of cancelled checks, receipts, ACH confirmations, confirmation of electronic payments or other evidence of such payment reasonably satisfactory to the Lender) unless such proof of payment has previously been delivered (e.g., quarterly prepayments) and evidence that as of the end of such calendar quarter no other amounts (except HOA Fees that may be contested in accordance with the Loan Agreement) remain then due and payable by the Borrower or that the Borrower has prepaid or otherwise has a positive credit balance (whether in the form of invoices, payment coupons, account statements, assessment letters, estoppels, receipts or other evidence reasonably satisfactory to the Lender).

12. Environmental Covenants. In the Environmental Indemnity Agreement, Borrower will covenant and agree with respect to each Property that: (a) Borrower shall not engage in, cause or permit any Prohibited Activities or Conditions other than Prohibited Activities or Conditions that are the subject of an O&M Plan approved in writing by Lender so long as Borrower remains in full compliance therewith; (b) Borrower shall take all commercially reasonable

actions (including the inclusion of appropriate provisions in any Leases executed after the date of the Environmental Indemnity Agreement) to prevent its employees, agents and contractors, and all tenants and other occupants from causing or permitting any Prohibited Activities or Conditions. Borrower shall not lease or allow the sublease or use of all or any portion of the Property to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition; (c) Borrower shall not permit Loan Sponsor to engage in, cause or permit any Prohibited Activities or Conditions with respect to any property that is adjacent to such Property that is owned, leased or otherwise controlled by Borrower, Loan Sponsor or any affiliate thereof; (d) Lender shall have the right to require the establishment of, monitor and review an O&M Plan with respect to Hazardous Materials on such Property or any other property owned, leased or otherwise controlled by Borrower, Loan Sponsor or any affiliate thereof that is adjacent to such Property. If an O&M Plan has been established, Borrower and its employees shall comply in a timely manner with, and shall use all commercially reasonable efforts to cause all agents and contractors of Borrower and any other persons present on such Property to comply with, the O&M Plan. All costs of performance of Borrower's obligations under any O&M Plan shall be paid by Borrower, and Lender's reasonable out-of-pocket costs incurred in connection with the monitoring and review of the O&M Plan and Borrower's performance shall be paid by Borrower within ten (10) days of demand by Lender. Any such out-of-pocket costs of Lender which Borrower fails to pay promptly shall become an additional part of the Loan; (e) Borrower shall comply with all Environmental Laws applicable to such Property, including (i) all requirements for notification regarding the presence of or any releases of Hazardous Materials, and (ii) all requirements governing the presence or removal of any above-ground or underground storage tank located on such Property. Without limiting the generality of the previous sentence, Borrower shall obtain and maintain all Environmental Permits required by Environmental Laws, shall comply with all conditions of such Environmental Permits and all such Environmental Permits shall be kept in full force and effect; (f) Borrower shall promptly notify Lender in writing upon the occurrence of any of the following events: (i) Borrower's discovery of any Prohibited Activity or Condition, (ii) any plans to conduct or requirements to conduct any Remedial Work, (iii) Borrower's receipt of notice of any action, suit, claim, proceeding, order, notice of violation or other communication from any property management agents, governmental authority or other Person with regard to present or future alleged Prohibited Activities or Conditions or any other environmental, health or safety matters affecting such Property or any other property owned, leased or otherwise controlled by Borrower, Loan Sponsor or any affiliate thereof that is adjacent to such Property; and (iv) any representation or warranty in the Environmental Indemnity Agreement was untrue as of the date of the Environmental Indemnity Agreement, or Borrower's breach of any of its covenants under the Environmental Indemnity Agreement. Any such notice given by Borrower shall not relieve Borrower of, or result in a waiver of, any obligation under the Loan Agreement, the Note or any other Loan Document.

(THIS PAGE INTENTIONALLY LEFT BLANK)

ANNEX E

REPRESENTATIONS AND WARRANTIES OF THE BORROWER

All capitalized terms used on this Annex E and not otherwise defined in this information circular have the meanings ascribed to such terms in the Loan Agreement or, in the case of clause 23, the Environmental Indemnity Agreement.

- A. Borrower represents and warrants to Lender as of the Closing Date that, except to the extent (if any) disclosed on Schedule I to this Annex E with reference to a specific subsection of this Section:

1. Organization; Special Purpose. Each Loan Party and each SPC Party has been duly organized and is validly existing with requisite power and authority to own its properties and to transact the businesses in which it is now engaged. Each Loan Party and each SPC Party is duly qualified to do business and in good standing in each jurisdiction where it is required to be so qualified in connection with its properties, businesses and operations, except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect. Each Loan Party and each SPC Party possesses all rights, licenses, permits and authorizations, governmental or otherwise, necessary to entitle it to own its properties and to transact the businesses in which it is now engaged, except to the extent that failure to do so could not in the aggregate reasonably be expected to have a Material Adverse Effect. The sole business of Borrower is the acquisition, ownership, maintenance, sale, transfer, refinancing, management, leasing and operation of the Properties; the sole business of Borrower GP is acting as the sole general partner of Borrower, including, providing the Borrower GP Guaranty and the Borrower GP Security Agreement; and the sole business of Equity Owner LP is acting as the sole limited partner of Borrower and the sole member of Borrower GP, including, providing the Equity Owner Guaranty and the Equity Owner LP Security Agreement. Each Loan Party and each SPC Party is a Special Purpose Bankruptcy Remote Entity.

2. Proceedings; Enforceability. Each Loan Party has taken all necessary action to authorize the execution, delivery and performance of the Loan Agreement and each of the other Loan Documents to which it is a party. The Loan Agreement and the other Loan Documents have been duly authorized, executed and delivered by or on behalf of each Loan Party party thereto and constitute legal, valid and binding obligations of each Loan Party party thereto, enforceable against each such Loan Party party thereto in accordance with their respective terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). The Loan Documents are not subject to any right of rescission, set-off, counterclaim or defense by any Loan Party including the defense of usury, nor would the operation of any of the terms of the Loan Documents, or the exercise of any right thereunder, render the Loan Documents unenforceable, and no Loan Party has asserted any right of rescission, set-off, counterclaim or defense with respect thereto.

3. No Conflicts. The execution, delivery and performance of the Loan Agreement and the other Loan Documents by each Loan Party party thereto (i) will not contravene such Loan Party's organizational documents, (ii) will not result in any violation of the provisions of any legal requirement of any governmental authority having jurisdiction over any Loan Party or any of each Loan Party's properties or assets, (iii) with respect to each Loan Party, will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under the terms of any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, management agreement or other agreement or instrument to which any Loan Party is a party or to, which any of each Loan Party's property or assets is subject, that would be reasonably expected to have a Material Adverse Effect and (iv) with respect to each Loan Party, except for liens created under the Loan Documents, result in or require the creation or imposition of any lien upon or with respect to any of the assets of any Loan Party. Any consent, approval, authorization, order, registration or qualification of or with any such governmental authority required for the execution, delivery and performance by each Loan Party of the Loan Agreement or any other Loan Documents to which it is a party has been obtained and is in full force and effect.

4. Litigation. There are no actions, suits or proceedings at law or in equity by or before any governmental authority or other entity now pending or, to the actual knowledge of a responsible officer of Manager or any Loan Party, threatened, against or affecting any Loan Party or any SPC Party or Manager, as applicable, which actions, suits or proceedings (i) involve the Loan Agreement, the Mortgage Documents, the Loan Documents or the transactions contemplated thereby or (ii) if adversely determined, would reasonably be expected to have a Material Adverse Effect. There are no actions, suits or proceedings at law or in equity by or before any governmental authority or other entity that resulted in a judgment against any Loan Party or any SPC Party that has not been paid in full that would otherwise constitute a Loan Event of Default.

5. Agreements. No Loan Party is a party to any agreement or instrument or subject to any restriction which would reasonably be expected to have a Material Adverse Effect. No Loan Party is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party which default would be expected to have a Material Adverse Effect. Other than the Loan Documents, no Loan Party has a material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which any Loan Party is a party other than, with respect to Borrower, the Management Agreement.

6. Consents. No consent, approval, authorization or order of any court or governmental authority is required for the execution, delivery and performance by any Loan Party of, or compliance by any Loan Party with, the Loan Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby and thereby, other than those which have been obtained by the applicable Loan Party.

7. Solvency. Each Loan Party and each SPC Party has (a) not entered into the transaction contemplated by the Loan Agreement nor executed any Loan Document with the actual intent to hinder, delay or defraud any creditor and (b) received reasonably equivalent value in exchange for its obligations under the Loan Documents. After giving effect to the Loans, each Loan Party and each SPC Party is solvent. No petition in bankruptcy has been filed against any Loan Party or any SPC Party in the last seven (7) years, and no Loan Party in the last seven (7) years has made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors. No Loan Party or SPC Party is contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency laws or the liquidation of all or a major portion of such person or entity's assets or property, and to the actual knowledge of any Loan Party, no person or entity is contemplating the filing of any such petition against any Loan Party or SPC Party.

8. Employee Benefit Matters.

(a) Assuming no portion of the assets used by the Lender to fund the Loan constitutes the assets of an ERISA Plan, the assets of each Loan Party do not constitute "plan assets" of (a) any "employee benefit plan" (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA") that is subject to Title I of ERISA, (b) any "plan" (as defined in Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code")) that is subject to Section 4975 of the Code or (c) any employee benefit plan or plan that is not subject to Title I of ERISA or Section 4975 of the Code but is subject to any law, rule or regulation applicable to such Loan Party which is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (each of (a), (b) and (c), an "ERISA Plan") with the result that the transactions contemplated by the Loan Agreement, including, but not limited to, the exercise by the Lender of any rights under the Loan Documents will constitute a non-exempt prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code. No Loan Party or its ERISA affiliates sponsors, maintains or contributes to any Plans or foreign Plans. None of Equity Owner GP, any Loan Party or any of their respective subsidiaries has any employees;

(b) Each Plan (and each related trust, insurance contract or fund) is in compliance in all materials respects with its terms and will all applicable laws, including without limitation ERISA and the Code. Each Plan that is intended to be qualified under Section 401(a) of the Code as currently in effect has been determined by the IRS to be so qualified, and each trust related to any such Plan has been determined to be exempt from federal income tax under Section 501(a) of the Code as currently in effect, and no event has taken place which could reasonably be expected to cause the loss of such qualified status and exempt status. With respect to each Plan of a Loan Party, each Loan Party and all of its ERISA affiliates have satisfied the minimum funding standard under Section 412(a) of the Code and Section 302(a) of ERISA and paid all required minimum contributions and all required installments on or before the due dates under Section 430(j) of the Code and Section 303(j) of ERISA. Neither any Loan Party nor any of its ERISA affiliates has filed, pursuant to Section 412(c) of the Code or Section 302(c) of ERISA, an application for a waiver of the minimum funding standard. Neither any Loan Party nor any of its ERISA affiliates has incurred any liability to the PBGC which remains outstanding other than the payment of premiums, and there are no premium payments which have become due which are unpaid. No Plan is in "at risk" status within the meaning of Section 430(i) of the Code or Section 303(j) of ERISA. There are no existing, pending or threatened claims (other than routine claims for benefits in the normal course), sanctions, actions, lawsuits or other proceedings or investigation involving any Plan to which any Loan Party or any of its ERISA affiliates has incurred or otherwise has or could have an obligation or any liability. With respect to each multiemployer Plan to which any Loan Party or any of its ERISA affiliates is required to make a contribution, each Loan Party and all of its ERISA affiliates have satisfied all required contributions and installments on or before the applicable due dates and have not incurred a complete or partial withdrawal under Section 4203 or 4205 of ERISA. No Plan termination event has or is reasonably expected to occur.

(c) Each foreign Plan is in compliance in all material respects with all laws, regulations and rules applicable thereto and the respective requirements of the governing documents for such plan. The aggregate of the liabilities to provide all of the accrued benefits under each foreign Plan does not exceed the current fair market value of the assets held in the trust or other funding vehicle for such plan. There are no actions, suits or claims (other than routine claims for benefits) pending or threatened against any Loan Party or any of its ERISA affiliates with respect to any foreign Plan.

9. Compliance with Legal Requirements. Each Loan Party is in compliance with all applicable legal requirements, except to the extent that any noncompliance would not reasonably be expected to have a Material Adverse Effect. No Loan Party is in default or violation of any order, writ, injunction, decree or demand of any governmental authority, except for any default or violation that would not reasonably be expected to have a Material Adverse Effect.

10. Perfection Representations.

(a) The Borrower Security Agreement, the Equity Owner LP Security Agreement and the Borrower GP Security Agreement create valid and continuing security interests (as defined in the applicable UCC) in the personal property Collateral in favor of Lender, which security interests are prior to all other liens arising under the UCC, subject to Permitted Liens, and are enforceable as such against creditors of each Loan Party, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) All appropriate financing statements have been filed in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the security interest granted to Lender hereunder in the Collateral that may be perfected by filing a financing statement.

(c) Other than the security interest granted to Lender pursuant to Borrower Security Agreement, the Equity Owner LP Security Agreement and the Borrower GP Security Agreement and in connection with the 2014-SFR1 Loan (which has been satisfied in full on or prior to the Closing Date), no Loan Party has pledged, assigned, collaterally assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral except to the extent expressly permitted by the terms of the Loan Agreement. No Loan Party has authorized the filing of and is not aware of any financing statements against any Loan Party that include a description of the Collateral other than any financing statement relating to the security interest granted to Lender under the Loan Agreement or that has been terminated.

(d) No instrument or document that constitutes or evidences any Collateral has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any person or entity other than Lender.

(e) The grant of the security interest in the Collateral by each Loan Party to Lender, pursuant to Borrower Security Agreement, the Equity Owner LP Security Agreement and the Borrower GP Security Agreement is in the ordinary course of business for each Loan Party and is not subject to the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction.

(f) The chief executive office and the location of each Loan Party's records regarding the Collateral are listed on Schedule VII to the Loan Agreement. Except as otherwise disclosed to Lender in writing, each Loan Party's legal name is as set forth in the Loan Agreement, each Loan Party has not changed its name since its formation. Except as otherwise listed on Schedule VII to the Loan Agreement, each Loan Party does not have trade names, fictitious names, assumed names or "doing business as" names and each Loan Party's federal employer identification number and organizational identification number is set forth on Schedule VII to the Loan Agreement.

(g) Borrower is a limited partnership, and the jurisdiction in which Borrower is organized is Delaware. Borrower's Tax I.D. number and Borrower's Delaware Organizational I.D. number are as set forth in the Loan Agreement.

11. Business. Since its formation, no Loan Party has conducted any business other than entering into and performing its obligations under the Loan Documents to which it is a party and as described on Schedule IV of the Loan Agreement. Since the date of formation of each Loan Party, no event has occurred which would reasonably be expected to have a Material Adverse Effect. As of the date hereof, no Loan Party owns or holds, directly or indirectly

(i) any capital stock or equity security of, or any equity interest in, any person or entity other than a Loan Party, except as set forth on Schedule VIII of the Loan Agreement or (ii) any debt security or other evidence of indebtedness of any person or entity, except for permitted investments and as otherwise contemplated by the Loan Documents. Borrower does not have any subsidiaries.

12. Management. The ownership, leasing, management and collection practices used by each Loan Party and Manager with respect to the Properties have been, to the actual knowledge of the responsible officers of the Manager and each Loan Party, in compliance with all applicable legal requirements, and all necessary licenses, permits and regulatory requirements pertaining thereto have been obtained and remain in full force and effect, except to the extent that failure to obtain would not reasonably be expected to have a Material Adverse Effect.

13. Financial Information. All financial data that have been delivered to Lender in connection with the Loan (i) are true, complete and correct in all material respects (or, to the extent that any such financial data was incorrect in any material respect when delivered, the same has been corrected by financial data subsequently delivered to Lender prior to the date hereof), (ii) accurately represent the financial condition of the Properties as of the date of such reports, and (iii) have been prepared in accordance with GAAP throughout the periods covered, except as disclosed therein. The foregoing representation shall not apply to any such financial data that constitutes projections, provided that Borrower represents and warrants that such projections were made in good faith and that Borrower has no reason to believe that such projections were materially inaccurate. Borrower does not have any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments that are known to Borrower and reasonably likely to have a materially adverse effect on the Properties or the operation thereof, except as referred to or reflected in said financial statements. Borrower has no liabilities or other obligations that arose or accrued prior to the date hereof, that would reasonably be expected to have a Material Adverse Effect. Borrower has no known contingent liabilities.

14. Insurance. Borrower has obtained and delivered to Lender certificates evidencing the Policies required to be maintained under the Loan Agreement. All such Policies are in full force and effect, with all premiums prepaid thereunder. No claims have been made that are currently pending, outstanding or otherwise remain unsatisfied under any such Policies that would reasonably be expected to have a Material Adverse Effect. With respect to any insurance policy, neither Borrower nor, to Borrower's or Manager's knowledge, any other person or entity, has done, by act or omission, anything which would impair the coverage of any of the Policies in any material respect.

15. Tax Filings. Each Loan Party has filed, or caused to be filed, on a timely basis all tax returns (including, without limitation, all foreign, federal, state, local and other tax returns) required to be filed by it, is not liable for Non-Property Taxes payable by any other person or entity and has paid or made adequate provisions for the payment of all Non-Property Taxes (to the extent such taxes, assessment and other governmental charges exceed \$100,000 in the aggregate) payable by such Loan Party except as permitted by the Loan Agreement. All material recording or other similar taxes required to be paid by any Loan Party under applicable legal requirements currently in effect in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents have been paid.

16. Federal Reserve Regulations. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System ("Margin Stock") or for any other purpose which would be inconsistent with such Regulation U or any other Regulations of such Board of Governors, or for any purposes prohibited by legal requirements in any material respects or by the terms and conditions of the Loan Agreement or the other Loan Documents. None of the Collateral is comprised of Margin Stock and less than 25% of the assets of each Loan Party are comprised of Margin Stock.

17. Organizational Chart. The organizational chart attached as Schedule II of the Loan Agreement, relating to the Loan Parties and certain affiliates and other parties, is true, complete and correct on and as of the date hereof. No person or entity other than those persons and entities shown on Schedule II of the Loan Agreement has any ownership interest in, or right of control, directly or indirectly, in Borrower or any other Loan Party.

18. Bank Holding Company. Borrower is not a "bank holding company" or a direct or indirect subsidiary of a "bank holding company" as defined in the Bank Holding Company Act of 1956, as amended, and Regulation Y thereunder of the Board of Governors of the Federal Reserve System.

19. FIRPTA. No Loan Party is a "foreign person" within the meaning of Section 1445(f)(3) of the Code.

20. Investment Company Act. No Loan Party or any person or entity controlling such Loan Party, including Loan Sponsor, is required to register as an "investment company" under the Investment Company Act of 1940, as amended.

21. Fiscal Year. Each fiscal year of Borrower commences on January 1.

22. Other Debt. No Loan Party has any indebtedness other than, with respect to Borrower, (a) the Loan and (b) unsecured trade payables incurred in the ordinary course of business relating to the ownership and operation of the Properties, which in the case of such unsecured trade payables (i) are not evidenced by a note, (ii) do not exceed, at any time, a maximum aggregate amount of three percent (3%) of the original principal amount of the Loan and (iii) are paid within 60 days of the date incurred (the "Permitted Indebtedness"), and with respect to each of the Equity Owner LP and Borrower GP, (x) with respect to Equity Owner LP, its limited partnership interest in Borrower and limited liability company interest in Borrower GP, (y) with respect to Borrower GP, its general partnership interest in Borrower and (z) with respect to Equity Owner GP, its general partnership interest in Equity Owner LP, in each case (i) do not exceed at any one time \$10,000.00, and (ii) are paid within 60 days after the date incurred (collectively, the "Guarantor Permitted Indebtedness"). Nothing contained in the Loan Agreement shall be deemed to require the Borrower, Equity Owner LP or Borrower GP to pay any unsecured trade payables so long as such Borrower, Equity Owner LP or Borrower GP, as applicable, is in good faith at its own expense, and by proper legal proceedings, diligently contesting the validity, amount or application thereof, provided that in each case, at the time of commencement of any such action or proceeding, and during the pendency of such action or proceeding (1) no Loan Event of Default is continuing, (2) no Property nor any material part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost and (3) such contest operates to suspend collection or enforcement, as the case may be, of the contested amount.

23. Contracts.

(a) Borrower has not entered into, and is not bound by, any (i) any management agreement relating to the Properties or the Loan Parties, (ii) any agreement between any Loan Party and any affiliate of any Relevant Party and (iii) any brokerage, leasing, cleaning, maintenance, service or other contract or agreement of any kind (other than Leases) relating to the Properties, in each case involving payment or expense of more than One Million Dollars (\$1,000,000) during any twelve (12) month period, unless cancelable on thirty (30) days or less notice without requiring payment of termination fees or payments of any kind (a "Major Contract") which continues in existence, except those previously disclosed in writing to Lender.

(b) Each of the Major Contracts is in full force and effect, there are no material defaults by Borrower thereunder and, to the knowledge of Borrower and Manager, there are no monetary or other material defaults thereunder by any other party thereto. None of Borrower, Manager, any affiliate of Borrower or any other person or entity acting on Borrower's behalf has given or received any notice of default under any of the Major Contracts that remains uncured or in dispute.

(c) Borrower has delivered copies of the Major Contracts (including all amendments and supplements thereto) to Lender that are true, correct and complete in all material respects.

(d) Except for the Manager under the Management Agreement, no Major Contract has as a party an affiliate of Borrower. All fees and other compensation for services previously performed under the Management Agreement have been paid in full.

24. Full and Accurate Disclosure. All information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of each Loan Party to Lender in connection with the negotiation, preparation or delivery of the Loan Agreement and the other Loan Documents or included herein or therein or delivered pursuant hereto or thereto (but excluding any projections, forward looking statements, budgets, estimates and general market data as to which each Loan Party only represents and warrants that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time), when taken as a whole, as of the date furnished, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not materially misleading.

25. Illegal Activity. None of the Properties has been or will be purchased with proceeds of any illegal activity.

26. Patriot Act.

(a) No Loan Party nor to Borrower's knowledge any owner of a direct interest in any Loan Party (i) is listed on (A) OFAC, (B) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that Lender notified Borrower in writing is now included in "*Government Lists*," or (C) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to any Executive Order of the President of the United States of America that Lender notified Borrower in writing is now included in "*Government Lists*," (ii) is a person who has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") or in any enabling legislation or other Presidential Executive Orders in respect thereof, (iii) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense, or (iv) is currently under investigation by any governmental authority for alleged criminal activity. For purposes hereof, the term "Patriot Act Offense" means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws against terrorism; (B) the criminal laws against money laundering, (C) the Bank Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or (E) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same may be amended from time to time. "Patriot Act Offense" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense.

(b) At the time Borrower first entered into a Lease with each Tenant (excluding any Tenant who occupied a Property pursuant to an in-place Lease when such Property was acquired by Borrower's affiliate), no such Tenant was listed on the Annex to, or is otherwise subject to the provisions of EO13224 or OFAC's most current list of "Specially Designated National and Blocked Persons" (which list may be published from time to time in various mediums including, but not limited to, the OFAC website, <http://www.treas.gov/ofac/downloads/t11sdn.pdf>).

- B. Borrower represents and warrants to Lender with respect to each Property as of the Closing Date that, except to the extent (if any) disclosed on Schedule I to this Annex E with reference to a specific subsection of this Section:

1. Property/Title.

(a) Borrower has good and marketable fee simple legal and equitable title to the real property comprising the Property, subject to Permitted Liens. The Mortgage Documents, when properly recorded and/or filed in the appropriate records, will create (i) a valid, first priority, perfected lien on Borrower's interest in the Property, subject only to the Permitted Liens, and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty (including the Leases), all in accordance with the terms thereof, in each case subject only to the Permitted Liens.

(b) All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid under applicable legal requirements in connection with the transfer of the Property to Borrower have been paid or are being paid simultaneously herewith. All mortgage, mortgage recording, stamp, intangible or other similar tax required to be paid under applicable legal requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Mortgage Documents with respect to such Property, including the Mortgages, have been paid or are being paid simultaneously herewith. All taxes and governmental assessments due and owing in respect of the Property have been paid, or an escrow of funds in an amount sufficient to cover such payments has been established hereunder or are insured against by the Title Insurance Policy and the Title Insurance Owner's Policy for such Property.

(c) Each Property is comprised of one (1) or more parcels which constitute separate tax lots and do not constitute a portion of any other tax lot not a part of such Property. Each Property is comprised of one (1) or more separate legal parcels and no portion of any Property constitutes a portion of any legal parcel not a part of such Property. All improvements on such Property are within such Property's boundaries and building restrictions lines and no improvements on any adjoining property encroach on such Property except for such encroachments that are not reasonably likely to have an Individual Material Adverse Effect.

2. Adverse Claims. Borrower's ownership of the Property is free and clear of any liens other than Permitted Liens.

3. Title Insurance Owner's Policy. The property file for the Property includes either (i) a Title Insurance Owner's Policy insuring fee simple ownership of such Property by Borrower in an amount equal to or greater than the initial Allocated Loan Amount of the Property, issued by a Qualified Title Insurance Company with no title exceptions other than Permitted Liens or (ii) a marked or initialed binding commitment that is effective as a Title Insurance Owner's Policy in respect of such Property in an amount equal to or greater than the initial Allocated Loan Amount of the Property, issued by a Qualified Title Insurance Company with no title exceptions other than Permitted Liens, which commitment shall be accompanied by such other affidavits, transfer declarations and other documents as are necessary for the recordation of the deed for such Property and issuance of such Title Insurance Owner's Policy.

4. Deed. The property file for such Property includes a deed for such Property conveying the Property to Borrower, with vesting in the actual name of Borrower with a certification from Borrower that such Property's deed has been recorded or presented to and accepted for recording by the applicable Qualified Title Insurance Company issuing the related Title Insurance Owner's Policy or binding commitment referred to in the Loan Agreement, with all fees, premiums and deed stamps and other transfer taxes paid.

5. Mortgage File Required Documents. The property file for the Property includes (a) either (i) certified or file stamped (in each case by the applicable land registry) original executed Mortgage Documents or (ii) a copy of the Mortgage Documents in recordable form that have been submitted by the title insurance company for recording in the jurisdiction in which such Property is located (with the Lender and the Borrower acknowledging that the Mortgage Documents delivered on the Closing Date consist solely of the Mortgages (which include the assignments of leases and rents and fixture filings as a part thereof), and that no separate assignments of leases and rents or fixture filings are included as part of the Mortgage Documents delivered at the Closing Date), (b) an opinion of counsel admitted to practice in the state in which such Property is located in form and substance reasonably satisfactory to Lender in respect of the enforceability of such Mortgage Documents and an opinion of counsel in form and substance reasonably satisfactory to Lender stating that the Mortgage Documents were duly authorized, executed and delivered by Borrower and that the execution and delivery of such Mortgage Loan Documents and the performance by Borrower of its obligations thereunder will not cause a breach of, or a default under, any agreement, document or instrument to which Borrower is a party or to which it or such Property is bound, (c) either (x) a Title Insurance Policy insuring the lien of the Mortgage encumbering such Property, or (y) a marked or initialed binding commitment that is effective as a Title Insurance Policy in respect of such Property, in each case, issued by a Qualified Title Insurance Company with no title exceptions other than Permitted Liens, which commitment shall be accompanied by such other affidavits, transfer declarations and other documents specified in such commitment as necessary for the issuance of such Title Insurance Policy, and (d) evidence that all taxes, fees and other charges payable in connection therewith have been paid in full. GRC has delivered to the Lender the Closing Date GRC Certificate.

6. Property File. The property file for such Property has been delivered to Lender and there is no deficiency with respect to such property file.

7. Property Taxes, Other Charges and HOA Fees. There are no delinquent Property Taxes, Other Charges or HOA Fees outstanding with respect to the Property, other than Property Taxes, Other Charges or HOA Fees that may arise after the Closing Date and which are being contested in accordance with the Loan Agreement. As of the Closing Date, there are no pending or, to Borrower's or Manager's knowledge, proposed, special or other assessments for homeowners' or condominium owners' association improvements affecting the Property that would reasonably be expected to have an Individual Material Adverse Effect with respect to the Property.

8. Compliance with Renovation Standards. If the Property is a Vacant Property, it was previously subject to an Eligible Lease. If the Property is then subject to an Eligible Lease, or if the Property is a Vacant Property previously subject to an Eligible Lease, at the commencement of such Eligible Lease, such Property satisfied the Renovation Standards and all renovations thereto were conducted in accordance with applicable Legal Requirements, in all material respects.

9. Physical Condition. The Property is subject to an Eligible Lease or is a Vacant Property previously subject to an Eligible Lease, and at the commencement of such Eligible Lease, such Property was (and to the Borrower's knowledge continues to be) in a good, safe and habitable condition and repair, and free of and clear of any damage or waste that has an Individual Material Adverse Effect on the Property. All life safety repairs with respect to the Property, if any, identified by Lender and notified to Borrower as to be completed prior to the Closing Date have been so completed.

10. Brokers. There is no commission or other compensation payable to any broker or finder in connection with the purchase of the Property by Borrower or its affiliate that has not been paid or is being contested in good faith by Borrower.

11. Leasing. As of the Property Cut-off Date, unless such Property is a Vacant Property, or, in case of any Substitute Property, as of the date such Property becomes a Substitute Property, the Property was leased by Borrower pursuant to an Eligible Lease and each such lease was in full force and effect and was not in default in any material respect. No person or entity (other than the Borrower) has any possessory interest in the Property or right to occupy the same except any Tenant under and pursuant to the provisions of the applicable Lease and any person or entity claiming rights through any such Tenant. The copy of such Eligible Lease in the property file is true and complete in all material respects and there are no material oral agreements with respect thereto. No Rent (or security deposits) has been paid more than one (1) month in advance of its due date. As of the Closing Date, any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by Borrower to the relevant Tenant has already been provided to such Tenant. The leasing of the Property has complied in all material respects with Borrower's internal leasing guidelines.

12. Insurance. The Property is covered by property, casualty, liability, business interruption, windstorm, flood, earthquake and other applicable insurance policies as and to the extent, and in compliance with the applicable requirements of the Loan Agreement and neither Borrower or Manager has taken (or omitted to take) any action that would impair or invalidate the coverage provided by any such policies. As of the Closing Date, no claims have been made that are currently pending, outstanding or otherwise remain unsatisfied under any such policies and would reasonably be expected to have an Individual Material Adverse Effect with respect to the Property.

13. Lawsuits, Etc. There are no actions, suits or proceedings at law or in equity by or before any governmental authority or other entity pending or to the actual knowledge of Borrower or Manager, threatened against or affecting the Property, which actions, suits or proceedings would reasonably be expected to have an Individual Material Adverse Effect on such Property.

14. Orders, Injunctions, Etc. There are no orders, injunctions, decrees or judgments outstanding with respect to the Property that would reasonably be expected to have an Individual Material Adverse Effect on such Property.

15. Agreements Relating to the Property. Borrower is not a party to any agreement or instrument or subject to any restriction of record which would reasonably be expected to have an Individual Material Adverse Effect on such Property. Borrower has not received notice of a default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which the Property is bound. Borrower does not have a material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument by which the Property is bound, other than obligations under the Loan Documents. Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Lien with respect to any Property. Neither the Property nor any part thereof are subject to any purchase options, rights of first refusal, rights of first offer or other similar rights in favor of any Tenant or other third parties.

16. Accuracy of Information Regarding Property. The Property is not a housing cooperative or manufactured housing. All material information with respect to the Property included in the property file and the Quarterly Properties Schedule is true, complete and accurate in all material respects. If the Property is located in Nevada, (i) the HOA (if any) affecting such Property is accurately identified on Schedule XIV to the Loan Agreement and (ii) the notice address of such HOA (if identified on Schedule XIV to the Loan Agreement) (as may be updated by Borrower from time to time by notice to Lender) is true, complete, and accurate in all respects.

17. Compliance with Legal Requirements. The Property (including the leasing and intended use thereof) complies with all applicable legal requirements, including, without limitation, building and zoning ordinances and codes and all certifications, permits, licenses and approvals, including without limitation, certificates of completion and occupancy permits, required for the legal leasing, use, occupancy, habitability and operation of such Property, except as would not reasonably be expected to have an Individual Material Adverse Effect with respect to the Property. There is no consent, approval, permit, license, order or authorization of, and no filing with or notice to, any court or governmental authority related to the operation, use or leasing of the Property that has not been obtained, except as would not reasonably be expected to have an Individual Material Adverse Effect with respect to the Property. There has not been committed by Borrower or by any other person or entity in occupancy of or involved with the operation, use or leasing of the Property any act or omission affording any governmental authority the right of forfeiture as against the Property or any part thereof.

18. Environmental Laws. The Property is in material compliance with all Environmental Laws. No Loan Party nor any affiliate of any Loan Party has caused or has knowledge of any discharge, spill, uncontrolled loss or seepage of any Hazardous Substance onto any property comprising or adjoining any location of the Property, and no Loan Party nor any affiliate of any Loan Party nor, to the actual knowledge of Borrower or Manager, any tenant or occupant of all or part of the Property, is now or has been involved in operations at any Property which would reasonably be expected to lead to environmental liability for any Loan Party or any affiliate of a Loan Party or the imposition of a lien (other than a Permitted Lien) on the Property under any Environmental Law. There is no condition presently existing and no event has occurred or failed to occur prior to the date hereof, concerning the Property relating to any Hazardous Substance or other hazardous or toxic materials or condition, asbestos, mold or other environmental or similar matters which would reasonably be expected to have an Individual Material Adverse Effect on the Property.

19. Utilities and Public Access. The Property has rights of access to public ways and is served by water, sewer or septic system, and storm drain facilities adequate to service the Property for its intended uses and all public utilities necessary or convenient to the full use and enjoyment of the Property are located either in the public right-of-way abutting the Property (which are connected so as to serve the Property without passing over other property) or in recorded easements serving the Property and such easements are set forth in and insured by the applicable Title Insurance Owner's Policy and Title Insurance Policy and all roads necessary for the use of the Property for its intended purposes have been completed, except as would not reasonably be expected to have an Individual Material Adverse Effect with respect to the Property.

20. Eminent Domain. There is no proceeding pending or, to Borrower's or Manager's knowledge, threatened, for the total or partial condemnation or taking of the Property by eminent domain or for the relocation of roadways resulting in a failure of access to the Property on public roads.

21. Flood Zone. The Property is not located in an area identified by the Federal Emergency Management Agency as a special flood hazard area, or, if so located the flood insurance required pursuant to the Loan Agreement is in full force and effect with respect to the Property.

22. Specified Liens. The Property will not be subject to any Specified Lien at any time on or after the first anniversary of the Closing Date.

23. Environmental Representations. (a) neither Borrower nor any of its affiliates is in possession of any Environmental Inspections that have not been provided to Lender, nor have any Environmental Inspections been conducted by or on behalf of Borrower that have not been provided to Lender; (b) Borrower has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions other than Prohibited Activities or Conditions that are the subject of an O&M Plan approved in writing by Lender; (c) Borrower has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions with respect to such Property or any adjacent property owned by Borrower, Loan Sponsor or any affiliate thereof; (d) to Borrower's knowledge, no Prohibited Activities or Conditions exist or have existed; (e) such Property does not now contain any above-ground or underground storage tanks, and, to Borrower's knowledge, such Property has not contained any above-ground or underground storage tanks in the past. If there is or was any storage tank located on such Property which has been previously disclosed by Borrower to Lender in writing or in any Environmental Inspection, that tank complies with, or has been removed in accordance with, all requirements of Environmental Laws; (f) Borrower has complied with all Environmental Laws, including all requirements for notification regarding the presence of or any releases of Hazardous Materials. Without limiting the generality of the foregoing, Borrower has obtained all Environmental Permits required for the operation of such Property in accordance with Environmental Laws now in effect, Borrower has disclosed all such Environmental Permits to Lender, and all such Environmental Permits are in full force and effect; (g) to Borrower's knowledge, no event has occurred with respect to such Property that constitutes, or with the passing of time or the giving of notice would constitute, noncompliance with the terms of any Environmental Permit; (h) there are no actions, suits, claims, orders, proceedings pending or, to Borrower's knowledge, threatened that involve such Property and allege, arise out of or relate to any Prohibited Activity or Condition; and (i) Borrower has not received any written complaint, order, notice of violation or other communication from any governmental authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials, or any other environmental, health or safety matters affecting such Property or any other property owned, leased or otherwise controlled by Borrower, Loan Sponsor or any affiliate thereof that is adjacent to such Property.

For purposes of this section:

"Environmental Inspections" means, with respect to any Property, environmental inspections, reports, tests, investigations, studies, audits, reviews or other analyses (including those related to Significant Mold) with respect to such Property.

SCHEDULE I TO ANNEX E
EXCEPTIONS TO REPRESENTATIONS AND WARRANTIES

None.

ANNEX F

DEFINITION OF SPECIAL PURPOSE BANKRUPTCY REMOTE ENTITY

All capitalized terms used in this Annex F and not otherwise defined in this information circular have the meanings ascribed to such terms in the Loan Agreement.

Under the Loan Agreement the Borrower represents and warrants to, and covenants with, the Lender that since the date of its formation and the date of formation of each other Loan Party, the Borrower and each other Loan Party have complied with the following and at all times on and after the date hereof and until such time as the Loan shall be paid and performed in full the Borrower shall and shall cause each other Loan Party to comply with the following:

1. The Borrower (i) has been, is, and will be organized solely for the purpose of acquiring, renovating, rehabilitating, owning, holding, selling, leasing, transferring, exchanging, managing and operating the Properties, entering into the Loan Agreement with the Lender, refinancing the Properties in connection with a permitted repayment of the Loan, acting as the sole member of any Borrower TRS and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing, and (ii) has not owned, does not own, and will not own any asset or property other than (A) the Properties, (B) incidental personal property necessary for the ownership or operation of the Properties and (C) its membership interest in each Borrower TRS; provided, however, that Borrower previously owned the Previously-Owned Properties and entered into the 2014-SFR1 Loan (which shall not be deemed a violation of this paragraph (1)), and on or prior to the Closing Date (i) all right, title, interest and estate in the Previously-Owned Properties were transferred and conveyed by Borrower to the applicable Previously-Owned Properties Transferee and (ii) the 2014-SFR1 Loan has, on or prior to the Closing Date, been satisfied in full or assigned to the Lender and restated pursuant to the Note.
2. Equity Owner LP (i) has been, is, and will be organized solely for the purpose of acting as the sole limited partner of the Borrower and the sole member of Borrower GP, executing the Equity Owner Guaranty and the Equity Owner LP Security Agreement, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing, and (ii) has not owned, does not own, and will not own any asset or property other than its 99.0% limited partnership interest in the Borrower and its membership interest in Borrower GP; provided, however, that Equity Owner executed a guaranty and security agreement in connection with the 2014-SFR1 Loan (which shall not be deemed a violation of this paragraph (2)), which 2014-SFR1 Loan has been satisfied in full on or prior to the Closing Date.
3. Borrower GP (i) has been, is, and will be organized solely for the purpose of acting as the sole general partner of the Borrower, executing the Borrower GP Guaranty and the Borrower GP Security Agreement, and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing, and (ii) has not owned, does not own, and will not own any asset or property other than its general partnership interest in the Borrower; provided, however, that Borrower GP executed a guaranty and security agreement in connection with the 2014-SFR1 Loan (which shall not be deemed a violation of this paragraph (3)), which 2014-SFR1 Loan has been satisfied in full on or prior to the Closing Date.
4. Any Borrower TRS (i) will be organized solely for the purpose of marketing and selling Properties and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing and (ii) will not own any asset or property other than (A) the Properties or (B) incidental personal property necessary for the ownership or operation of Properties or for the provision of other services in connection with the acquisition, renovation, rehabilitation, ownership, management and operation of the Properties.
5. The Borrower has not engaged and will not engage in any business other than the acquisition, renovation, rehabilitation, ownership, management and operation of the Properties and the Borrower will conduct and operate its business as presently conducted and operated; provided, however, that Borrower previously acquired, renovated, rehabilitated, owned, managed and operated the Previously-Owned Properties (which shall not be deemed a violation of this paragraph (5)), and on or prior to the Closing Date all right, title, interest and estate in the Previously-Owned Properties were transferred and conveyed by Borrower to the applicable Previously-Owned Properties Transferee.
6. Equity Owner LP has not engaged and will not engage in any business other than acting as the limited partner of the Borrower and the sole member of Borrower GP and Equity Owner LP will conduct and operate its business as presently conducted and operated.

7. Borrower GP has not engaged and will not engage in any business other than acting as the general partner of the Borrower, and Borrower GP will conduct and operate its business as presently conducted and operated.
8. No Borrower TRS will engage in any business other than marketing and selling Properties or the provision of other services in connection with the acquisition, renovation, rehabilitation, ownership, management and operation of the Properties.
9. Each Loan Party has not and will not enter into any contract or agreement with any affiliate of such Loan Party except upon commercially reasonable terms and conditions that are comparable to those of an arms-length basis with third parties other than any such party.
10. Each Loan Party has not incurred and will not incur any indebtedness other than, with respect to the Borrower, Permitted Indebtedness and the 2014-SFR1 Loan (which has been satisfied in full on or prior to the Closing Date), and with respect to Equity Owner LP and Borrower GP, Guarantor Permitted Indebtedness and the 2014-SFR1 Loan (which has been satisfied in full on or prior to the Closing Date). No Indebtedness other than the Loan may be secured (senior, subordinate or *pari passu*) by the Collateral.
11. Each Loan Party has not made and will not make any loans or advances to any third party (including any affiliate or constituent party), and has not and shall not acquire obligations or securities of its affiliates; provided that the Borrower will be permitted to organize a Borrower TRS as contemplated by the Loan Agreement and the Borrower GP, Equity Owner and Equity Owner GP may own the securities of their respective subsidiaries (i.e., the Borrower or Equity Owner, as applicable) as described in the Loan Agreement.
12. Each Loan has been, is, and intends to remain solvent and each Loan Party has paid and intends to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets; provided that the foregoing shall not require any direct or indirect member, partner or shareholder of any Loan Party to make any additional capital contributions to such Loan Party.
13. Each Loan Party has done or caused to be done, and will do, all things necessary to observe organizational formalities and preserve its existence, and no Loan Party will, nor will such Loan Party permit any person or entity to, (i) terminate or fail to comply with the provisions of its organizational documents, or (ii) unless the Borrower has obtained the Required Parties' Approval in connection therewith, amend, modify or otherwise change its partnership certificate, partnership agreement, articles of incorporation and bylaws, operating agreement, trust or other organizational documents.
14. Each Loan Party has maintained and will maintain all of its books, records, financial statements and bank accounts separate from those of its affiliates and any other person or entity. No Loan Party's assets will be listed as assets on the financial statement of any other person or entity, provided, however, that a Loan Party's assets may be included in a consolidated financial statement of its affiliates provided that (i) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of such Loan Party and such affiliates and to indicate that such Loan Party's assets and credit are not available to satisfy the debts and other obligations of such affiliates or any other person or entity, and (ii) such assets shall be listed on such Loan Party's own separate balance sheet. Except to the extent that such Loan Party is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law, each Loan Party will file its own tax returns (to the extent such Loan Party is required to file any such tax returns) and will not file a consolidated, combined or unitary income tax return (as provided for in IRC Sec. 1501) or any applicable state or local law) with any other person or entity. Each Loan Party has maintained and shall maintain its books, records, resolutions and agreements in accordance with the Loan Agreement.
15. Each Loan Party has been, will be, and at all times has held and will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any affiliate of such Loan Party or any constituent party of such Loan Party), shall correct any known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, shall not identify itself or any of its affiliates as a division or department or part of the other and shall maintain and utilize separate stationery, invoices and checks bearing its own name.
16. Each Loan Party has maintained and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business

operations; provided that the foregoing shall not require any direct or indirect member, partner or shareholder of any Loan Party to make any additional capital contributions to such Loan Party.

17. No Loan Party or any constituent party of such Loan Party has sought or will seek or effect the liquidation, dissolution, winding up, consolidation or merger, in whole or in part, of such Loan Party.
18. No Loan Party has or will commingle the funds and other assets of such Loan Party with those of any affiliate or constituent party or any other person or entity, and has held and will hold all of its assets in its own name; provided, that a Borrower TRS may commingle its assets with those of the Borrower and may participate in Borrower's cash management system.
19. Each Loan Party has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any affiliate or constituent party or any other person or entity; provided, that a Borrower TRS may hold assets in Borrower's name.
20. No Loan Party has or will assume or guarantee or become obligated for the debts of any other person or entity (other than other Loan Parties) and no Loan Party has or will hold itself out to be responsible for or have its credit available to satisfy the debts or obligations of any other person or entity (other than other Loan Parties), except, in each case, as contemplated by the Loan Agreement or the other Loan Documents and with regard to the 2014-SFR1 Loan (which has been satisfied in full on or prior to the Closing Date).
21. Unless such Loan Party is an Acceptable LLC or a corporation formed under the laws of any jurisdiction of the United States, each Loan Party's general partner or managing member, as applicable, (each, an "SPC Party") shall be a Delaware limited liability company or a corporation formed under the laws of any jurisdiction of Delaware which is either (i) another Loan Party who will at all times comply with each of the representations, warranties and covenants contained on this Annex F applicable to such other Loan Party or (ii) a Delaware limited liability company or a corporation formed under the laws of Delaware whose sole asset is its interest in such Loan Party and (A) will cause such Loan Party to be a Special Purpose Bankruptcy Remote Entity; (B) will at all times comply with each of the representations, warranties and covenants contained on this Annex F applicable to such SPC Party as if such representation, warranty or covenant was made directly by such SPC Party; (C) will not engage in any business or activity other than owning an interest in such Loan Party; (D) will not acquire or own any assets other than its partnership or membership interest in such Loan Party; and (E) will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation) other than of the type and in amounts permitted pursuant to the Loan Documents.
22. The organizational documents of each Loan Party (to the extent such Loan Party is an Acceptable LLC or a corporation formed under the laws of any jurisdiction of the United States) or each SPC Party shall provide that at all times there shall be (and each Loan Party shall at all times cause there to be) at least two (2) duly appointed Independent Directors or Independent Managers, and that no Independent Director or Independent Manager (as applicable) may be removed or replaced without Cause and unless such Lender is provided with not less than three (3) Business Days' prior written notice of (a) any proposed removal of an Independent Director or Independent Manager (as applicable), together with a statement as to the reasons for such removal, and (b) the identity of the proposed replacement Independent Director or Independent Manager (as applicable), together with a certification that such replacement satisfies the requirements set forth in the organizational documents for an Independent Director or Independent Manager (as applicable).
23. The organizational documents of each Loan Party and the SPC Party shall also provide an express acknowledgment that Lender is an intended third-party beneficiary of the "special purpose" provisions of such organizational documents.
24. The organizational documents of each Loan Party (to the extent such Loan Party is an Acceptable LLC or a corporation formed under the laws of any jurisdiction of the United States) or each SPC Party shall provide that such Loan Party or SPC Party, as applicable, shall not take any action which, under the terms of any certificate of incorporation, by-laws or any voting trust agreement with respect to any common stock, requires a unanimous vote of the (A) the sole member of such Loan Party or SPC Party, as applicable (the "Sole Member"), (B) the board of directors of such Loan Party or SPC Party, as applicable or (C) the committee of managers of such Loan Party or SPC Party, as applicable, designated to manage the business affairs of such Loan Party or SPC Party, as applicable (the "Committee"), unless at the time of such action there shall be at least two (2) duly appointed Independent Directors or Independent Managers and all such Independent Directors or Independent Managers (as applicable) have participated in such vote. The organizational documents of each Loan Party and each SPC Party shall provide that the following actions

require unanimous written consent, including the written consent of the Independent Directors or Independent Managers (each, a "Material Action"): (i) filing or consenting to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, (ii) seeking or consenting to the appointment of a receiver, liquidator or any similar official of such Loan Party or SPC Party, as applicable, or a substantial part of its business, (iii) making an assignment for the benefit of creditors, (iv) admitting in writing its inability to pay debts generally as they become due, (v) declaring or effectuating a moratorium on the payment of any obligations, or (vi) taking any action in furtherance of the foregoing, provided, for purposes of clauses (iv) and (vi), the following shall not constitute a Material Action: (1) admissions or statements which are compelled and required by law and which are true and correct, or (2) admissions or statements in writing to Lender or any servicer of the Loan, or in connection with any audit opinion or "going concern" qualification in its audited financial statements, that (x) Borrower cannot pay its Operating Expenses, (y) Borrower cannot pay debt service on the Loan, or (z) Borrower cannot repay or refinance the Loan on the Maturity Date. In addition, the organizational documents of each Loan Party (to the extent such Loan Party is an Acceptable LLC or a corporation formed under the laws of any jurisdiction of the United States) or each SPC Party shall provide that, when voting with respect to any matters set forth in the immediately preceding sentence of this paragraph, the Independent Directors or Independent Managers (as applicable) shall consider only the interests of the applicable Loan Party or SPC Party, as applicable, including its creditors. No Loan Party or SPC Party shall take any of the foregoing actions without the unanimous written consent of its board of directors, its member(s), its partner(s) or the Committee, as applicable, including (or together with) all Independent Directors or Independent Managers, as applicable. Without limiting the generality of the foregoing, such documents shall expressly provide that, to the greatest extent permitted by law, except for duties to the Loan Party or SPC Party (including duties to equity holders solely to the extent of their respective economic interests in the Loan Party or SPC Party and to the Loan Party's or SPC Party's creditors as set forth in the immediately preceding sentence), such Independent Directors or Independent Managers (as applicable) shall not owe any fiduciary duties to, and shall not consider, in acting or otherwise voting on any matter for which their approval is required, the interests of (i) the Loan Party or the Loan Party's other equity holders or the SPC Party or the SPC Party's other equity holders, (ii) other affiliates of the Loan Party or the SPC Party, or (iii) any group of affiliates of which the Loan Party or the SPC Party is a part); provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing.

25. Notwithstanding anything herein to the contrary, a Loan Party or the SPC Party may be a Delaware single-member limited liability company provided that the following requirements are satisfied (an "Acceptable LLC"):

- (i) the organizational documents shall provide that, as long as any portion of the Loan remains outstanding, upon the occurrence of any event that causes the Sole Member of such limited liability company to cease to be a member of such limited liability company (other than (i) upon an assignment by Sole Member of all of its limited liability company interest in the limited liability company and the admission of the transferee, if permitted pursuant to the organizational documents and the Loan Documents, or (ii) the resignation of Sole Member and the admission of an additional member to the limited liability company, if permitted pursuant to the organizational documents and the Loan Documents), each of the persons acting as an Independent Director or Independent Manager (as applicable) of such Loan Party or SPC Party (as applicable) shall, without any action of any person or entity and simultaneously with Sole Member ceasing to be a member of such limited liability company, automatically be admitted as members of the limited liability company (in each case, individually, a "Special Member" and collectively, the "Special Members") and shall preserve and continue the existence of the limited liability company without dissolution. The organizational documents of the limited liability company shall further provide that for so long as any portion of the Loan is outstanding, no Special Member may resign or transfer its rights as Special Member unless (i) a successor Special Member has been admitted to the limited liability company as a Special Member, and (ii) such successor Special Member has also accepted its appointment as an Independent Director or Independent Manager (as applicable);
- (ii) the organizational documents of the limited liability company shall provide that, as long as any portion of the Loan remains outstanding, except as expressly permitted pursuant to the terms of the Loan Agreement, (x) Sole Member may not resign, and (y) no additional member shall be admitted to the limited liability company; and
- (iii) the organizational documents of the limited liability company shall provide that, as long as any portion of the Loan remains outstanding: (v) the limited liability company shall be dissolved, and its affairs shall be wound up, only upon the first to occur of the following: (A) the termination of the

legal existence of the last remaining member of the limited liability company or the occurrence of any other event which terminates the continued membership of the last remaining member of the limited liability company unless the business of the Loan Party or the SPC Party (as applicable) is continued in a manner permitted by its operating agreement or the Delaware Limited Liability Company Act (the “Act”), or (B) the entry of a decree of judicial dissolution under Section 18-802 of the Act; (w) upon the occurrence of any event that causes the last remaining member of the limited liability company to cease to be a member of the limited liability company or that causes Sole Member to cease to be a member of the limited liability company (other than (A) upon an assignment by Sole Member of all of its limited liability company interest in the limited liability company and the admission of the transferee, if permitted pursuant to the organizational documents and the Loan Documents, or (B) the resignation of Sole Member and the admission of an additional member of the limited liability company, if permitted pursuant to the organizational documents and the Loan Documents), to the fullest extent permitted by law, the personal representative of such last remaining member shall be authorized to, and shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of such member in the limited liability company, agree in writing (I) to continue the existence of the limited liability company, and (II) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the limited liability company, effective as of the occurrence of the event that terminated the continued membership of such member in the limited liability company; (x) the bankruptcy of Sole Member or a Special Member shall not cause such Sole Member or Special Member, respectively, to cease to be a member of the limited liability company and upon the occurrence of such an event, the business of the limited liability company shall continue without dissolution; (y) that in the event of the dissolution of the limited liability company, the limited liability company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the limited liability company in an orderly manner), and the assets of the limited liability company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act; and (z) that to the fullest extent permitted by law, each of Sole Member and the Special Members shall irrevocably waive any right or power that they might have to cause the limited liability company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the limited liability company, to compel any sale of all or any portion of the assets of the limited liability company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the limited liability company.

26. Each Loan Party shall conduct its business so that the assumptions made with respect to such Loan Party in the Insolvency Opinion shall be true and correct in all respects. In connection with the foregoing, each Loan Party hereby covenants and agrees that it will comply with or cause the compliance with, (i) all of the facts and assumptions (whether regarding such Loan Party or any other person or entity) set forth in the Insolvency Opinion, (ii) all of the representations, warranties and covenants in this Annex F, and (iii) all of the organizational documents of such Loan Party.
27. No Loan Party has permitted or will permit any affiliate (except a Manager pursuant to a Management Agreement entered into in accordance with the Loan Agreement) or constituent party independent access to its bank accounts.
28. Each Loan Party has paid and intends to pay its own liabilities and expenses, including the salaries of its own employees (if any) from its own funds, and has maintained and shall maintain a sufficient number of employees (if any) in light of its contemplated business operations; provided that the foregoing shall not require any direct or indirect member, partner or shareholder of any Loan Party to make any additional capital contributions to such Loan Party.
29. Each Loan Party has compensated and shall compensate each of its consultants and agents from its funds for services provided to it and pay from its own assets all obligations of any kind incurred; provided that the foregoing shall not require any direct or indirect member, partner or shareholder of any Loan Party to make any additional capital contributions to such Loan Party.
30. Each Loan Party has allocated and will allocate fairly and reasonably any overhead expenses that are shared with any affiliate, including shared office space.
31. Except in connection with the Loan and the 2014-SFR1 Loan, no Loan Party has pledged and no Loan Party will pledge its assets for the benefit of any other person or entity.

32. No Loan Party has and no Loan Party will have any obligation to indemnify its officers, directors, members or partners, as the case may be, or has such an obligation that is fully subordinated to the Loan and will not constitute a claim against it if cash flow in excess of the amount required to pay the Loan is insufficient to pay such obligation.
33. If such Loan Party is (i) a limited liability company, has articles of organization, a certificate of formation and/or an operating agreement, as applicable, (ii) a limited partnership, has a limited partnership agreement, or (iii) a corporation, has a certificate of incorporation or articles that, in each case, provide that such entity will not: (A) dissolve, merge, liquidate, consolidate; (B) sell, transfer, dispose, or encumber (except with respect to the Loan Documents) all or substantially all of its assets or acquire all or substantially all of the assets of any person or entity; or (C) engage in any other business activity, or amend its organizational documents with respect to the matters set forth on this Annex F without the consent of Lender.
34. No Loan Party has, does or will have any of its obligations guaranteed by an affiliate (other than by the Equity Owner Guaranty and the Sponsor Guaranty with respect to the Loan).

ANNEX G

FORM OF DISTRIBUTION DATE STATEMENT

(THIS PAGE INTENTIONALLY LEFT BLANK)



Wells Fargo Bank, N.A.
Corporate Trust Services
8480 Stagecoach Circle
Frederick, MD 21701-4747

Invitation Homes 2017-SFR1

Single-Family Rental Pass-Through Certificates

For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

DISTRIBUTION DATE STATEMENT

Table of Contents

<u>STATEMENT SECTIONS</u>	<u>PAGE(s)</u>
Certificate Distribution Detail	2
Certificate Factor Detail	3
Reconciliation Detail	4
Other Required Information	5
Cash Reconciliation Detail	6
Mortgage Loan Detail	7
NOI Detail	8
Principal Prepayment Detail	9
Historical Detail	10
Delinquency Loan Detail	11
Specially Serviced Loan Detail	12 - 13
Advance Summary	14
Modified Loan Detail	15
Historical Liquidated Loan Detail	16
Historical Bond / Collateral Loss Reconciliation	17
Interest Shortfall Reconciliation Detail	18 - 19
Supplemental Reporting	20

Depositor

IH Asset Receiving Limited Partnership
c/o Invitation Homes
901 Main Street
Suite 4700
Dallas, TX 75202
Contact: Jon Olsen

Servicer

Midland Loan Services, a Division of PNC
Bank, National Association
10851 Mastin Street
Building 82, Suite 300
Overland Park, KS 66210
Contact: Heather Wagner
Phone Number: (913) 253-9570

Special Servicer

Midland Loan Services, a Division of PNC
Bank, National Association
10851 Mastin Street
Building 82, Suite 300
Overland Park, KS 66210
Contact: Heather Wagner
Phone Number: (913) 253-9570

This report is compiled by Wells Fargo Bank, N.A. from information provided by third parties. Wells Fargo Bank, N.A. has not independently confirmed the accuracy of the information.

Please visit www.ctslink.com for additional information and if applicable, any special notices and any credit risk retention notices. In addition, certificateholders may register online for email notification when special notices are posted. For information or assistance please call 866-846-4526.



Wells Fargo Bank, N.A.
Corporate Trust Services
8480 Stagecoach Circle
Frederick, MD 21701-4747

Invitation Homes 2017-SFR1

Single-Family Rental Pass-Through Certificates

For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Certificate Distribution Detail

Class	CUSIP	Pass-Through Rate	Original Balance	Beginning Balance	Principal Distribution	Interest Distribution	Yield Maintenance Premium	Realized Loss/ Additional Trust Fund Expenses	Total Distribution	Ending Balance	Current Subordination Level (1)
A		0.000000%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B		0.000000%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R		0.000000%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Totals			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(1) Calculated by taking (A) the sum of the ending certificate balance of all classes less (B) the sum of (i) the ending certificate balance of the designated class and (ii) the ending certificate balance of all classes which are not subordinate to the designated class and dividing the result by (A).



Wells Fargo Bank, N.A.
Corporate Trust Services
8480 Stagecoach Circle
Frederick, MD 21701-4747

Invitation Homes 2017-SFR1

Single-Family Rental Pass-Through Certificates

For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Certificate Factor Detail

Class	CUSIP	Beginning Balance	Principal Distribution	Interest Distribution	Yield Maintenance Premium	Realized Loss/ Additional Trust Fund Expenses	Ending Balance
A		0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
B		0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
R		0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000



Wells Fargo Bank, N.A.
Corporate Trust Services
8480 Stagecoach Circle
Frederick, MD 21701-4747

Invitation Homes 2017-SFR1

Single-Family Rental Pass-Through Certificates

For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Reconciliation Detail

Principal Reconciliation

	Stated Beginning Principal Balance	Unpaid Beginning Principal Balance	Scheduled Principal	Unscheduled Principal	Principal Adjustments	Realized Loss	Stated Ending Principal Balance	Unpaid Ending Principal Balance	Current Principal Distribution Amount
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Certificate Interest Reconciliation

Class	Accrual Dates	Accrual Days	Accrued Certificate Interest	Distributable Certificate Interest	Distributable Certificate Interest Adjustment	Interest Shortfall/ (Excess)	Interest Distribution	Remaining Unpaid Distributable Certificate Interest
A	0	0	0.00	0.00	0.00	0.00	0.00	0.00
B	0	0	0.00	0.00	0.00	0.00	0.00	0.00
Totals		0	0.00	0.00	0.00	0.00	0.00	0.00

Class A Guarantor Reimbursement Amounts

Prior Cumulative Total	Class A Guaranteed Interest Deficiency Amount	Class A Guarantor Entitlement Amount	Class A Guarantor Principal Reimbursement Amount	Cumulative Total
0.00	0.00	0.00	0.00	0.00



For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Available Funds	0.00
Borrower Reimbursable Trust Fund Expenses	0.00

Loan Number	Calculated Portfolio Value Reduction Effected	Cumulative CPV SER Amount	Most Recent CPV Red. Date
Total			



Wells Fargo Bank, N.A.
Corporate Trust Services
8480 Stagecoach Circle
Frederick, MD 21701-4747

Invitation Homes 2017-SFR1

Single-Family Rental Pass-Through Certificates

For Additional Information please contact	
CTSLink Customer Service	
1-866-846-4526	
Reports Available	www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Cash Reconciliation Detail

Total Funds Collected

Interest:

Interest paid or advanced	0.00
Interest reductions due to Non-Recoverability Determinations	0.00
Interest Adjustments	0.00
Deferred Interest	0.00
ARD Interest	0.00
Net Prepayment Interest Shortfall	0.00
Net Prepayment Interest Excess	0.00
Default Interest	0.00
Late Payment Charges	0.00

Total Interest Collected

0.00

Principal:

Scheduled Principal	0.00
Unscheduled Principal	0.00
Principal Prepayments	0.00
Collection of Principal after Maturity Date	0.00
Recoveries from Liquidation and Insurance Proceeds	0.00
Excess of Prior Principal Amounts paid	0.00
Curtailments	0.00
Principal Adjustments	0.00

Total Principal Collected

0.00

Other:

Yield Maintenance Premium	0.00
Repayment Fees	0.00
Excess Liquidation Proceeds	0.00

Total Other Collected

0.00

Total Funds Collected

0.00

Total Funds Distributed

Fees:

Servicing Fee - Midland Loan Services	0.00
Trustee Fee - Wilmington Trust, N.A.	0.00
Certificate Administrator Fee - Wells Fargo Bank, N.A.	0.00
Guaranty Fee - Fannie Mae	0.00
CREFC® License Fee	0.00
Miscellaneous Fee	0.00

Total Fees

0.00

Additional Trust Fund Expenses:

Reimbursement for Interest on Advances	0.00
CPVSR Amount	0.00
Special Servicing Fee	0.00
Rating Agency Expenses	0.00
Attorney Fees & Expenses	0.00
Bankruptcy Expense	0.00
Taxes Imposed on Trust Fund	0.00
Non-Recoverable Advances	0.00
Workout Delayed Reimbursement Amounts	0.00
Other Expenses	0.00

Total Additional Trust Fund Expenses

0.00

Payments to Certificateholders & Others:

Interest Distribution	0.00
Principal Distribution	0.00
Yield Maintenance Premium	0.00

Total Payments to Certificateholders & Others

0.00

Total Funds Distributed

0.00



For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Mortgage Loan Detail

[illegible]

(1) Property Type Code

MF - Multi-Family
RT - Retail
HC - Health Care
IN - Industrial
WH - Warehouse
MH - Mobile Home Park
OF - Office
MU - Mixed Use
LO - Lodging

(2) Resolution Strategy Code

SS - Self Storage
98 - Other
SE - Securities
CH - Cooperative Housing
WH - Warehouse
ZZ - Missing Information
SF - Single Family

- 1 - Modification
- 2 - Foreclosure
- 3 - Bankruptcy
- 4 - Extension
- 5 - Note Sale
- 6 - DPO

(2) Resolution Strategy Code

7 - REO	11 - Full Payoff
8 - Resolved	12 - Reps and Warranties
9 - Pending Return to Master Servicer	13 - TBD
10 - Deed in Lieu Of Foreclosure	98 - Other

(3) Modification Code

1 - Maturity Date Extension	6 - Capitalization on Interest
2 - Amortization Change	7 - Capitalization on Taxes
3 - Principal Write-Off	8 - Other
4 - Blank	9 - Combination
5 - Temporary Rate Reduction	10 - Forbearance



For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Loan Number	ODCR	Property Type	City	State	Ending Scheduled Balance	Most Recent Fiscal NOI	Most Recent NOI	Most Recent NOI Start Date	Most Recent NOI End Date
Total									



For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

[illegible]



For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

[illegible]

Page 10 of 20



Invitation Homes 2017-SFR1

**Wells Fargo Bank, N.A.
Corporate Trust Services
8480 Stagecoach Circle
Frederick, MD 21701-4747**

For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Delinquency Loan Detail

[illegible]

<u>(1) Status of Mortgage Loan</u>			<u>(2) Resolution Strategy Code</u>		
A - Payment Not Received	0 - Current	4 - Performing Matured Balloon	1 - Modification	7 - REO	11 - Full Payoff
But Still in Grace Period	1 - 30-59 Days Delinquent	5 - Non Performing Matured Balloon	2 - Foreclosure	8 - Resolved	12 - Reps and Warranties
Or Not Yet Due	2 - 60-89 Days Delinquent	6 - 121+ Days Delinquent	3 - Bankruptcy	9 - Pending Return	13 - TBD
B - Late Payment But Less	3 - 90-120 Days Delinquent		4 - Extension	to Master Servicer	98 - Other
Than 30 Days Delinquent			5 - Note Sale	10 - Deed In Lieu Of	
			6 - DPO	Foreclosure	

** Outstanding P & I Advances include the current period advance.



Wells Fargo Bank, N.A.
Corporate Trust Services
8480 Stagecoach Circle
Frederick, MD 21701-4747

Invitation Homes 2017-SFR1

Single-Family Rental Pass-Through Certificates

For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Specially Serviced Loan Detail - Part 1

Distribution Date	Loan Number	Offering Document Cross-Reference	Servicing Transfer Date	Resolution Strategy Code (1)	Scheduled Balance	Property Type (2)	State	Interest Rate	Actual Balance	Net Operating Income	NOI Date	DSCR	Note Date	Maturity Date	Remaining Amortization Term

(1) Resolution Strategy Code

- | | | |
|------------------|---------------------|--------------------------|
| 1 - Modification | 7 - REO | 11 - Full Payoff |
| 2 - Foreclosure | 8 - Resolved | 12 - Reps and Warranties |
| 3 - Bankruptcy | 9 - Pending Return | 13 - TBD |
| 4 - Extension | to Master Servicer | 98 - Other |
| 5 - Note Sale | 10- Deed in Lieu Of | |
| 6 - DPO | Foreclosure | |

(2) Property Type Code

- | | |
|-----------------------|--------------------------|
| MF - Multi-Family | SS - Self Storage |
| RT - Retail | 98 - Other |
| HC - Health Care | SE - Securities |
| IN - Industrial | CH - Cooperative Housing |
| MH - Mobile Home Park | WH - Warehouse |
| OF - Office | ZZ - Missing Information |
| MU - Mixed Use | SF - Single Family |
| LO Lodging | |



Wells Fargo Bank, N.A.
Corporate Trust Services
8480 Stagecoach Circle
Frederick, MD 21701-4747

Invitation Homes 2017-SFR1

Single-Family Rental Pass-Through Certificates

For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Specially Serviced Loan Detail - Part 2

Distribution Date	Loan Number	Offering Document Cross-Reference	Resolution Strategy Code (1)	Site Inspection Date	Phase 1 Date	Appraisal / BPO Date	Adjusted Aggregate BPO / Appraised Value	Other REO Property Revenue	Comment

(1) Resolution Strategy Code

- | | | |
|------------------|---------------------------------------|--------------------------|
| 1 - Modification | 7 - REO | 11 - Full Payoff |
| 2 - Foreclosure | 8 - Resolved | 12 - Reps and Warranties |
| 3 - Bankruptcy | 9 - Pending Return to Master Servicer | 13 - TBD |
| 4 - Extension | 10 - Deed in Lieu Of Foreclosure | 98 - Other |
| 5 - Note Sale | | |
| 6 - DPO | | |



Wells Fargo Bank, N.A.
Corporate Trust Services
8480 Stagecoach Circle
Frederick, MD 21701-4747

Invitation Homes 2017-SFR1

Single-Family Rental Pass-Through Certificates

For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Advance Summary

	Current P&I Advances	Outstanding P&I Advances	Outstanding Servicing Advances	Current Period Interest on P&I and Servicing Advances Paid	Administrative Advances
Totals	0.00	0.00	0.00	0.00	



Invitation Homes 2017-SFR1
Single-Family Rental Pass-Through Certificates

For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Modified Loan Detail

Page 15 of 20



For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

[illegible]

* Fees, Advances and Expenses also include outstanding P & I advances and unpaid fees (servicing, trustee, etc.).



For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

[illegible]



For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

[illegible]



For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Offering Document Cross-Reference	Stated Principal Balance at Contribution	Current Ending Scheduled Balance	Reimb of Advances to the Servicer		Other (Shortfalls)/ Refunds	Comments
			Current Month	Left to Reimburse Master Servicer		
Totals						
Interest Shortfall Reconciliation Detail Part 2 Total					0.00	
Interest Shortfall Reconciliation Detail Part 1 Total					0.00	
Total Interest Shortfall Allocated to Trust					0.00	



Wells Fargo Bank, N.A.
Corporate Trust Services
8480 Stagecoach Circle
Frederick, MD 21701-4747

Invitation Homes 2017-SFR1

Single-Family Rental Pass-Through Certificates

For Additional Information please contact
CTSLink Customer Service
1-866-846-4526
Reports Available www.ctslink.com

Distribution Date: 5/18/17
Record Date: 4/28/17
Determination Date: 5/12/17

Supplemental Reporting

For property level information, please refer to the "Property Level Report" on www.ctslink.com.

Loan Event of Default, Servicer Termination Event or Special Servicer Termination Event information would be disclosed here.

ANNEX H
FORM OF SUPPLEMENTAL REPORT

(THIS PAGE INTENTIONALLY LEFT BLANK)



Invitation Homes 2017-SFR1 Trust

Current Month



Invitation Homes 2017-SFR1 Trust

Table of Contents



Components of Underwritten Net Cash Flow	3
Occupancy and Renewal Metrics	5
Stratifications	6
Prepayment(s)/Substitution(s)	12

The information provided in this report is based on property level data received from external parties, which may include the Servicer and other parties to the transaction. Wells Fargo Bank, N.A. expressly disclaims any responsibility for the accuracy or completeness of information furnished to it by those parties.



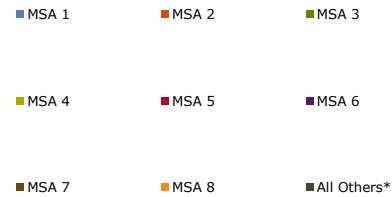
Invitation Homes 2017-SFR1 Trust Portfolio Snapshot

Current Month

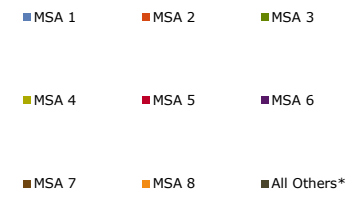


Metropolitan Statistical Area	MSA 1	MSA 2	MSA 3	MSA 4	MSA 5	MSA 6	MSA 7	MSA 8	All Others*	Totals
Property Count	0	0	0	0	0	0	0	0	0	0
BPO Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allocated Loan Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Property Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten HOA Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Repairs and Maintenance Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Turnover Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Leasing and Marketing Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Property Level G&A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Capex Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Underwritten Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Net Cash Flow - After Capex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% of Total (BPO Value)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

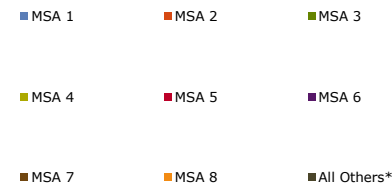
Rental Income Distribution



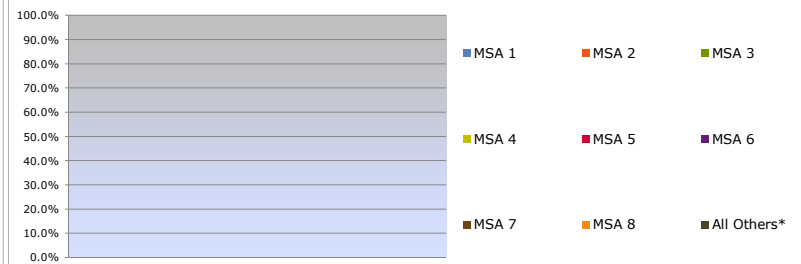
Total Expense Distribution



Property Count Distribution



Expense/Income Ratio



* Other MSA data broken down on next page



Invitation Homes 2017-SFR1 Trust Snapshot Continued

Current Month



Metropolitan Statistical Area	MSA 9	MSA 10	MSA 11	MSA 12	MSA 13	MSA 14	MSA 15	MSA 16	MSA 17	MSA 18	MSA 19
Property Count	0	0	0	0	0	0	0	0	0	0	0
BPO Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allocated Loan Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Property Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten HOA Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Repairs and Maintenance Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Turnover Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Leasing and Marketing Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Property Level G&A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Capex Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Underwritten Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Net Cash Flow - After Capex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% of Total (BPO Value)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Metropolitan Statistical Area	MSA 20	MSA 21	MSA 22	MSA 23	MSA 24	MSA 25	MSA 26	MSA 27	MSA 28	MSA 29	MSA 30
Property Count	0	0	0	0	0	0	0	0	0	0	0
BPO Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allocated Loan Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Property Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten HOA Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Repairs and Maintenance Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Turnover Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Leasing and Marketing Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Property Level G&A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Capex Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Underwritten Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Underwritten Net Cash Flow - After Capex	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% of Total (BPO Value)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Metropolitan Statistical Area	MSA 31	MSA 32
Property Count	0	0
BPO Value	\$ -	\$ -
Allocated Loan Amount	\$ -	\$ -
Underwritten Rent	\$ -	\$ -
Underwritten Other Income	\$ -	\$ -
Underwritten Vacancy	\$ -	\$ -
Underwritten Real Estate Taxes	\$ -	\$ -
Underwritten Property Management Fee	\$ -	\$ -
Underwritten HOA Fees	\$ -	\$ -
Underwritten Insurance	\$ -	\$ -
Underwritten Repairs and Maintenance Expense	\$ -	\$ -
Underwritten Turnover Expense	\$ -	\$ -
Underwritten Leasing and Marketing Expense	\$ -	\$ -
Underwritten Property Level G&A	\$ -	\$ -
Underwritten Capex Reserve	\$ -	\$ -
Total Underwritten Expenses	\$ -	\$ -
Underwritten Net Cash Flow - After Capex	\$ -	\$ -
% of Total (BPO Value)	0.0%	0.0%

Together we'll go far



Invitation Homes 2017-SFR1 Trust Occupancy and Renewal Metrics

Current Month



Information for the Month Ended	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
---------------------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------

Occupancy Metrics

Average Physical Occupancy

Number of Days in Period	0	0	0	0	0	0	0	0	0	0	0	0
Number of Properties in Pool During Period	0	0	0	0	0	0	0	0	0	0	0	0
Total Potential Days of Occupancy	0	0	0	0	0	0	0	0	0	0	0	0
Number of Days Properties Occupied	0	0	0	0	0	0	0	0	0	0	0	0
Average Occupancy Rate During Period	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Information for the Month Ended	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
---------------------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------

Renewal Metrics

Renewal Rate

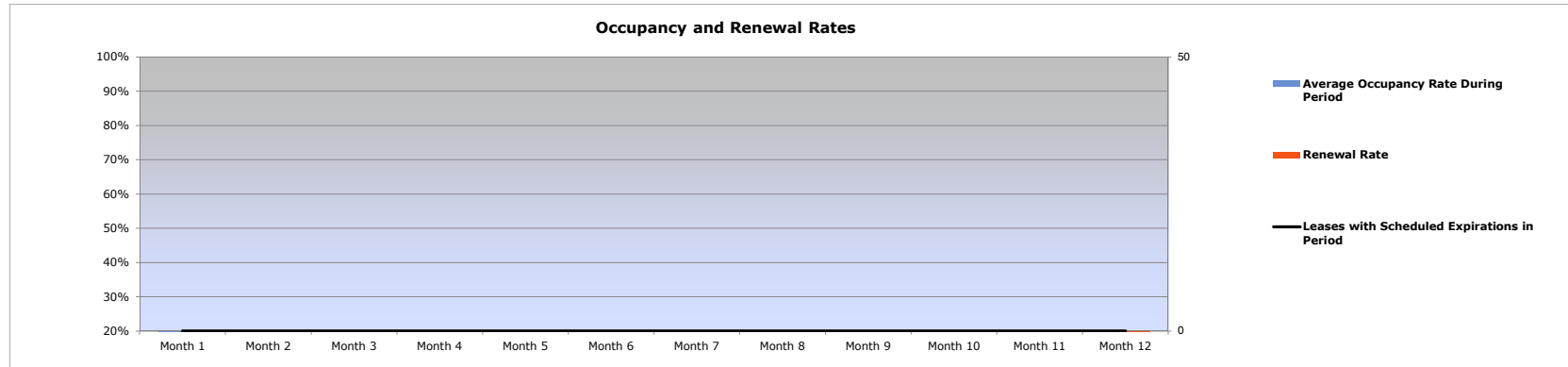
Leases with Scheduled Expirations in Period	0	0	0	0	0	0	0	0	0	0	0	0
Leases Renewed in Period	0	0	0	0	0	0	0	0	0	0	0	0
Renewal Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Information for the Month Ended	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
---------------------------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------

Turnover & Renewal Metrics

Turnover Rate

Properties that Became Vacant in Period	0	0	0	0	0	0	0	0	0	0	0	0
Number of Properties in Pool During Period	0	0	0	0	0	0	0	0	0	0	0	0
Turnover Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Based upon data received through XXXXXXXX



Invitation Homes 2017-SFR1 Trust Strats

Current Month



Most Recent BPO Value (\$)	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post-Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
75,000.01 - 100,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
100,000.01 - 125,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
125,000.01 - 150,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
150,000.01 - 175,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
175,000.01 - 200,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
200,000.01 - 225,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
225,000.01 - 250,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
250,000.01 - 275,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
275,000.01 - 300,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
300,000.01 - 400,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
400,000.01 - 500,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
500,000.01 - 600,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
600,000.01 - 700,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
700,000.01 - 800,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Totals/Averages	0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Minimum	\$	-									
Maximum	\$	-									
Average	\$	-									
Total	\$	-									

Total Cost Basis (Post-Rehab) (\$)	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post-Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
50,000.01 - 75,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
75,000.01 - 100,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
100,000.01 - 125,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
125,000.01 - 150,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
150,000.01 - 175,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
175,000.01 - 200,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
200,000.01 - 225,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
225,000.01 - 250,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
250,000.01 - 275,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
275,000.01 - 300,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
300,000.01 - 325,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
325,000.01 - 350,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
350,000.01 - 375,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
375,000.01 - 400,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
400,000.01 - 425,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
425,000.01 - 450,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
450,000.01 - 475,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
475,000.01 - 500,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
500,000.01 - 525,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Totals/Averages	0	-	0.0	-	0.0	-	0%	-	0.0	-	0.0
Minimum	\$	-									
Maximum	\$	-									
Average	\$	-									
Total	\$	-									

Together we'll go far



Based upon data received through XXXXXXXX

Invitation Homes 2017-SFR1 Trust Strats



Current Month

Total Actual Upfront Renovation Costs (\$)	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
0.01 - 5,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
5,000.01 - 10,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
10,000.01 - 15,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
15,000.01 - 20,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
20,000.01 - 25,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
25,000.01 - 30,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
30,000.01 - 35,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
35,000.01 - 40,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
40,000.01 - 45,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
45,000.01 - 50,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
50,000.01 - 55,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
55,000.01 - 60,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
60,000.01 - 65,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
65,000.01 - 70,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
70,000.01 - 75,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
75,000.01 - 80,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
80,000.01 - 85,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
85,000.01 - 90,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
90,000.01 - 95,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
95,000.01 - 100,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
100,000.01 - 105,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
105,000.01 - 110,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
110,000.01 - 185,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Totals/Averages	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
Minimum	\$	-									
Maximum	\$	-									
Average	\$	-									
Total	\$	-									

Contractual Rent (monthly \$)	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
Vacant	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Month-to-Month	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
700.01 - 1,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
1,000.01 - 1,250.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
1,250.01 - 1,500.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
1,500.01 - 1,750.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
1,750.01 - 2,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
2,000.01 - 2,250.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
2,250.01 - 2,500.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
2,500.01 - 2,750.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
2,750.01 - 3,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
3,000.01 - 3,250.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
3,250.01 - 3,500.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
3,500.01 - 3,750.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
3,750.01 - 4,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	#DIV/0!	-	0.0
Totals/Averages	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
Minimum	\$	-									
Maximum	\$	-									
Average	\$	-									
Total	\$	-									

Together we'll go far



Based upon data received through XXXXXXXX

Invitation Homes 2017-SFR1 Trust Strats



Current Month

Underwritten Annual Net Cash Flow (\$)	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
2,500.01 - 5,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
5,000.01 - 7,500.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
7,500.01 - 10,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
10,000.01 - 12,500.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
12,500.01 - 15,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
15,000.01 - 17,500.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
17,500.01 - 20,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
20,000.01 - 22,500.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
22,500.01 - 25,000.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
25,000.01 - 27,500.00	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Totals/Averages	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
Minimum	\$ -										
Maximum	\$ -										
Average	\$ -										
Total	\$ -										

Acquisition Month and Year	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
2012-04	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2012-05	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2012-06	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2012-07	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2012-08	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2012-09	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2012-10	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2012-11	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2012-12	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2013-01	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2013-02	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2013-03	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2013-04	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Totals/Averages	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
Minimum	1/0/1900										
Maximum	1/0/1900										
Median	1/0/1900										
Mode	1/0/1900										

Together we'll go far



Invitation Homes 2017-SFR1 Trust Strats



Current Month

Lease Start Date	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
Vacant	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Month-to-Month	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-01	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-02	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-03	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-04	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-05	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-06	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-07	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-08	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-09	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-10	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-11	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2014-12	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-01	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-02	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-03	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-04	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-05	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-06	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-07	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-08	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-09	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-10	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-11	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2015-12	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-01	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-02	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-03	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-04	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-05	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-06	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-07	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-08	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-09	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-10	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-11	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Totals/Averages	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
Minimum	1/0/1900										
Maximum	1/0/1900										
Median	1/0/1900										
Mode	1/0/1900										

Geographic Distribution by State	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
State 1	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
State 2	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
State 3	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
State 4	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
State 5	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
State 6	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
State 7	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
State 8	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
State 9	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
State 10	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
Totals/Averages	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0

Together we'll go far



Based upon data received through XXXXXXXX

Invitation Homes 2017-SFR1 Trust Strats



Current Month

Original Length of Lease (months)	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
Vacant	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Month-to-Month	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
1 to 6	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
7 to 12	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
13 to 18	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
19 to 24	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
25 to 40	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Totals/Averages	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
Minimum	0										
Maximum	0										
Average	0										
Median	0										

Date of Lease Expiration	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
Vacant	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Month-to-Month	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-11	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2016-12	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-01	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-02	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-03	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-04	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-05	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-06	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-07	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-08	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-09	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-10	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-11	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2017-12	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-01	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-02	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-03	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-04	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-05	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-06	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-07	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-08	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-09	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-10	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
2018-11	0	-	0.0%	-	0.0%	-	0.0%	0	0.0%	-	0.0
Totals/Averages	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
Minimum	1/0/1900										
Maximum	1/0/1900										
Median	1/0/1900										
Mode	1/0/1900										

Based upon data received through XXXXXXXX



Invitation Homes 2017-SFR1 Trust Strats



Current Month

Geographic Distribution by MSA	Number of Properties	Aggregate Total Cost Basis (Post-Rehab) (\$)	% by Total Cost Basis (Post Rehab)	Aggregate Most Recent BPO Value	% of Total	Aggregate Underwritten Net Cash Flow	% by Underwritten Net Cash Flow	Aggregate Net Rentable Area (Sq. Ft.)	% by Rentable Area	Average Underwritten Monthly Rent (\$)	Average Lease Remain (months)
MSA 1	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 2	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 3	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 4	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 5	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 6	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 7	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 8	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 9	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 10	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 11	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 12	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 13	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 14	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 15	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 16	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 17	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 18	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 19	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 20	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 21	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 22	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 23	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 24	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 25	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 26	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 27	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 28	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 29	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 30	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 31	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
MSA 32	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0
Totals/Averages	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0

Based upon data received through XXXXXXXX



Invitation Homes 2017-SFR1 Trust Prepayments & Substitutions

Current Month



PROPERTY PREPAYMENT(S):

Property Code	MSA	Acquisition Date	City	State	Allocated Loan Amount	Reason for Prepayment	Release Amount
---------------	-----	------------------	------	-------	-----------------------	-----------------------	----------------

No activity for the period.

PROPERTY SUBSTITUTION(S):

Property Removed	MSA	Acquisition Date	City	State	Allocated Loan Amount	Reason for Substitution	Property Added	MSA	Acquisition Date	City	State	Allocated Loan Amount
------------------	-----	------------------	------	-------	-----------------------	-------------------------	----------------	-----	------------------	------	-------	-----------------------

No activity for the period.



(THIS PAGE INTENTIONALLY LEFT BLANK)

No dealer, salesman or other person is authorized to give any information or to represent anything not contained in this information circular. You must not rely on any unauthorized information or representations. This information circular is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this information circular is current only as of its date.

TABLE OF CONTENTS

Information Circular

EXECUTIVE SUMMARY	iii
SUMMARY OF INFORMATION CIRCULAR	2
RISK FACTORS.....	33
DESCRIPTION OF THE RELEVANT PARTIES AND THE MANAGER	89
DESCRIPTION OF THE PROPERTIES	93
DESCRIPTION OF THE MANAGEMENT AGREEMENT AND THE ASSIGNMENT AND SUBORDINATION OF MANAGEMENT AGREEMENT	116
DESCRIPTION OF THE LOAN.....	125
DESCRIPTION OF THE CERTIFICATES.....	169
TRANSACTION PARTIES	188
DESCRIPTION OF THE LOAN PURCHASE AGREEMENT	198
DESCRIPTION OF THE TRUST AND SERVICING AGREEMENT.....	199
USE OF PROCEEDS.....	248
YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS.....	248
CERTAIN LEGAL ASPECTS OF THE LOAN	251
CERTAIN FEDERAL INCOME TAX CONSIDERATIONS.....	265
CERTAIN STATE AND LOCAL TAX CONSIDERATIONS.....	271
LEGAL INVESTMENT	272
CREDIT RISK RETENTION.....	272
PLAN OF DISTRIBUTION	275
LEGAL MATTERS	275
INDEX OF SIGNIFICANT TERMS	276
ANNEX A-1 – PROPERTY SCHEDULE.....	A-1-1
ANNEX B – PERCENTAGES OF THE INITIAL CERTIFICATE BALANCE OF THE CLASS A CERTIFICATES AT THE SPECIFIED CPR	B-1
ANNEX C – TABLES OF PRE-TAX YIELD TO MATURITY FOR THE CLASS A CERTIFICATES.....	C-1
ANNEX D – PROPERTY COVENANTS OF THE BORROWER	D-1
ANNEX E – REPRESENTATIONS AND WARRANTIES OF THE BORROWER	E-1
ANNEX F – DEFINITION OF SPECIAL PURPOSE BANKRUPTCY REMOTE ENTITY	F-1
ANNEX G – FORM OF DISTRIBUTION DATE STATEMENT	G-1
ANNEX H – FORM OF SUPPLEMENTAL REPORT	H-1

\$944,500,000 (Approximate)

WELLS FARGO SECURITIES

SIEBERT CISNEROS SHANK & Co., L.L.C.

Invitation Homes 2017-SFR1

**Single-Family Rental
Pass-Through Certificates**

INFORMATION CIRCULAR

April 19, 2017

(THIS PAGE INTENTIONALLY LEFT BLANK)

No one is authorized to give information or to make representations in connection with this offering other than those contained in this prospectus and the other disclosure documents. You must not rely on any unauthorized information or representation. This prospectus and the other disclosure documents do not constitute an offer or solicitation with regard to the Offered Certificates if it is illegal to make such an offer or solicitation to you under state law. By delivering this prospectus and the other disclosure documents at any time, no one implies that the information contained in these documents is correct after their dates.

The Securities and Exchange Commission has not approved or disapproved the Offered Certificates or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

	Page
Table of Contents.....	3
Additional Information	4
Incorporation by Reference	5
Summary	6
Risk Factors	8
Description of the Offered Certificates	37
The Trust Agreement.....	41
Certain Federal Income Tax Consequences	44
Legal Investment Considerations	47
Legal Opinion	48
ERISA Considerations.....	48
Plan of Distribution	49
Credit Risk Retention	49
Legal Matters	49
Index of Defined Terms.....	50

Information Circular

Executive Summary.....	iii
Table of Contents.....	v
Summary of Information Circular	2
Risk Factors	33
Description of the Relevant Parties and the Manager...	89
Description of the Properties	93
Description of the Management Agreement and the Assignment and Subordination of Management Agreement.....	116
Description of the Loan	125
Description of the Certificates	169
Transaction Parties.....	188
Description of the Loan Purchase Agreement.....	198
Description of the Trust and Servicing Agreement.....	199
Use of Proceeds	248
Yield, Prepayment and Maturity Considerations	248
Certain Legal Aspects of the Loan	251
Certain Federal Income Tax Considerations	265
Certain State and Local Tax Considerations	271
Legal Investment	272
Credit Risk Retention	272
Plan of Distribution	275
Legal Matters	275
Index of Significant Terms	276

\$944,500,000 (Approximate)
(subject to a permitted variance of plus or minus 5%)



Fannie Mae™

Guaranteed Grantor Trust Pass-Through Certificates

Fannie Mae Grantor Trust 2017-T1

PROSPECTUS

April 19, 2017