NEW ISSUE - Book-Entry-Only **Ratings:** See "RATINGS" herein

In the opinion of Bond Counsel to the Corporation, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2014 Tax-Exempt Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any Series 2014 Tax-Exempt Bond for any period during which such Series 2014 Tax-Exempt Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Series 2014 Tax-Exempt Bonds or a "related person," and (ii) interest on the Series 2014 Tax-Exempt Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In the opinion of Bond Counsel to the Corporation, interest on the Series 2014 Taxable Bonds is included in gross income for Federal income tax purposes pursuant to the Code. In the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the Series 2014 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein.

$550,000,000

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014

Classes A, B and C (Series 2014 Taxable Bonds)

Classes D, E and F (Series 2014 Tax-Exempt Bonds)

Dated: Date of Delivery **Due:** As shown on inside facing cover page

New York City Housing Development Corporation (the "Issuer" or the "Corporation") is issuing its Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014 (the "Series 2014 Bonds"), consisting of Class A, Class B, Class C, Class D, Class E and Class F in the aggregate principal amounts set forth on the inside cover page of this Official Statement, under and pursuant to an Indenture of Trust (the "Indenture"), between the Issuer and U.S. Bank National Association, as Indenture Trustee (the "Indenture Trustee"), for the purpose of providing the funds to refund in whole the Prior Bonds, as defined herein. The proceeds of the Prior Bonds were used to finance a mortgage loan for the purposes of constructing and equipping a multi-family rental housing development and ancillary retail space that is located at 8 Spruce Street in the Borough of Manhattan, New York (the "Mortgaged Property") to be owned by a newly-formed limited liability company (the "Borrower"), and certain other costs related thereto. The proceeds of the Series 2014 Bonds will be loaned by the Issuer to the Borrower (the "Loan") pursuant to the Amended and Restated Loan Agreement between the Issuer and the Borrower (the "Loan Agreement"), and used to refund in whole the Prior Bonds. The Loan will be administered and serviced pursuant to a Servicing Agreement (the "Servicing Agreement") among the Indenture Trustee, the Corporation, Trimont Real Estate Advisors, Inc., as Operating Advisor, and Wells Fargo Bank, National Association, as Master Servicer and as Special Servicer.

The Borrower will be obligated under the Loan Agreement and the related Consolidated, Amended and Restated Promissory Note of the Borrower (the "Note") to make loan payments that will be used to make payments on the Series 2014 Bonds. As further described herein, the Borrower is generally required to pay only interest on the Loan to and including the loan payment date in November 2024 (the "Anticipated Repayment Date") and no voluntary prepayment of the Loan is permitted prior to the last day of the calendar month immediately preceding the loan payment date occurring in May 2024, except in connection with the defeasance in whole of the Series 2014 Bonds. As further described herein, if principal of the Loan is not paid by the Anticipated Repayment Date, then Excess Cash (as defined herein) will be required to be applied to pay monthly installments of principal on the Loan, additional interest will accrue on any unpaid principal of the Loan corresponding to a Class of Series 2014 Taxable Bonds and such additional interest will be payable upon payment in full of the Loan or earlier optional redemption, if any, in whole of the Series 2014 Bonds, and an ARD Payment Premium corresponding to a Class of Series 2014 Tax-Exempt Bonds will be payable upon payment in full of the Loan or earlier optional redemption, if any, in whole of the Series 2014 Bonds. **The Indenture provides that among the six Classes of the Series 2014 Bonds, (a) the Class A Bonds will be senior in payment priority to the Series 2014 Bonds of Classes B through F, inclusive; (b) the Class B Bonds will be senior in payment priority to the Series 2014 Bonds of Classes C through F, inclusive; (c) the Class C Bonds will be senior in payment priority to the Series 2014 Bonds of Classes D through F, inclusive; (d) the Class D Bonds will be senior in payment priority to the Series 2014 Bonds of Classes E through F, inclusive; and (e) the Class E Bonds will be senior in payment priority to the Class F Bonds.** See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS" herein. See also "PLAN OF FINANCE" and "DESCRIPTION OF THE SERVICING AGREEMENT".

The Series 2014 Bonds will bear interest from their dated date at the rates set forth on the inside facing cover page, payable monthly on the fifteenth day of each month, commencing December 15, 2014. Interest payable on each Bond Payment Date shall equal interest accrued during the preceding calendar month, with interest payable on the first Bond Payment Date equal to interest accrued in November 2014 from and including the Closing Date. The Series 2014 Bonds are subject to redemption as described herein. See "DESCRIPTION OF THE SERIES 2014 BONDS" herein.

The Series 2014 Bonds will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as "Securities Depository," as herein described, for the Series 2014 Bonds. Individual purchases of the Series 2014 Bonds will be made in book-entry-only form, in authorized denominations as described herein. Purchasers will not receive certificates representing their ownership interests in the Series 2014 Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Series 2014 Bonds are special revenue obligations of the New York City Housing Development Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York. The Series 2014 Bonds are not a debt of the State of New York or The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the Series 2014 Bonds be payable out of any funds other than those of the Corporation pledged therefor. The Corporation has no taxing power.

THIS COVER PAGE IS ONLY A BRIEF GENERAL SUMMARY. INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT, INCLUDING THE INFORMATION SET FORTH UNDER THE HEADING ENTITLED "CERTAIN RISK FACTORS," TO OBTAIN ESSENTIAL INFORMATION FOR MAKING AN INFORMED INVESTMENT DECISION.

THE CLASS F BONDS ARE BEING OFFERED ONLY TO "QUALIFIED PURCHASERS" AS SUCH TERM IS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER, SEE "IMPORTANT INFORMATION ABOUT THIS OFFICIAL STATEMENT - TRANSFER RESTRICTIONS" HEREIN.

The Series 2014 Bonds are offered when, as and if issued by the Issuer and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its General Counsel; for the Borrower by its special counsels, Sidley Austin LLP, New York, New York and Katten Muchin Rosenman LLP, New York, New York; for the Master Servicer and the Special Servicer by its counsel, K&L Gates LLP, Charlotte, North Carolina; and for the Underwriters by their counsels, Orrick, Herrington & Sutcliffe LLP, New York, New York and Cadwalader, Wickersham & Taft LLP, New York, New York. It is expected that the Series 2014 Bonds will be available for delivery in definitive form in New York, New York on or about November 13, 2014.

B of A Merrill Lynch **Barclays** **Citigroup**

Dated: October 23, 2014

$550,000,000[1]

New York City Housing Development Corporation
Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014
Bond Maturity Date: February 15, 2048
Bond Payment Date following Anticipated Repayment Date: November 15, 2024

$346,100,000 Series 2014 Taxable Bonds

Class	Principal Amount	Bond Interest Rate[2]	Price[3]	CUSIP Number[4]
Class A	$276,900,000	3.709%	102.1248%	64966TFD1
Class B	65,900,000	3.864	101.7452	64966TFE9
Class C	3,300,000	3.931	98.2201	64966TFF6

$203,900,000 Series 2014 Tax-Exempt Bonds

Class	Principal Amount	Bond Interest Rate[5]	Price[3]	CUSIP Number[4]
Class D	$ 45,700,000	3.000%	100.000%	64966TFG4
Class E	50,100,000	3.500	100.000	64966TFH2
Class F	108,100,000	4.500	100.000	64966TFJ8

(1) See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS" for a discussion of circumstances related to the occurrence or foreseeability of a Mortgage Event of Default under which debt service payments on the Series 2014 Bonds may be modified.

(2) In the event that any Class of Series 2014 Taxable Bonds is not paid in full on or prior to the Bond Payment Date that follows the Anticipated Repayment Date, interest will accrue on the outstanding Principal Balance of such Series 2014 Taxable Bonds at a rate (the "Revised Bond Rate") equal to the Bond Interest Rate set forth in the table above plus 5.0% per annum (the "Excess Rate"). Interest accrued on such Class of Series 2014 Taxable Bonds allocable to the Excess Rate, including all interest accrued thereon ("Excess Interest"), will be deferred and accrue on the outstanding Principal Balance of such Class at the applicable Revised Bond Rate and be payable upon the Bond Payment Date following payment in full of the Loan or earlier optional redemption, if any, in whole of the Series 2014 Bonds. Sec "DESCRIPTION OF THE SERIES 2014 BONDS—Payments after the Anticipated Repayment Date—*Series 2014 Taxable Bonds*" herein.

(3) See "UNDERWRITING" herein.

(4) Copyright, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are provided solely for the convenience of bondholders only at the time of issuance of the Series 2014 Bonds and the Issuer and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP numbers for the Series 2014 Bonds is subject to being changed after the issuance of the Series 2014 Bonds as a result of various subsequent actions including, but not limited to, defeasance or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2014 Bonds.

(5) In the event that any Tax-Exempt Component (as defined herein) of the Loan that corresponds to a Class of Series 2014 Tax-Exempt Bonds is not paid in full on or prior to the Anticipated Repayment Date, the Borrower will be required to pay a premium (the "ARD Payment Premium") upon payment in full of the Loan or upon the earlier optional redemption, if any, in whole of the Series 2014 Bonds, in an amount equal to the outstanding principal balance of such Tax-Exempt Component as of the Anticipated Repayment Date, multiplied by a percentage, applicable to such Loan Payment Date on which such Tax-Exempt Component is paid in full or earlier optional redemption, if any, in whole of the Series 2014 Bonds. Sec "DESCRIPTION OF THE SERIES 2014 BONDS—Payments after the Anticipated Repayment Date—*Series 2014 Tax-Exempt Bonds*" herein. ARD Payment Premiums paid on any Tax-Exempt Component are required to be paid to the corresponding Class of Series 2014 Tax-Exempt Bonds, subject to the payment priorities set forth under "DESCRIPTION OF THE SERVICING AGREEMENT—Allocation of Available Distribution Amount" herein.

Collateral Metrics by Class

Class of Bonds	Initial Principal Amount	Class Type	Expected Ratings (Fitch/S&P)[1]	Approximate Cumulative Bond LTV Ratio (%)[2]	Approximate Underwritten NCF Debt Yield (%)[3]	Approximate Underwritten NCF Debt Service Coverage Ratio[4]
Class A	$276,900,000	Taxable	AAAsf / AAA(sf)	25.2%	14.3%	3.71x
Class B	$65,900,000	Taxable	NR / AA-(sf)	31.2%	11.6%	3.00x
Class C	$3,300,000	Taxable	NR / A+(sf)	31.5%	11.5%	2.97x
Class D	$45,700,000	Tax-Exempt	NR / A-(sf)	35.6%	10.1%	2.62x
Class E	$50,100,000	Tax-Exempt	NR / BBB-(sf)	40.2%	9.0%	2.32x
Class F	$108,100,000	Tax-Exempt	NR / NR	50.0%	7.2%	1.87x

(1) It is a condition to issuance of the Series 2014 Bonds that the Series 2014 Bonds receive the ratings set forth above. Ratings shown are, as indicated, those of Fitch and S&P (together the "Rating Agencies"). Certain nationally recognized statistical rating organizations ("NRSROs"), as such term is defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that were not hired by the Underwriters may use information they receive pursuant to Rule 17g-5 under the Securities Exchange Act of 1934, as amended ("Rule 17g-5"), or otherwise to rate the Series 2014 Bonds. There can be no assurance as to what ratings a non-hired NRSRO would assign. See "CERTAIN RISK FACTORS—Bondholders Should Not Rely on the Current Ratings by the Rating Agencies" and "RATINGS" herein. The Issuer and Underwriters have not verified, do not adopt and accept no responsibility for any statements made by the Rating Agencies on such internet websites. See "CERTAIN RISK FACTORS—Bondholders Should Not Rely on the Current Ratings by the Rating Agencies" and "RATINGS" herein.

(2) "Approximate Cumulative Bond LTV Ratio" means with respect to the Class A, Class B, Class C, Class D, Class E and Class F Bonds, (x) the aggregate principal balance of such Class of Bonds and all of the Classes with an earlier alphabetical designation to such Class of Bonds divided by (y) $1.1 billion, which is the "As-Is" appraised value of the Mortgaged Property as determined by CBRE, Inc. as of June 16, 2014.

(3) "Approximate Underwritten NCF Debt Yield" means, with respect to the Class A, Class B, Class C, Class D, Class E and Class F Bonds, (x) the Underwritten Net Cash Flow (as defined in "DESCRIPTION OF THE MORTGAGED PROPERTY—Additional Information Regarding the Loan and the Mortgaged Property" herein) divided by (y) the aggregate principal balance of such Class of Bonds and all of the Classes with an earlier alphabetical designation to such Class of Bonds.

(4) "Approximate Underwritten NCF Debt Service Coverage Ratio" means, with respect to each Class of Series 2014 Bonds, (x) the Underwritten Net Cash Flow for the Mortgaged Property divided by (y) the annual interest payments on such Class and all Classes with an earlier alphabetical designation to such Class using the aggregate weighted average interest rate of all Loan Components. On an aggregate basis for the Series 2014 Bonds, the Underwritten NCF Debt Service Coverage Ratio is 1.87x. The "Approximate Underwritten NCF Debt Service Coverage Ratio" includes the HDC Servicing Fee, the Indenture Trustee Fee, the Servicing Fees, the Operating Advisor Fee and the CREFC® Intellectual Property Royalty License Fee.

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IMPORTANT INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Unlawful Offers. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of Series 2014 Bonds, by any person in any jurisdiction in which such an offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so, or to any person to whom it is unlawful to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the Borrower, the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor (as referred to herein).

Not a Contract; Not Investment Advice. This Official Statement is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this Official Statement and the Series 2014 Bonds being offered, and any other matter related to this bond issue.

No Guarantee of Information. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion set forth herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Borrower, the Master Servicer, the Special Servicer or the Operating Advisor, or in any other matter since the date of this Official Statement.

The information set forth herein has been obtained from the Borrower, the Issuer and certain other sources, which are believed to be reliable. See "INTRODUCTION—Information in this Official Statement" for a description of the sources of certain information contained herein. Such information herein is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by any of such sources as to information from any other source.

The order and placement of material in this Official Statement, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Official Statement, including the appendices, must be considered in its entirety.

Reference to Documents. Where statutes, reports, agreements or other documents are referred to herein, reference should be made to such statutes, reports, agreements or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof, and all summaries of such statutes, reports or other documents are qualified in their entirety by reference to such statutes, reports or other documents.

Statements of Expectations. If and when included in this Official Statement, the words "expects," "forecasts", "projects", "intends", "anticipates", "estimates" and analogous expressions are intended to identify forward-looking statements and any such statements 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, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Borrower. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements

expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Issuer, the Underwriters and the Borrower disclaim any obligations or undertaking to release publicly any updates or revision to any forward-looking statement contained herein to reflect any change in the expectations of the Borrower with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No Registration. Upon issuance, the Series 2014 Bonds and related instruments will not be registered under the Securities Act of 1933, as amended, or under any state securities law, and the Indenture will not have been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon the exemptions contained in such Acts. The registration, qualification or exemption therefrom of the Series 2014 Bonds and related instruments in accordance with the applicable securities laws of the jurisdictions wherein the Series 2014 Bonds may be offered or sold shall not be construed as a recommendation of the Series 2014 Bonds by any person. The Series 2014 Bonds will not be listed on any stock or other securities exchange. The Series 2014 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and neither the Securities and Exchange Commission nor any other federal, state or governmental entity or agency will have passed upon the accuracy or adequacy hereof.

Transfer Restrictions. Each investor investing in the Class F Bonds is required to be a "Qualified Purchaser" as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and the rules and regulations promulgated thereunder. Each purchaser of the Class F Bonds, by its purchase of the Class F Bonds, will be deemed to have acknowledged, represented and agreed with and to the Issuer, on its own account and on behalf of any investor account for which it has purchased the Series 2014 Bonds, that it is a Qualified Purchaser and any such purchaser will be further deemed, by its purchase of the Class F Bonds, to have represented and agreed with and to the Issuer, on its own account and on behalf of any investor account for which it has purchased the Class F Bonds, that it will only offer, sell or otherwise transfer the Class F Bonds to a person it reasonably believes is such a Qualified Purchaser.

Underwriters Transactions. In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Series 2014 Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing transactions, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2014 Bonds to certain dealers and dealer banks and others at prices lower than the public offering prices stated on the inside facing cover page hereof, and said public offering prices may be changed from time to time by the Underwriters.

Purchase of the Series 2014 Bonds involves risk. Prospective investors should read this entire Official Statement prior to making an investment decision. See "CERTAIN RISK FACTORS" for certain factors that prospective purchasers should consider prior to purchasing any of the Series 2014 Bonds.

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

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SUMMARY STATEMENT

The following summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this Official Statement, including the Appendices hereto, and to each of the documents referenced herein. **Purchase of the Series 2014 Bonds involves risk. See "CERTAIN RISK FACTORS" for certain factors that prospective purchasers should consider prior to purchasing any of the Series 2014 Bonds.**

Prospective investors should read this entire Official Statement prior to making an investment decision.

Summary of Terms Relating to the Series 2014 Bonds

This Summary of Terms has been prepared to describe the specific terms of the Series 2014 Bonds. The information in this Official Statement provides a more detailed description of matters relating to the Series 2014 Bonds. Capitalized terms used in this Summary of Terms shall have the respective meanings assigned to such terms in this Official Statement.

Issuer	New York City Housing Development Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York (the "State").
Borrower	The Borrower is a single-purpose Delaware limited liability company. FC 8 Spruce Street Residential, LLC, a single purpose New York limited liability company (the "Predecessor Entity") was formed in 2012 as a single member New York limited liability company for the purposes of acquiring the Mortgaged Property from an affiliated entity that developed the Mortgaged Property. The prior owner's managing member was controlled by the same entities that control FC 8 Spruce Holdings, LLC, a Delaware limited liability company ("FC8"), who is the Predecessor Entity's sole member and who will be the Borrower's sole member. On or before the Closing Date, the Predecessor Entity will be merged into the Borrower, a newly formed Delaware limited liability company, with the Borrower being the surviving entity. The Borrower has no material assets other than its interest in the Mortgaged Property. Accordingly, it is expected that the Borrower will not have any sources of funds to make payments on the Loan other than revenues generated by the Mortgaged Property. See "THE BORROWER" herein.
Mortgaged Property	The Mortgaged Property consists of one condominium unit (the "Residential Rental/Retail Unit") in a four unit condominium (the "Condominium") containing 896 residential rental units leasable at market rates, but subject to rent-stabilization as herein described, one unit that is currently used as a management/leasing office and two units currently used as model units. In addition, there is approximately 1,200 leasable square feet of retail space in the base of the building that constitutes a part of the Residential Rental/Retail Unit. The Condominium contains three additional condominium units that are not part of the Mortgaged Property: (i) an ambulatory care center on a portion of floors 1 and 5 (the "Care Center Unit") owned and operated by an entity affiliated with the New York Presbyterian Hospital (the "Hospital"), (ii) a below grade parking garage (the "Garage Unit"; and together with the Care Center Unit, collectively, the "Hospital Units") owned by another entity affiliated with the Hospital and (iii) a pre-K through 8th grade New York City public school on a portion of floors 1 through 4 (the "School Unit") that is owned by the New York City School Construction Authority (the "NYC SCA"). Construction of the Hospital Units and the School Unit were

	separately financed with funds other than the Original Mortgage Loan. The four condominium units are contained in one 76-story building. See "DESCRIPTION OF THE MORTGAGED PROPERTY" herein.
Mortgaged Property Tenants	As of June 30, 2014, approximately 99.1% of the residential units have been leased by the Borrower to Tenants. See "DESCRIPTION OF THE MORTGAGED PROPERTY" herein.
Bonds Being Offered	Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014 maturing February 15, 2048[(†)]

Class	Principal Amount
Class A, Series 2014 Bonds	$276,900,000
Class B, Series 2014 Bonds	$65,900,000
Class C, Series 2014 Bonds	$3,300,000
Class D, Series 2014 Bonds	$45,700,000
Class E, Series 2014 Bonds	$50,100,000
Class F, Series 2014 Bonds	$108,100,000

The Class A Bonds, Class B Bonds and Class C Bonds are collectively referred to herein as the "Series 2014 Taxable Bonds." The Class D Bonds, Class E Bonds and Class F Bonds are collectively referred to herein as the "Series 2014 Tax-Exempt Bonds."

Purpose of Issue	The purpose of the issuance is to provide the Borrower with the funds (1) to refund in whole the New York City Housing Development Corporation's Multi-Family Mortgage Revenue Bonds (Beekman Tower) in series designated 2008 Series A, 2009 Series A-1, 2009 Series A-2, 2010 Series A-1 and 2010 Series A-2 (collectively, the "Prior Bonds"), the proceeds of which were used to finance a portion of the costs of the development and construction of the Mortgaged Property and costs related thereto and (2) to pay costs related to the issuance of the Series 2014 Bonds.
Loan	The principal amount of the Series 2014 Bonds of $550,000,000 will be loaned by the Issuer to the Borrower pursuant to an Amended and Restated Loan Agreement between the Issuer and the Borrower (the "Loan Agreement"), such loan to be further evidenced by a Consolidated, Amended and Restated Promissory Note of the Borrower (the "Note").
Source of Payment for the Series 2014 Bonds	The Series 2014 Bonds will be payable from the Available Distribution Amounts as set forth in the Servicing Agreement referred to below. Such amounts will be derived from loan payments made by the Borrower pursuant to the Loan Agreement and the Note, as and to the extent administered and serviced pursuant to the Servicing Agreement, which loan payments of the Borrower will be derived principally from rent payments made by Tenants of the Mortgaged Property.
Payments on the Loan	Payments of interest on the Loan will be due on the ninth (9th) day of each calendar month, beginning in December 2014 (or if such day is not a Business

† The Series 2014 Bonds are priced to November 15, 2024, which is the Bond Payment Date immediately following the Anticipated Repayment Date.

Day, the immediately preceding Business Day) (each, a "Loan Payment Date"). For purposes of accruing interest and applying principal payments on the Loan, the Loan will consist of six (6) components (each, a "Component") having the respective original principal balances set forth in the table below and each corresponding to a Class of Series 2014 Bonds with the same alphabetic designation. With respect to each Loan Payment Date up to and including the Loan Payment Date in November 2024 (the "Anticipated Repayment Date" or the "ARD"), interest on the outstanding principal balance of each Component of the Loan will accrue at the Component Interest Rate set forth below.

Loan Components	Component Principal Balance	Component Interest Rate
Component A	$276,900,000	3.718367%
Component B	$65,900,000	3.873367%
Component C	$3,300,000	3.940367%
Component D	$45,700,000	3.000%
Component E	$50,100,000	3.500%
Component F	$108,100,000	4.500%

In the event that any Component of the Loan that corresponds to a Class of Series 2014 Taxable Bonds (each a "Taxable Component") is not paid in full on or prior to the Anticipated Repayment Date, interest will accrue on the outstanding principal amount of each Taxable Component at the "Revised Interest Rate," which means a rate equal to the initial Component Interest Rate set forth in the table above plus 5.0% per annum (the "Excess Rate"), provided that the Servicer has not waived, modified or amended the Loan. Interest accrued on each Taxable Component with respect to each Loan Payment Date after the Anticipated Repayment Date allocable to the Excess Rate, including all interest accrued thereon ("Excess Interest"), will be deferred and accrue on the unpaid principal balance of each Taxable Component at the applicable Revised Interest Rate and be payable upon payment in full of the Loan or earlier optional redemption, if any, in whole of the Series 2014 Bonds.

In the event that any Component of the Loan that corresponds to a Class of Series 2014 Tax-Exempt Bonds (each, a "Tax-Exempt Component") is not paid in full on or prior to the Anticipated Repayment Date, the Borrower will be required to pay a premium (the "ARD Payment Premium") upon payment in full of the Loan, or earlier optional redemption, if any, in whole of the Series 2014 Bonds, provided that the Servicer has not waived, modified or amended the Loan in an amount equal to the outstanding principal balance of each Tax-Exempt Component as of the Anticipated Repayment Date multiplied by the percentage set forth below applicable to the date on which such Tax-Exempt Component is paid in full or the date on which the Series 2014 Bonds are otherwise redeemed in whole (the "Full Payment Date"):

If Full Payment Date occurs:	Percentage
From and including November 10, 2024 through and including December 9, 2024	0.5%
From and including December 10, 2024 through and including February 9, 2025	2.0%
From and including February 10, 2025 through and including November 9, 2027	5.0%
From and including November 10, 2027 through and including November 9, 2030	10.0%
From and including November 10, 2030 through and including November 9, 2033	20.0%
From and including November 10, 2033 and thereafter	30.0%

The Borrower will not be required to make any payments of principal on the Loan on or prior to the ARD. On each Loan Payment Date after the Anticipated Repayment Date, monthly installments of principal will be payable on the Loan in an amount equal to all Excess Cash collected in respect of the Mortgaged Property during the related Collection Period until the Loan is paid in full. "Excess Cash" means any amounts remaining in the Cash Management Account after application of amounts to interest on each of the Components at the applicable Component Interest Rate, other amounts due under the Loan Documents (including Monthly Administrative Fee, HDC Servicing Fee, Default Interest and late charges), operating expenses and deposits into reserves as required under the Loan Agreement and described in "DESCRIPTION OF THE LOAN AGREEMENT—Cash Management". Excess Cash will be applied first in reduction of the outstanding principal balance of each Component of the Loan in sequential order (i.e., first to Component A, then to Component B, then to Component C and so forth) until the entire outstanding principal balance of each such Component is paid in full, and thereafter to the payment of all deferred Excess Interest and then to the payment of ARD Payment Premiums, as described above.

No voluntary prepayment will be permitted on the Loan during the period commencing on the Closing Date and continuing through and including the last day of the calendar month immediately preceding the Loan Payment Date occurring in May 2024 (the "Lockout Period"), except for a Defeasance Prepayment. A "Defeasance Prepayment" is generally equal to all amounts due and owing under the Loan and an additional amount which, when added to the outstanding principal balance of the Loan, would be sufficient to purchase Defeasance Collateral that would provide for the payment of all payments of interest due and payable on the Series 2014 Bonds on each Bond Payment Date to and including the Bond Payment Date immediately following the end of the Lockout Period and the payment of the outstanding

	Principal Balance of each Class of Series 2014 Bonds on such Bond Payment Date. After the end of the Lockout Period, the Loan may be voluntarily prepaid in whole, but not in part, without premium or penalty. If the Borrower repays the Loan on or before a Loan Payment Date, the Borrower is required to pay interest through the end of the Interest Accrual Period immediately prior to such Loan Payment Date but is not required to pay any interest for any period the Loan remains outstanding after the end of such Interest Accrual Period. If not paid on the Anticipated Repayment Date or from Excess Cash or otherwise after the Anticipated Repayment Date, the entire outstanding principal balance of the Loan, including all accrued and unpaid interest, Excess Interest and ARD Payment Premium, and any other amounts due under the Loan Documents, will be due and payable by the Borrower on the Maturity Date. See "DESCRIPTION OF THE LOAN AGREEMENT—Principal and Interest" for further information regarding payments under the Loan.
Security for the Loan	The Loan will be secured by (i) the mortgage lien granted by the Borrower to the Issuer on the Mortgaged Property, (ii) the pledge and assignment of Leases and Rents; (iii) the pledge and assignment of the Management Agreement; (iv) a lien and security interest in all Personal Property of the Borrower; and (v) funds or assets from time to time on deposit in the accounts established under the Deposit Account Control Agreement and the Cash Management Agreement. **Neither the Loan nor the Series 2014 Bonds are secured by any debt service reserve fund or other liquidity facility.** However, the Master Servicer (or the Indenture Trustee, upon the failure of the Master Servicer as set forth in the Servicing Agreement) will be obligated to make Interest Advances with respect to the Loan upon the circumstances, and subject to the conditions, contained in the Servicing Agreement and described in this Official Statement.
Class Priority of the Series 2014 Bonds	**Under the Indenture, among the six Classes of Series 2014 Bonds, (a) the Class A Bonds will be senior in payment priority to the Series 2014 Bonds of Classes B through F, inclusive; (b) the Class B Bonds will be senior in payment priority to the Series 2014 Bonds of Classes C through F, inclusive; (c) the Class C Bonds will be senior in payment priority to the Series 2014 Bonds of Classes D through F, inclusive; (d) the Class D Bonds will be senior in payment priority to the Series 2014 Bonds of Classes E through F, inclusive; and (e) the Class E Bonds will be senior in payment priority to the Series 2014 Bonds of Class F.**
Servicing of the Loan	The Loan will be administered and serviced pursuant to a Servicing Agreement (the "Servicing Agreement") among the Indenture Trustee, the Issuer, Trimont Real Estate Advisors, Inc., as Operating Advisor (the "Operating Advisor"), and Wells Fargo Bank, National Association, as both the "Master Servicer" and the "Special Servicer". Payments under the Loan and payments in respect of various fees, costs and expenses (including amounts necessary to pay Taxes and Insurance Premiums) will be deposited in the Master Account established under the Servicing Agreement, and paid from

	such Master Account in accordance with the Servicing Agreement, respectively.
Modifications to Series 2014 Bonds Debt Service Schedule	If a Mortgage Event of Default has occurred and is continuing or is reasonably foreseeable, and upon the satisfaction of certain conditions, the Servicing Agreement authorizes the Master Servicer or the Special Servicer as applicable, to modify the payment terms regarding amounts due under the Loan. Upon any such modification, the Indenture Trustee is required to make the corresponding modifications to the amounts of principal of and interest due on the Series 2014 Bonds on related Bond Payment Dates in accordance with the Indenture. No such modification may extinguish the ultimate liability for payment of the full principal of and interest on the Series 2014 Bonds. See "DESCRIPTION OF THE SERVICING AGREEMENT" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS" herein.
Advances	The Master Servicer will be obligated under the Servicing Agreement to make an advance in respect of any scheduled payment of interest under the Loan to the extent not received by the Master Servicer on the date due (an "Interest Advance"), subject to reduction as a result of the application of Appraisal Reduction Amounts, and further subject to a determination of whether such Interest Advance is recoverable, and the other limitations contained in the Servicing Agreement and described in this Official Statement. The Master Servicer will also be obligated to make advances (again subject to certain limitations contained in the Servicing Agreement and described in this Official Statement) to pay delinquent Taxes, Insurance Premiums and administrative fees, among other items, to protect the Mortgaged Property and its operations ("Servicing Advances"), subject to a determination of whether such Servicing Advance is recoverable. In the event that the Master Servicer fails to make any Interest Advance or Servicing Advance (each, an "Advance") that it is so required to make under the Servicing Agreement, the Indenture Trustee is required under the Servicing Agreement to make such Advance. However, under the Servicing Agreement, the Master Servicer (or the Indenture Trustee upon the failure of the Master Servicer as provided in the Servicing Agreement) will not be obligated to make an Advance if the Master Servicer in accordance with the Servicing Standard (or the Indenture Trustee in its good faith business judgment) has determined that such Advance would not be recoverable from subsequent payments or collections (including Liquidation Proceeds) in respect of the Loan or the Mortgaged Property. The Indenture Trustee will be entitled to conclusively rely on any such determination by the Master Servicer.
Bond Trustee, Bond Registrar and Paying Agent	U.S. Bank National Association
Master Servicer	Wells Fargo Bank, National Association
Special Servicer	Wells Fargo Bank, National Association
Operating Advisor	Trimont Real Estate Advisors, Inc.
Registration of the Series 2014 Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a Series 2014 Bond will be delivered, except to DTC.

Bond Maturity Date	See the inside facing cover page of this Official Statement.
Bond Interest Rates	See the inside facing cover page of this Official Statement
Bond Payment Dates	The fifteenth (15^{th}) day of each month, commencing December 15, 2014, computed on the basis of a 360-day year and twelve 30-day months. Interest payable on each Bond Payment Date shall equal interest accrued during the preceding calendar month, with interest payable on the first Bond Payment Date equal to interest accrued in November 2014 from and including the Closing Date.
Record Date	The last Business Day of the month preceding a Bond Payment Date
Denominations of Series 2014 Bonds	
Class A, Class B, Class C, Class D, Class E	$100,000 original principal amount or any integral multiple of $1 in excess thereof
Class F	$500,000 original principal amount or any integral multiple of $1 in excess thereof.
Class F Bonds	Each investor investing in the Class F Bonds is required to be a "Qualified Purchaser," as such term is defined in Section 2(a)(51) of the Investment Company Act and the rules and regulations promulgated thereunder.
Optional Redemption	The Series 2014 Bonds are subject to redemption, at the option of the Issuer, in whole only, on any date after the Bond Payment Date that immediately follows the end of the Lockout Period, at a Redemption Price equal to one hundred percent (100%) of the outstanding Principal Balance of the Series 2014 Bonds to be so redeemed, plus accrued interest to the Redemption Date, plus all other amounts due and payable as described under "DESCRIPTION OF THE SERVICING AGREEMENT—Allocation of Available Distribution Amount". See "DESCRIPTION OF THE SERIES 2014 BONDS" and "CERTAIN RISK FACTORS" herein.
Defeasance	The Issuer may defease the Series 2014 Bonds at any time prior to the end of the Lockout Period by irrevocably depositing with the Indenture Trustee either cash or government obligations the principal of and the interest on which when due will provide moneys that, together with the moneys, if any, deposited by the Issuer with the Indenture Trustee at the same time, would be sufficient to pay interest due and to become due on the Series 2014 Bonds on each Bond Payment Date to and including the Bond Payment Date that immediately follows the end of the Lockout Period and the outstanding Principal Balance of the Series 2014 Bonds on such Bond Payment Date.
Bond Counsel	Hawkins Delafield & Wood LLP, New York, New York.
Tax Status	See "TAX MATTERS" herein.
ERISA Considerations	See "ERISA CONSIDERATIONS" herein.

Expected Ratings	Fitch:	Class A, Series 2014 Bonds -	AAA sf
		Class B, Series 2014 Bonds -	Not Rated
		Class C, Series 2014 Bonds -	Not Rated
		Class D, Series 2014 Bonds -	Not Rated
		Class E, Series 2014 Bonds -	Not Rated
		Class F, Series 2014 Bonds -	Not Rated
	S&P:	Class A, Series 2014 Bonds -	AAA (sf)
		Class B, Series 2014 Bonds -	AA- (sf)
		Class C, Series 2014 Bonds -	A+ (sf)
		Class D, Series 2014 Bonds -	A- (sf)
		Class E, Series 2014 Bonds -	BBB- (sf)
		Class F, Series 2014 Bonds -	Not Rated

The expected ratings on the Series 2014 Bonds assigned a rating or ratings by Fitch and/or S&P (the "Rated Series 2014 Bonds") address the likelihood of the receipt by the owners of the Rated Series 2014 Bonds of full and timely payment of interest on the Rated Series 2014 Bonds on each Bond Payment Date and the ultimate payment of the full principal amount of the Rated Series 2014 Bonds on a date which is not later than the Rated Final Date for the Series 2014 Bonds (the Rated Final Date for the Series 2014 Bonds is the Bond Payment Date in November 2046). The Rated Final Date is approximately two (2) years following the Stated Maturity Date of the Loan and fifteen (15) months prior to the Bond Maturity Date of the Series 2014 Bonds). See "RATINGS" herein.

Underwriters	Merrill Lynch, Pierce, Fenner & Smith Incorporated Barclays Capital Inc. Citigroup Global Markets Inc.

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Official Statement

Relating To

$550,000,000

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014
consisting of

$276,900,000 Series 2014, Class A
$65,900,000 Series 2014, Class B
$3,300,000 Series 2014, Class C
$45,700,000 Series 2014, Class D
$50,100,000 Series 2014, Class E
$108,100,000 Series 2014, Class F

INTRODUCTION

General

This Official Statement, including the cover page, Summary Statement and Appendices, is provided to furnish information regarding the offering by the New York City Housing Development Corporation (the "Issuer" or the "Corporation") of its $550,000,000 aggregate principal amount of Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014 (the "Series 2014 Bonds"), consisting of $276,900,000 Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014, Class A (the "Class A Bonds"), $65,900,000 Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014, Class B (the "Class B Bonds"), $3,300,000 Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014, Class C (the "Class C Bonds"), $45,700,000 Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014, Class D (the "Class D Bonds"), $50,100,000 Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014, Class E (the "Class E Bonds") and $108,100,000 Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014, Class F (the "Class F Bonds"). The Class A Bonds, Class B Bonds and Class C Bonds are collectively referred to herein as the "Series 2014 Taxable Bonds." The Class D Bonds, Class E Bonds and Class F Bonds are collectively referred to herein as the "Series 2014 Tax-Exempt Bonds." See "DESCRIPTION OF THE SERIES 2014 BONDS". *The information contained herein is qualified in its entirety by, and should be read in conjunction with, the information appearing elsewhere set forth under "CERTAIN RISK FACTORS" and "SUITABILITY FOR INVESTMENT" herein prior to making an investment in the Series 2014 Bonds.* Reference is also made to the summaries of documents included in this Official Statement (including the appendices hereto), and certain other materials contained in the CD-ROM attached hereto as Annex A, each of which should be reviewed in its entirety by purchasers of the Series 2014 Bonds.

Capitalized terms used in this Official Statement and not otherwise defined in the body of this Official Statement shall have the meanings specified in "APPENDIX A — CERTAIN DEFINITIONS" attached hereto. Terms not otherwise defined in this Official Statement have the meanings provided in the pertinent documents.

The Issuer

The Corporation, which commenced operations in 1972, is a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York (the "State"), created for the purposes of providing, and encouraging the investment of private capital in, safe and sanitary dwelling accommodations in the City of New York (the "City") for families and persons of low

income, which include families and persons whose need for housing accommodations cannot be provided by the ordinary operations of private enterprise, or in areas designated as blighted through the provision of low interest mortgage loans. See "THE ISSUER" herein.

The Series 2014 Bonds

The Series 2014 Bonds are authorized to be issued under and pursuant to a resolution of the Issuer adopted on September 22, 2014 (the "Bond Resolution") authorizing the issuance of the Series 2014 Bonds, and an Indenture of Trust (the "Indenture"), to be dated the date of issuance of the Series 2014 Bonds (the "Bond Issuance Date"), between the Issuer and U.S. Bank National Association, as trustee (the "Indenture Trustee"), authorizing the Series 2014 Bonds. The Indenture Trustee is also acting as Paying Agent and Bond Registrar for the Series 2014 Bonds. The proceeds derived from the sale of the Series 2014 Bonds will be used to provide all of the funds to refund in whole the Multi-Family Mortgage Revenue Bonds (Beekman Tower) in series designated 2008 Series A, 2009 Series A-1, 2009 Series A-2, 2010 Series A-1 and 2010 Series A-2 (collectively, the "Prior Bonds") issued by the Corporation.

The Mortgaged Property

The Mortgaged Property consists of one condominium unit (the "Residential Rental/Retail Unit") in a four unit condominium (the "Condominium") containing 896 residential rental units currently leased at market rates, but subject to Rent Stabilization Regulations as herein described, and one unit that is currently used as a management/leasing office and two units currently used as model units. In addition, there is approximately 1,200 leasable square feet of retail space in the base of the building that constitutes a part of the Residential Rental/Retail Unit. The Condominium contains three additional condominium units that are not part of the Mortgaged Property: (i) an ambulatory care center on a portion of floors 1 and 5 (the "Care Center Unit") owned and operated by an entity affiliated with the New York Presbyterian Hospital (the "Hospital"), (ii) a below grade parking garage (the "Garage Unit"; and together with the Care Center Unit, collectively, the "Hospital Units") owned by another entity affiliated with the Hospital and (iii) a pre-K through 8th grade New York City public school on a portion of floors 1 through 4 (the "School Unit") that is owned by the New York City School Construction Authority (the "NYC SCA"). Construction of the Hospital Units and the School Unit were separately financed with funds other than the Original Mortgage Loan. The four condominium units are contained in one 76-story building.

The Mortgaged Property contains a total of 899 apartments (189 studios, 512 one bedroom units, 167 two bedroom units, 24 three bedroom units and four penthouse units are currently rental units), with 2 of the two bedroom units, and one studio unit currently not serving as rental units to the public. One unit is serving as the management/leasing office for the Mortgaged Property and two units are serving as model units. The Mortgaged Property also contains recreational facilities including a fitness center and spa, game rooms, a playroom for children, a business center and a laundry room. Appurtenant to the Mortgaged Property are two public plazas consisting of approximately 15,000 square feet in the aggregate. See "DESCRIPTION OF THE MANAGEMENT AGREEMENT AND THE PROPERTY MANAGER", "DESCRIPTION OF THE LEASING AGREEMENT AND LEASING AGENT", "DESCRIPTION OF THE AMENITIES MANAGEMENT AGREEMENT AND THE AMENITIES PROPERTY MANAGER" and "DESCRIPTION OF THE CONDOMINIUM MANAGEMENT AGREEMENT AND THE CONDOMINIUM MANAGER" herein. See also "DESCRIPTION OF THE MORTGAGED PROPERTY" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS" herein.

The Borrower

The Borrower is a single-purpose Delaware limited liability company. The Predecessor Entity was formed in 2012 as a single member New York limited liability company for the purposes of acquiring the Mortgaged Property from an affiliated entity that developed the Mortgaged Property. On or before the issuance of the Series 2014 Bonds, the Predecessor Entity will be merged into the Borrower, a newly formed

Delaware limited liability company, with the Borrower being the surviving entity. The prior owner's managing member was controlled by the same entities that control FC8, who is the Predecessor Entity's sole member and who will be the Borrower's sole member. The Borrower has no material assets other than its interest in the Mortgaged Property. Accordingly, it is expected that the Borrower will not have any sources of funds to make payments on the Loan other than revenues generated by the Mortgaged Property.

The members of FC8 are its managing member, FC 8 Spruce Mezzanine, LLC, a Delaware limited liability company ("Mezz LLC") and its investor member, 8 Spruce Street GA Investor LLC, a Delaware limited company ("GA Investor"). The members of Mezz LLC are Forest City Tilden Associates LLC, a New York limited liability company ("FCTA"), FC Beekman Holdings, LLC, a New York limited liability company ("FCBH") and National Real Estate Advisors. FCTA and FCBH own collectively 51% of Mezz LLC and are owned and controlled by Forest City Enterprises, Inc. ("Forest City") and its affiliates. GA Investor is wholly owned by entities owned by Teachers Insurance and Annuity Association of America. See "THE BORROWER" herein.

The Loan

Concurrently with the issuance by the Issuer of the Series 2014 Bonds pursuant to the Indenture, the Issuer will make a loan (the "Loan") of the proceeds of the Series 2014 Bonds in the principal amount of $550,000,000 to the Borrower pursuant to the Amended and Restated Loan Agreement, to be dated the Bond Issuance Date, between the Issuer and the Borrower (the "Loan Agreement"). See "DESCRIPTION OF THE LOAN AGREEMENT" herein. Pursuant to the Loan Agreement, prior to the Anticipated Repayment Date, the Borrower will be obligated to make monthly loan payments in amounts which are sufficient to pay interest on, and certain administrative fees and expenses related to, the Series 2014 Bonds. The obligation of the Borrower under the Loan Agreement to make such loan payments will be further evidenced by a Consolidated, Amended and Restated Promissory Note from the Borrower to be dated the Bond Issuance Date payable to the order of the Issuer, as pledged and assigned by the Issuer to the Indenture Trustee in trust for the benefit and on behalf of the Indenture Trustee and the holders of the Series 2014 Bonds (the "Note"). Recourse against the Borrower under the Loan Agreement and under the Note will generally be limited to the Mortgaged Property and the related collateral held under the Loan. However, as provided in the Loan Agreement, the liability and obligations of the Borrower under the Loan Agreement and the Note is not enforceable by a money judgment against the Borrower, except as described under "DESCRIPTION OF THE LOAN AGREEMENT— Exculpation" herein.

Simultaneous with the original issuance of the Note, and pursuant to the Indenture, the Issuer will pledge and assign to the Indenture Trustee, as security for the Series 2014 Bonds, all of the Issuer's right, title and interest in and to the Note, the Mortgage and the Loan Agreement, including all loan payments, revenues and receipts payable or receivable thereunder, excluding, however, the Reserved Rights which may be enforced by the Issuer (in consultation with the Master Servicer) through an action for specific performance or in certain limited circumstances, other remedial actions as described under "DESCRIPTION OF THE REGULATORY AGREEMENT" herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS — The Loan Agreement and the Note" and "DESCRIPTION OF THE LOAN AGREEMENT" herein. See also "DESCRIPTION OF THE SERVICING AGREEMENT" herein.

Servicing of the Loan

The servicing and administration of the Loan, the enforcement of the Loan and the exercise of remedies under the Indenture will be carried out, in conformance with the Servicing Standard, by Wells Fargo Bank, National Association, as Master Servicer (in such capacity, the "Master Servicer") and as Special Servicer (in such capacity, the "Special Servicer") pursuant to a Servicing Agreement to be dated the Bond Issuance Date (the "Servicing Agreement") among the Indenture Trustee, the Issuer, the Master Servicer, the Special Servicer, and Trimont Real Estate Advisors, Inc., as Operating Advisor (the "Operating Advisor"). The Servicing Agreement also establishes the voting rights of the Bondholders and provides for the assignment

by the Indenture Trustee to the Master Servicer and the Special Servicer of the sole and exclusive right to take enforcement actions (except with respect to the Issuer and the Issuer's Reserved Rights), to grant or withhold any approvals and to exercise rights and remedies under the Loan (with respect to the Loan). Under the Servicing Agreement, the Master Servicer (or upon its failure, the Indenture Trustee) has certain obligations to make Servicing Advances and Interest Advances, except, in each instance, where it has determined in accordance with the Servicing Standard (or good faith business judgment with respect to the Indenture Trustee) that such Advances would not be recoverable from subsequent payments or collections (including Liquidation Proceeds) in respect of the Loan or the Mortgaged Property. In addition, Interest Advances and voting rights may be reduced where Realized Losses or Appraisal Reduction Amounts have been determined.

As a general rule, (i) the Master Servicer is to service and administer the Loan when it is a Performing Loan (*i.e.*, that no Servicing Transfer Event then exists), and (ii) the Special Servicer is to service and administer (x) the Specially Serviced Loan (*i.e.*, the Loan when a Servicing Transfer Event does exist) and (y) an REO Property.

Trimont Real Estate Advisors, Inc. will act as the Operating Advisor under the Servicing Agreement, and will consult with the Special Servicer upon the circumstances therefor set forth in the Servicing Agreement.

See "DESCRIPTION OF THE SERVICING AGREEMENT", "DESCRIPTION OF THE MASTER SERVICER AND THE SPECIAL SERVICER", "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS" and "DESCRIPTION OF THE OPERATING ADVISOR" herein.

Possibility of Modifications to Series 2014 Bonds

Under circumstances where a Mortgage Event of Default has occurred and is continuing or is reasonably foreseeable, the Special Servicer may act pursuant to and subject to the conditions of the Servicing Agreement to modify the payment terms of the Loan regarding amounts due for the payment of interest on and principal of the Loan. Upon any such modification, the Indenture Trustee is required to modify the amounts of principal of and interest on the Series 2014 Bonds to the extent necessary to reflect the terms of the modified Loan. No such modification of the Series 2014 Bonds may extinguish the ultimate liability for payment of the full principal of, and interest on, the Series 2014 Bonds. See "DESCRIPTION OF THE SERVICING AGREEMENT", "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS" and "RATINGS" herein.

Security for the Loan

The Loan will be secured by (among other things) a Consolidated, Amended and Restated Mortgage, Assignment of Leases and Rents and Security Agreement (the "Mortgage"), pursuant to which the Borrower will grant to the Issuer as security for the Series 2014 Bonds, the Note, the Loan Agreement and any and all other Loan Documents, to secure a principal indebtedness of $550,000,000 (the property, rights, proceeds and other collateral which are the subject of the Lien and security interest created by the Mortgage is referred to herein as the "Mortgaged Property"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS — The Mortgage" herein.

Payments under the Loan and payments in respect of various fees, costs and expenses (including amounts necessary to pay Taxes and Insurance Premiums, among other items) will be deposited in the Master Account established under the Servicing Agreement, and paid from the Master Account for application in accordance with the Servicing Agreement. *Neither the Loan nor the Series 2014 Bonds are secured by any debt service reserve fund or other liquidity facility established under the Indenture.* However, the Master Servicer will be obligated under the Servicing Agreement to make an advance in respect of any scheduled payment of interest under the Loan or REO Loan to the extent not received by the Master Servicer on the date due (an "Interest Advance"), subject to reduction as a result of the application of Appraisal Reduction

Amounts and subject further to a determination of whether such Interest Advance is recoverable, and the other limitations contained in the Servicing Agreement and described in this Official Statement. The Master Servicer will also be obligated to make advances (subject to certain limitations contained in the Servicing Agreement and described in this Official Statement) to pay delinquent Taxes, Insurance Premiums and administrative fees, among other items, to protect the Mortgaged Property and its operations ("Servicing Advances" and, together with Interest Advances and Administrative Advances, "Advances"), subject to a determination of whether such Servicing Advance is recoverable. In the event that the Master Servicer fails to make any Advance that it is required to make under the Servicing Agreement, the Indenture Trustee is required under the Servicing Agreement to make such Advance. However, under the Servicing Agreement, neither the Master Servicer nor the Indenture Trustee will be obligated to make an Advance if the Master Servicer or the Indenture Trustee, as the case may be, has determined in accordance with the Servicing Standard (or good faith business judgment with respect to the Indenture Trustee) that such Advance would not be recoverable from subsequent payments or collections (including Liquidation Proceeds) in respect of the Loan or the Mortgaged Property.

See "DESCRIPTION OF THE SERVICING AGREEMENT" herein.

Bondholder Risks

The purchase of the Series 2014 Bonds involves risks. Prospective purchasers should carefully consider all of the material contained herein, including the material contained under the headings "CERTAIN RISK FACTORS" and "SUITABILITY FOR INVESTMENT" herein.

Limited Obligations

THE SERIES 2014 BONDS ARE SPECIAL REVENUE OBLIGATIONS OF THE NEW YORK CITY HOUSING DEVELOPMENT CORPORATION, A CORPORATE GOVERNMENTAL AGENCY, CONSTITUTING A PUBLIC BENEFIT CORPORATION, ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF NEW YORK. THE SERIES 2014 BONDS ARE NOT A DEBT OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE THEREON, NOR SHALL THE SERIES 2014 BONDS BE PAYABLE OUT OF ANY FUNDS OTHER THAN THOSE OF THE CORPORATION PLEDGED THEREFOR. THE CORPORATION HAS NO TAXING POWER.

Information in This Official Statement

Information in this Official Statement with respect to the Borrower, the Mortgaged Property, the Mortgage, the Leases, the Management Agreement, the Assignment of Management Agreement, the Continuing Disclosure Agreement and the Loan, including the information contained under the summary pages entitled "SUMMARY STATEMENT" (excluding the subheadings entitled "Issuer" and "Expected Ratings"), and under the headings entitled "INTRODUCTION" (excluding the subheading entitled "The Issuer"), "THE BORROWER," "DESCRIPTION OF THE MORTGAGED PROPERTY," "INSURANCE ON THE MORTGAGED PROPERTY," "PLAN OF FINANCE," "DESCRIPTION OF THE SERIES 2014 BONDS", "DESCRIPTION OF THE SERVICING AGREEMENT", "FEES AND EXPENSES," "DESCRIPTION OF THE MANAGEMENT AGREEMENT AND THE PROPERTY MANAGER," "DESCRIPTION OF THE LEASING AGREEMENT AND LEASING AGENT," "DESCRIPTION OF THE AMENITIES MANAGEMENT AGREEMENT AND THE AMENITIES PROPERTY MANAGER," "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS," "DESCRIPTION OF THE CONDOMINIUM MANAGEMENT AGREEMENT AND THE CONDOMINIUM MANAGER," "DESCRIPTION OF THE ASSIGNMENT OF MANAGEMENT AGREEMENT AND THE ASSIGNMENT OF LEASING AGREEMENT AND THE ASSIGNMENT OF THE AMENITIES MANAGEMENT AGREEMENT," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS," "DESCRIPTION OF THE LOAN AGREEMENT," "CERTAIN RISK FACTORS" (other than the subheadings entitled "Potential

Conflicts of Interest of the Master Servicer and the Special Servicer" and "Potential Conflicts of Interest of the Operating Advisor"), "FINANCIAL STATEMENTS," "CONTINUING DISCLOSURE," "ABSENCE OF LITIGATION — The Borrower," "MISCELLANEOUS," Appendix A, Appendix C, Appendix D and Appendix F (excluding information therein relating to the Issuer) attached to this Official Statement, have been furnished by the Borrower, and neither the Issuer nor the Underwriters represent or warrant the accuracy or completeness of such information. Information in this Official Statement under the headings "INTRODUCTION — The Issuer," "THE ISSUER," "DESCRIPTION OF THE REGULATORY AGREEMENT" and "ABSENCE OF LITIGATION — The Issuer" has been furnished by the Issuer, and the Underwriters and the Borrower do not represent or warrant the accuracy or completeness of such information. Certain information in this Official Statement with respect to the Master Servicer and the Special Servicer, including the information contained under the heading "DESCRIPTION OF THE MASTER SERVICER AND THE SPECIAL SERVICER," has been furnished by Wells Fargo Bank, National Association, and none of the Issuer, the Borrower or the Underwriters represent or warrant the accuracy or completeness of such information. Certain information in this Official Statement with respect to the Operating Advisor, including the information contained under the heading "DESCRIPTION OF THE OPERATING ADVISOR," has been furnished by Trimont Real Estate Advisors, Inc., and none of the Issuer, the Borrower or the Underwriters represent or warrant the accuracy or completeness of such information. Certain information in this Official Statement with respect to U.S. Bank National Association, including the information contained under the heading "DESCRIPTION OF THE INDENTURE TRUSTEE," has been furnished by U.S. Bank National Association, and none of the Issuer, the Borrower or the Underwriters represent or warrant the accuracy or completeness of such information. Information in this Official Statement under the headings "UNDERWRITING" and "MARKET MAKING" has been furnished by the Underwriters, and neither the Issuer nor the Borrower represents or warrants the accuracy or completeness of such information.

All references herein to the Series 2014 Bonds, the Leases, the Indenture, the Loan Agreement, the Note, the Mortgage, the Management Agreement, the Assignment of Management Agreement, the Leasing Agreement, the Assignment of Leasing Agreement, the Regulatory Agreement, the Continuing Disclosure Agreement, the Servicing Agreement and the other documents referenced herein are qualified in their entirety by reference to such documents, and the description herein of the Series 2014 Bonds is qualified in its entirety by reference to the terms thereof and the information with respect thereto included in the Indenture and the Loan Documents. All such descriptions are further qualified in their entirety by reference to laws relating to or affecting the enforcement of creditors' rights generally.

All references to the "lender" under the Loan Documents shall mean the Issuer, whose right to enforce the obligations of the Borrower thereunder will be pledged and assigned to the Indenture Trustee pursuant to the Indenture (excluding, however, the Issuer's Reserved Rights, which Issuer's Reserved Rights may be enforced by the Issuer, in consultation with the Master Servicer, through an action for specific performance or in certain limited circumstances, other remedial actions as described under "DESCRIPTION OF THE REGULATORY AGREEMENT" herein), which rights of enforcement by the Indenture Trustee will be delegated to the Master Servicer and the Special Servicer pursuant to the Servicing Agreement. The agreements of the Issuer with the holders of the Series 2014 Bonds are fully set forth in the Indenture, the Series 2014 Bonds and the Loan Documents to which the Issuer will be a party, and this Official Statement is not to be construed as constituting an agreement with the purchasers of the Series 2014 Bonds. All defined terms used in this Official Statement that are not otherwise defined herein will have the respective meanings set forth in "APPENDIX A — CERTAIN DEFINITIONS" herein.

THE ISSUER

Purposes and Powers

The Corporation, which commenced operations in 1972, is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State, created for the purposes of providing, and encouraging the investment of private capital in, safe and sanitary dwelling

accommodations in the City for families and persons of low income, which include families and persons whose need for housing accommodations cannot be provided by the ordinary operations of private enterprise, or in areas designated as blighted through the provision of low interest mortgage loans. Powers granted the Corporation under the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law, constituting Chapter 44-b of the Consolidated Laws of the State of New York, as amended (the "Act") include the power to issue bonds, notes and other obligations to obtain funds to carry out its corporate purposes, and to refund the same; to acquire, hold and dispose of real and personal property; to make mortgage loans to specified private entities; to purchase loans from lending institutions; to make loans insured or co-insured by the Federal government for new construction and rehabilitation of multiple dwellings; to make and to contract for the making of loans for the purpose of financing the acquisition, construction or rehabilitation of multi-family housing accommodations; to acquire and to contract to acquire any Federally-guaranteed security evidencing indebtedness on a mortgage securing a loan; to acquire mortgages from the City, obtain Federal insurance thereon and either sell such insured mortgages or issue its obligations secured by said insured mortgages and to pay the net proceeds of such sale of mortgages or issuance of obligations to the City; and to do any and all things necessary or convenient to carry out its purposes. The Act further provides that the Corporation and its corporate existence shall continue at least so long as its bonds, including the Series 2014 Bonds, notes, or other obligations are outstanding.

The sale of the Series 2014 Bonds and the terms of such sale are subject to the approval of the Comptroller of the City. Caine Mitter & Associates Incorporated has acted as pricing advisor to the Corporation in connection with the sale of the Series 2014 Bonds. The Corporation is a "covered organization" as such term is defined in the New York State Financial Emergency Act for The City of New York, as amended, and the issuance of the Series 2014 Bonds is subject to the review of the New York State Financial Control Board for The City of New York.

Organization and Membership

The Corporation, pursuant to the Act, consists of the Commissioner of The City of New York Department of Housing Preservation and Development ("HPD") (who is designated as Chairperson of the Corporation pursuant to the Act), the Commissioner of Finance of the City and the Director of Management and Budget of the City (such officials to serve ex-officio), and four (4) public members, two (2) appointed by the Mayor of the City (the "Mayor") and two (2) appointed by the Governor of the State. The Act provides that the powers of the Corporation shall be vested in and exercised by not less than four (4) members. The Corporation may delegate to one or more of its members, officers, agents or employees such powers and duties as it deems proper.

Members

VICKI BEEN, Chairperson and Member ex-officio. Ms. Been was appointed Commissioner of HPD by Mayor Bill de Blasio, effective February 18, 2014. Prior to joining HPD, she was the Boxer Family Professor of Law at New York University School of Law and Director of NYU's Furman Center for Real Estate and Urban Policy. Ms. Been earned a J.D. from NYU School of Law, and clerked for Judge Edward Weinfeld on the Southern District of New York and for Justice Harry Blackmun on the United States Supreme Court.

HARRY E. GOULD, JR., Vice Chairperson and Member, serving pursuant to law. Mr. Gould is Chairman, President and Chief Executive Officer of Gould Paper Corporation, which was, until April 30, 2010, the largest privately owned independent distributor of printing paper in the United States. As of that date, Gould became a 51% owned subsidiary of Japan Pulp & Paper, the largest paper distributor in Japan. He was Chairman and President of Cinema Group, Inc., a major independent film financing and production company, from 1982 to May 1986, and is currently Chairman and President of Signature Communications Ltd., a new company that is active in the same field. He is a Life Member of the Executive Branch of the

Academy of Motion Picture Arts and Sciences. He is a member of the Board of Directors of the Roundabout Theatre Organization and a member of the Board of Overseers at the Columbia Business School. He was a member of the Board of Directors of Domtar, Inc., North America's largest and second largest global manufacturer of uncoated free sheet papers from 1995 to 2004. He was a member of the Board of Directors of the USO of Metropolitan New York from 1973 to 2004. He was a member of the Board of Trustees of the American Management Association from 1996 to 1999. He was a member of Colgate University's Board of Trustees from 1976 to 1982. He was appointed Trustee Emeritus of Colgate University in 2012. He was appointed the U.S. representative to the U.N. East-West Trade Development Commission by President Johnson from 1967 to 1968. He was Vice Chairman of the U.S. President's Export Council, was a member of the Executive Committee and was Chairman of the Export Expansion Subcommittee from 1977 to 1980. He was a National Trustee of the National Symphony Orchestra, Washington, D.C., also serving as a member of its Executive Committee from 1977 to 1999. He was a member of the Board of United Cerebral Palsy Research and Educational Foundation, and the National Multiple Sclerosis Society of New York from 1972 to 1999. He was a Trustee of the Riverdale Country School from 1990 to 1999. Mr. Gould received his Bachelor of Arts degree from Colgate University magna cum laude. He began his M.B.A. studies at Harvard University and received his degree from Columbia Business School.

DEAN FULEIHAN, Member ex-officio. Mr. Fuleihan was appointed New York City Budget Director in January 2014. Previously, Mr. Fuleihan joined the SUNY College of Nanoscale Science and Engineering as Executive Vice President for Strategic Partnerships. Prior to that, he served in the New York State Assembly for over 30 years, serving as the principal fiscal and policy advisor to the Speaker of the New York State Assembly, Assembly leadership and the Majority Conference. He was also the Assembly's principal staff negotiator on the state budget. Mr. Fuleihan received a B.A. degree in Economics from Alfred University and studied public finance at the Maxwell School of Citizenship and Public Affairs at Syracuse University.

JACQUES JIHA, Member ex-officio. Mr. Jacques Jiha Ph.D. was appointed Commissioner of New York City's Department of Finance by Mayor Bill de Blasio on April 8, 2014. Prior to becoming Commissioner, Mr. Jiha was the Executive Vice President / Chief Operating Officer & Chief Financial Officer of Earl G. Graves, Ltd., a multi-media company with properties in print, digital media, television, events and the Internet. He has also served on a number of government and not-for-profit boards including the Ronald McDonald House of New York, Public Health Solutions, the Investment Advisory Committee of the New York Common Retirement Fund and as Secretary of the board of the New York State Dormitory Authority. Previous positions include Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller, where he managed the assets of the New York State Common Retirement Fund – then the nation's second-largest pension fund valued at $120 billion. Prior to his appointment, he worked for the New York City Office of the Comptroller first as Chief Economist and later as Deputy Comptroller for Budget, with oversight responsibilities over the city's operating budget and four-year capital plan. Mr. Jiha also served as Executive Director of the Legislative Tax Study Commission of New York State and as Principal Economist for the New York State Assembly Committee on Ways and Means. He holds a Ph.D. and a Master's degree in Economics from the New School for Social Research and a Bachelor's degree in Economics from Fordham University.

VACANT, Member.

CHARLES G. MOERDLER, Member, serving pursuant to law. Mr. Moerdler is a partner in the law firm of Stroock & Stroock & Lavan LLP. Prior to joining his law firm in 1967, Mr. Moerdler

was Commissioner of Buildings for The City of New York from 1966 to 1967, and previously worked with the law firm of Cravath, Swaine & Moore. Mr. Moerdler has served as a member of the Committee on Character and Fitness of Applicants to the Bar of the State of New York, Appellate Division, First Department since 1977 and as a member of the Mayor's Committee on Judiciary since 1994. He has also served on the Editorial Board of the New York Law Journal since 1986. Mr. Moerdler held a number of public service positions, including Chairman of The New York State Insurance Fund from 1995 to March 1997, Commissioner and Vice Chairman of The New York State Insurance Fund from 1978 to 1994, Consultant to the Mayor of The City of New York on Housing, Urban Development and Real Estate from 1967 to 1973, Member of the Advisory Board on Fair Campaign Practices, New York State Board of Elections in 1974, Member of the New York City Air Pollution Control Board from 1966 to 1967 and Special Counsel to the New York State Assembly, Committee on Judiciary in 1961 and Committee on The City of New York in 1960. Mr. Moerdler also serves as a Trustee of St. Barnabas Hospital and served on the Board of Overseers of the Jewish Theological Seminary of America. He served as a Trustee of Long Island University from 1985 to 1991 and on the Advisory Board of the School of International Affairs, Columbia University from 1976 to 1979. Mr. Moerdler is a graduate of Long Island University and Fordham Law School, where he was an Associate Editor of the Fordham Law Review.

DENISE SCOTT, Member, serving pursuant to law. Ms. Scott is Managing Director of the Local Initiatives Support Corporation's New York City program (LISC NYC) since 2001. During her tenure, LISC NYC has invested in the development of over 10,000 units of affordable housing. Ms. Scott served as a White House appointee to the United States Department of Housing and Urban Development (HUD) from 1998 to January 2001 responsible for daily operations of HUD's six New York/New Jersey regional offices. She was the Managing Director/Coordinator responsible for launching the Upper Manhattan Empowerment Zone Development Corporation. Ms. Scott served as the Assistant Vice President of the New York City Urban Coalition after serving as Deputy Director of the New York City Mayor's Office of Housing Coordination from 1990-1992. She held several positions at HPD ultimately serving as the Director of its Harlem preservation office. Ms. Scott serves on the U.S. Department of Treasury's Office of Thrift Supervision Minority Depository Institutions Advisory Committee and also serves on several boards including the National Equity Fund, Supportive Housing Network of New York, Citizens Housing and Planning Council, Neighborhood Restore / Restored Homes and the New York Housing Conference. Ms. Scott has a MS in Urban Planning from Columbia University and has taught at its Graduate School of Architecture, Planning and Preservation as a Visiting Assistant Professor

Principal Officers

VICKI BEEN, Chairperson.

HARRY E. GOULD, JR., Vice Chairperson.

GARY D. RODNEY, President. Mr. Rodney was appointed President of the Corporation on March 3, 2014. Prior to joining the Corporation, Mr. Rodney was the Executive Vice President for Development at Omni New York LLC ("OMNI"), a real estate development company focusing on affordable housing. Prior to joining OMNI, Mr. Rodney was Director of Development at BFC Partners, a New York City based real estate development company. Mr. Rodney also spent five years at the Corporation and held several positions structuring financing programs and underwriting transactions before being promoted to Vice President in 2005. Mr. Rodney holds a Masters of Urban Planning from New York University's Robert F.

Wagner Graduate School of Public Service and Bachelor of Arts from the University of Rochester.

RICHARD M. FROEHLICH, Chief Operating Officer, Executive Vice President and General Counsel. Mr. Froehlich, an attorney and member of the New York State Bar, was appointed Chief Operating Officer of the Corporation on June 9, 2011, and Executive Vice President for Capital Markets of the Corporation on February 27, 2008. Mr. Froehlich is also the General Counsel of the Corporation. He was originally appointed Senior Vice President and General Counsel of the Corporation effective November 17, 2003. Prior to joining the Corporation, he was Counsel at the law firm of O'Melveny & Myers LLP in its New York City office, where Mr. Froehlich's practice focused on real estate, public finance and affordable housing. From 1993 to 1998, Mr. Froehlich was an Assistant Counsel at the New York State Housing Finance Agency. Upon graduation from law school, he was an associate at Skadden, Arps, Slate, Meagher & Flom. Mr. Froehlich received his B.A. degree from Columbia College and his J.D. from Columbia University School of Law. He is an Adjunct Assistant Professor of Urban Planning at Columbia University.

PAULA ROY CARETHERS, Executive Vice President for Real Estate. Ms. Carethers was appointed Executive Vice President of the Corporation on June 10, 2014, effective July 7, 2014. Prior to joining the Corporation, she held senior positions at the Empire State Development Corporation ("ESDC"), including Director of Atlantic Yards Development and President of Queens West Development Corporation. While at ESDC she managed the consolidation of the Mitchell Lama portfolio from ESDC to the New York State Housing Finance Agency. Prior to such positions, Ms. Carethers worked at CPC Resources, Inc. focusing on the Domino Sugar Redevelopment, at the New York City Economic Development Corporation, and worked in private consulting and non-profit development. Ms. Carethers received a B.S. degree from Michigan State University and a Master in Urban and Regional Planning from the University of Michigan's Taubman College of Architecture and Urban Planning.

CATHLEEN A. BAUMANN, Senior Vice President and Treasurer. Ms. Baumann was appointed Senior Vice President of the Corporation on August 8, 2012 and Treasurer of the Corporation by the President on July 20, 2009. Prior to such appointments, she held the position of Deputy CFO since September 2004. Ms. Baumann joined the Corporation in 1988 as an Accountant. She has also held the positions of Senior Accountant and Internal Auditor and Vice President of Internal Audit. Ms. Baumann received her bachelor's degree with majors in Accounting and Economics from Queens College of the City University of New York and her MBA in Finance from Baruch College's Zicklin School of Business of the City University of New York.

ELLEN K. DUFFY, Senior Vice President for Debt Issuance and Finance. Ms. Duffy was appointed Senior Vice President of the Corporation on September 15, 2009, effective September 21, 2009. Prior to joining the Corporation, Ms. Duffy was a principal of the housing finance group at Bank of America Securities ("BAS"). At BAS, Ms. Duffy focused on quantitative structuring of transactions and cash flow analysis for state and local housing issuers. Ms. Duffy previously held positions in the housing areas of the public finance groups at CS First Boston, First Union Securities and Citicorp Investment Bank. Ms. Duffy holds a B.A. in Economics from Providence College.

TERESA GIGLIELLO, Senior Vice President—Portfolio Management. Ms. Gigliello was appointed a Senior Vice President of the Corporation on August 3, 1998. Prior to such appointment, Ms. Gigliello held the position of Director of Audit. She began her career with the Corporation in 1985 as an accountant and served as the Corporation's Internal Auditor

from 1986 until her appointment as Director of Audit in 1995. Ms. Gigliello received a Bachelor of Science degree from St. John's University.

JIM QUINLIVAN, Senior Vice President for Policy. Mr. Quinlivan was appointed Senior Vice President for Policy of the Corporation on April 10, 2013, effective April 15, 2013. Prior to such appointment, Mr. Quinlivan held the position of Vice President and Deputy Director of Asset Management. Mr. Quinlivan began his career with the Corporation in 1996 and held several positions before being promoted to Vice President in 2002. Prior to joining the Corporation, Mr. Quinlivan worked at the U.S. Department of Housing & Urban Development. Mr. Quinlivan received a B.A. from New York University.

ANTHONY RICHARDSON, Senior Vice President for Development. Mr. Richardson was appointed Senior Vice President for Development of the Corporation on August 25, 2014, effective September 22, 2014. Prior to joining the Corporation, Mr. Richardson was the Director of Multifamily New Construction Programs at HPD. Prior to joining HPD, Mr. Richardson held financial advisory and sales positions at Ernst & Young, M.R. Beal & Company and Cantor Fitzgerald. Mr. Richardson received a Masters in Public Administration and Public Policy from Columbia's School of International Public Affairs and a Masters in Public Administration and Economic Policy from The London School of Economics & Political Science. Mr. Richardson received a B.A. from Morehouse College.

MELISSA BARKAN, Deputy General Counsel and Secretary. Ms. Barkan was appointed Secretary of the Corporation on May 2, 2007. She was appointed Deputy General Counsel on March 1, 2007. Prior to her appointments she held the position of Associate General Counsel and Assistant Secretary. In 1999, Ms. Barkan joined the Corporation as an Assistant General Counsel. Before joining the Corporation, Ms. Barkan was associated with a New York law firm where her practice focused on real estate acquisitions and financing. Ms. Barkan received her B.S. degree from the School of Business at the State University of New York at Albany and her J.D. from Brooklyn Law School. Ms. Barkan is a member of the New York State Bar.

Potential Legislative and Regulatory Actions

From time to time, legislation is introduced on the Federal and State levels which, if enacted into law, could affect the Corporation, its operations or its bonds. The Corporation is not able to represent whether such bills will be introduced in the future or become law. In addition, the State undertakes periodic studies of public authorities in the State (including the Corporation) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, could affect the Corporation, its operations and its bonds.

NEITHER THE MEMBERS, DIRECTORS, OFFICERS OR AGENTS OF THE ISSUER NOR ANY PERSON EXECUTING THE SERIES 2014 BONDS SHALL BE PERSONALLY LIABLE OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY WITH RESPECT TO THE SERIES 2014 BONDS. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER OR ITS MEMBERS, DIRECTORS OR OFFICERS HAS BEEN INCLUDED IN THIS OFFICIAL STATEMENT.

THE ISSUER HAS NOT VERIFIED, AND DOES NOT REPRESENT IN ANY WAY, THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT OTHER THAN INFORMATION SET FORTH UNDER THE HEADINGS "INTRODUCTION - The Issuer," "THE ISSUER" "DESCRIPTION OF THE REGULATORY AGREEMENT" AND "ABSENCE OF LITIGATION - The Issuer" HEREIN.

THE BORROWER

The following information has been provided by the Borrower for use herein. While the information is believed to be reliable, none of the Corporation, the Underwriters, the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor nor any of their respective counsel, members, directors, officers or employees makes any representations as to the accuracy or sufficiency of such information.

The Borrower is a single-purpose Delaware limited liability company. The Predecessor Entity was formed in 2012 as a single member New York limited liability company for the purposes of acquiring the Mortgaged Property from an affiliated entity that developed the Mortgaged Property. On or before the issuance of the Series 2014 Bonds, the Predecessor Entity will be merged into the Borrower, a newly formed Delaware limited liability company, with the Borrower being the surviving entity. The prior owner's managing member was controlled by the same entities that control FC8, who is the Predecessor Entity's sole member and will be the Borrower's sole member. The Borrower has no material assets other than its interest in the Mortgaged Property. Accordingly, it is expected that the Borrower will not have any sources of funds to make payments on the Loan other than revenues generated by the Mortgaged Property.

The members of FC8 are its managing member, Mezz LLC and its investor member, GA Investor. The members of Mezz LLC are FCTA, FCBH and National Real Estate Advisors. FCTA and FCBH own collectively 51% of Mezz LLC and are owned and controlled by Forest City and its principals, key employees and affiliates. GA Investor is wholly owned by entities owned by Teachers Insurance and Annuity Association of America.

Forest City is a publicly traded real estate company with more than 92 years experience in the development, acquisition and management of commercial and residential real estate throughout the United States. As of December 31, 2013, Forest City has ownership interests in properties containing in the aggregate more than 123 apartment complexes with over 34,300 apartments, 16 regional malls with 17.1 million square feet of gross leasable area, 25 specialty retail centers with 5.4 million square feet of gross leasable area, 42 office buildings with approximately 11.1 million square feet of commercial space, and the Barclay's Center in Brooklyn, New York.

DESCRIPTION OF THE MORTGAGED PROPERTY

The following information has been provided by the Borrower for use herein. While the information is believed to be reliable, none of the Corporation, the Underwriters, the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor nor any of their respective counsel, members, directors, officers or employees makes any representations as to the accuracy or sufficiency of such information.

General

The Series 2014 Bonds are being issued to refinance the outstanding portion of a mortgage loan to the Predecessor Entity (as successor-by-assignment to the prior owner of the Mortgaged Property) that was made for the purposes of paying a portion of the costs of constructing and equipping a multi-family rental housing development located at 8 Spruce Street in the Borough of Manhattan, New York and certain other costs related thereto (the "Original Mortgage Loan"). In addition, the Series 2014 Bonds will pay for certain costs associated with this refinancing which will be secured by the Loan.

The Mortgaged Property consists of the Residential Rental/Retail Unit in the four unit Condominium containing 899 residential rental units, 896 of which are currently leasable at market rates, but subject to Rent Stabilization Regulations as herein described, one unit that is currently used as a management/leasing office and two units currently used as model units. In addition, there is approximately 1,200 leasable square feet of retail space in the base of the building that constitutes part of the Residential Rental/Retail Unit. The residential rental units consist of 189 studios, 512 one bedroom units, 167 two bedroom units, 24 three

bedroom units and four penthouse units. The Condominium contains three additional condominium units that are not part of the Mortgaged Property: (i) the Care Center Unit owned and operated by an entity affiliated with the Hospital, (ii) Garage Unit owned by another entity affiliated with the Hospital and (iii) the School Unit that is owned by the NYC SCA. Construction of the Hospital Units and the School Unit were separately financed with funds other than the Original Mortgage Loan. The four condominium units are contained in one 76-story building. The Mortgaged Property also contains recreational facilities including a fitness center and spa, game rooms, a playroom for children, a business center and a laundry room. Appurtenant to the Mortgaged Property are two public plazas consisting of approximately 15,000 square feet in the aggregate.

The Condominium was established pursuant to the Real Property Law of the State of New York. Although the proceeds of the Original Mortgage Loan were not used to finance the acquisition, constructing or equipping of the Hospital Units or the School Unit, the proceeds of the Original Mortgage Loan did fund the proportionate cost of the common elements allocable to the Mortgaged Property, excluding the Hospital Units and the School Unit.

The Condominium is managed and operated by the Condominium board of managers, which includes representatives of the Borrower, the Hospital and NYC SCA. In addition, certain decisions relating to the Condominium, including, but not limited to, decisions relating to restoration following casualty and condemnation are governed by the terms of the Condominium declaration and by-laws.

Construction of the Mortgaged Property was substantially complete in March 2011 and as of June 30, 2014, approximately 99.1% of the residential units were leased.

The Borrower obtained a 20-year phased exemption from real estate taxes for the Mortgaged Property in accordance with the 421-a Regulations, which exemption currently requires that all residential apartments in the Mortgaged Property be subject to rent regulation for 20 years in accordance with the Rent Stabilization Regulations. The 20 year phased exemption will terminate on June 30, 2031.

The architect for the Mortgaged Property was Gehry Architects New York, P.C. Kreisler Borg Florman General Construction Company was the construction manager for the construction of the Mortgaged Property.

The Market

The Mortgaged Property is located at 8 Spruce Street in the Borough of Manhattan. The Mortgaged Property is bounded by Gold Street to the east, Beekman Street to the south, Nassau Street to the west and Spruce Street to the north. Located in the Downtown submarket, which consists of the area south of 14th Street, the Mortgaged Property is proximate to TriBeCa, which is home to many cultural and entertainment offerings including the TriBeCa Film Festival, the Brooklyn Bridge Promenade, City Hall Park, Front Street Restaurant Row and the new retail and outdoor concert facilities to be built at South Street Seaport. There are also two sizable plazas, the William Street Plaza and West Plaza, right outside the Mortgaged Property.

The following is a summary of properties assumed to be competitive in New York City based on the Appraisal (as defined below).

Competitive Property Summary[1]

Property	Address	Floors	Year Built	Occupancy Rate[2]	Approximate Distance from Property	Units	Unit Type	Base Rent PSF
New York By Gehry	**8 Spruce Street**	**76**	**2011**	**99.1%**	**N/A**	**899**	**0BR** **1BR** **2BR** **3BR** **PH**	**$80.36** **$77.05** **$81.83** **$91.56** **$111.00**
Liberty Luxe	200 North End Avenue	35	2008	97.00%	0.29 mile	280	0BR 1BR 2BR 3BR	N/A $68.94 $78.77 $88.99
NAV	50 Murray Street	22	2003	98.72%	0.30 mile	390	0BR 1BR 2BR 3BR	$93.48 $95.90 $101.16 N/A
Morton Square	600 Washington Street	7	2004	98.52%	1.20 miles	135	0BR 1BR 2BR 3BR	$85.01 $87.80 $69.95 N/A
The Beatrice	105 West 29th Street	54	2010	97.35%	2.57 miles	302	0BR 1BR 2BR 3BR	$81.75 $93.24 $91.70 $122.86
MiMA Tower	440-460 West 42nd Street	63	2011	98.68%	3.32 miles	151	0BR 1BR 2BR 3BR	N/A $89.90 $85.05 N/A
ICON	306 West 48th Street	43	2012	95.90%	3.55 miles	121	0BR 1BR 2BR 3BR	$83.71 $82.92 $95.11 N/A

(1) Competitive set numbers based on CBRE, Inc. appraisal dated July 21, 2014 (with a valuation date of June 16, 2014).
(2) Based on the borrower rent roll dated June 30, 2014.

Collateral Overview

Property Name	City	State	Property Type	Units	Appraised Value[(1)]	Appraised Value Per Unit	Underwritten Net Cash Flow	Leased Occupancy[(2)]
New York by Gehry	New York	NY	Multifamily	899	$1,100,000,000	$1,223,582	$39,706,741	99.1%

(1) The appraised value is the "as is" value as of June 16, 2014 of the Mortgaged Property based on an appraisal performed by CBRE, Inc.
(2) The Mortgaged Property was 99.1% leased as of June 30, 2014.

The following table presents a summary of the unit configurations as of June 30, 2014:

Unit Breakout[(1)]

Unit Type	Total	Occupancy Rate	Avg. Unit Size (SF)	SF	% of Total	Base Rent PSF
Studio	189	99%	468	88,449	13%	$80.36
1 BR	512	99%	688	352,167	52%	77.05
2 BR	166	99%	1,120	185,952	27%	81.83
3 BR	24	100%	1,630	39,114	6%	91.56
PH	4	100%	2,243	8,973	1%	111.00
Other[(2)]	4	100%	910	3,641	1%	0.00
Total	**899**	**99%**	**755**	**678,296**	**100%**	**$80.11[(3)]**

(1) Based on the borrower rent roll dated June 30, 2014.
(2) The other units consist of the following: an Employee Apartment (2BR; 908 SF), which is currently a leasable unit, a management/leasing office (2 BR; 1,110 SF), and two units that are used as model units (2BR; 1,069 SF and Studio; 554 SF).
(3) Base Rent PSF includes the four other units that are not available for rent.

Operating History and Underwritten Net Cash Flow

Cash Flow Analysis										
	TTM Jun-14[1]		T3 Annualized		2014 Reforecast[2]		CBRE, Inc. - Year 1[3]		Underwriting[4]	
	$	Per Unit	$	Per Unit	$	Per Unit	$	Per Unit	$	Per Unit
Gross Potential Rent	$54,264,108	$60,361	$54,192,702	$60,281	$54,752,107	$60,903	$56,595,432	$62,954	$54,097,402	$60,175
Less: Vacancy	2,735,313	3,043	1,133,325	1,261	2,398,848	2,668	1,747,663	1,944	2,178,936	2,424
Less: Collection Loss	118,215	131	(360,341)	(401)	246,691	274	0	0	118,215	131
Less: Concessions	2,271,646	2,527	407,719	454	1,372,828	1,527	0	0	407,719	454
Total Residential Revenue	**$49,138,935**	**$54,660**	**$53,011,998**	**$58,968**	**$50,733,740**	**$56,434**	**$54,847,769**	**$61,010**	**$51,392,532**	**$57,166**
Total Other Income	2,236,472	2,488	2,264,368	2,519	1,803,788	2,006	1,660,000	1,846	1,706,786	1,899
Non-Allowable Other Income	(456,724)	(508)	328,907	366	40,498	45	0	0	0	0
Effective Gross Revenue	**$50,918,683**	**$56,639**	**$55,605,274**	**$61,852**	**$52,578,025**	**$58,485**	**$56,507,769**	**$62,856**	**$53,099,318**	**$59,065**
Expenses										
Real Estate Tax	$402,422	$448	$403,051	$448	$411,016	$457	$11,451,072	$12,738	$738,672	$822
Insurance	729,697	812	646,571	719	719,105	800	775,000	862	703,818	783
Utilities	3,016,024	3,355	1,957,065	2,177	2,989,480	3,325	2,900,000	3,226	2,900,000	3,226
Leasing & Marketing	1,333,539	1,483	1,022,920	1,138	1,134,617	1,262	450,000	501	450,000	501
Professional Fees	162,506	181	185,126	206	153,080	170	150,000	167	150,000	167
Administrative	257,608	287	195,293	217	205,174	228	250,000	278	250,000	278
Repairs & Maintenance	2,743,447	3,052	2,308,116	2,567	2,226,443	2,477	2,800,000	3,115	2,800,000	3,115
Management Fee	839,730	934	851,117	947	864,002	961	1,130,155	1,257	1,000,000	1,112
Payroll	3,100,392	3,449	3,054,029	3,397	3,018,112	3,357	3,075,000	3,420	3,075,000	3,420
Amenities Management	1,002,797	1,115	1,015,458	1,130	1,046,942	1,165	1,000,000	1,112	1,000,000	1,112
Total Operating Expenses	**$13,588,161**	**$15,115**	**$11,638,745**	**$12,946**	**$12,767,972**	**$14,202**	**$23,981,227**	**$26,675**	**$13,067,490**	**$14,536**
Net Operating Income	**$37,330,521**	**$41,524**	**$43,966,528**	**$48,906**	**$39,810,053**	**$44,283**	**$32,526,542**	**$36,181**	**$40,031,828**	**$44,529**
Capital Expenditures									325,087	362
Net Cash Flow	**$37,330,521**	**$41,524**	**$43,966,528**	**$48,906**	**$39,810,053**	**$44,283**	**$32,526,542**	**$36,181**	**$39,706,741**	**$44,168**

Note: Totals may not sum due to rounding.

(1) TTM June 2014 excludes $119,447 of one time security expenses that were incurred in October 2013. If included, Net Operating Income and Net Cash Flow would have been $37,211,079.

(2) Based on the Borrower's 2014 budget reforecast based on actual year-to-date financials through June 2014.

(3) The appraiser's year 1 projection based on CBRE, Inc. appraisal dated July 21, 2014.

(4) "Underwriting" in this table reflects Underwritten Net Cash Flow based on recent operating history of the Mortgaged Property and the underwriting assumptions set forth under "DESCRIPTION OF THE MORTGAGED PROPERTY—Underwritten Assumptions" below.

Collateral Metrics by Class

Class of Bonds	Approximate Cumulative Bond LTV Ratio (%)[1]	Approximate Underwritten NCF Debt Yield (%)[2]	Approximate Underwritten NCF Debt Service Coverage Ratio [3]
Class A	25.2%	14.3%	3.71x
Class B	31.2%	11.6%	3.00x
Class C	31.5%	11.5%	2.97x
Class D	35.6%	10.1%	2.62x
Class E	40.2%	9.0%	2.32x
Class F	50.0%	7.2%	1.87x

(1) "Approximate Cumulative Bond LTV Ratio" means with respect to each Class of Series 2014 Bonds, (x) the aggregate principal balance of such Class and all of the Classes with an earlier alphabetical designation to such Class divided by (y) $1.1 billion, which is the "As-Is" appraised value of the Mortgaged Property as determined by CBRE, Inc. as of June 16, 2014.

(2) "Approximate Underwritten NCF Debt Yield" means, with respect to each Class of Series 2014 Bonds, (x) the Underwritten Net Cash Flow (as defined in "DESCRIPTION OF THE MORTGAGED PROPERTY—Additional Information Regarding the Loan and the Mortgaged Property" herein) divided by (y) the aggregate principal balance of such Class and all of the Classes with an earlier alphabetical designation to such Class.

(3) "Approximate Underwritten NCF Debt Service Coverage Ratio" means, with respect to each Class of Series 2014 Bonds, (x) the Underwritten Net Cash Flow for the Mortgaged Property divided by (y) the annual interest payments on such Class and all Classes with an earlier alphabetical designation to such Class using the aggregate weighted average interest rate of all Loan Components. On an aggregate basis for the Series 2014 Bonds, the Underwritten NCF Debt Service Coverage Ratio is 1.87x. The "Approximate Underwritten NCF Debt Service Coverage Ratio" includes the HDC Servicing Fee, the Indenture Trustee Fee, the Servicing Fees, the Operating Advisor Fee and the CREFC® Intellectual Property Royalty License Fee.

Underwritten Assumptions

Gross Potential Rent: Gross Potential Rent is based on the current occupied unit rent as of the June 30, 2014 rent roll plus the vacant unit rent grossed up at the appraiser's concluded market rent for each unit type (1BR, 2BR, etc).

Vacancy: Vacancy is underwritten to a total vacancy loss of 5.0% inclusive of Collection Loss. Collection Loss shown in-line with the annualized trailing three month figure as of June 2014. The total vacancy loss of 5.0% is higher than the appraiser's concluded stabilized vacancy rate of 3.1% for the Mortgaged Property.

Other Income: Other Income is based on the TTM figure as of June 2014 and excludes $495,341 of lease termination income. Other Income is comprised of electrical reimbursement fees, amenity revenue, storage fees, legal fee income, late fees, damage and cleaning fees, and other various items.

Real Estate Taxes: Real Estate Taxes are based on the projected average tax payable projected over the loan term. The Mortgaged Property is subject to a 421-a tax abatement that fully expires in June 2031. The appraiser's Year 1 Projection reflects a projection of the annual tax liability excluding the abatement.

Operating Expenses: Operating Expenses are based on the appraiser's year 1 projection. The appraiser's concluded expenses are generally in-line with the TTM figures except for the leasing and marketing line. The historical statements reflect a higher figure given the recent construction and lease-up nature of the Mortgaged Property. The appraiser concluded a figure of $450,000 as a more accurate reflection of the stabilized leasing and marketing expense.

Management Fee: Management Fee is underwritten to $1,000,000, which is higher than the in-place management fee. The appraiser concluded 2.0% as the appropriate management fee. Additionally, the Mortgaged Property has an amenities management fee which, when added to the underwritten Management Fee totals 3.8% of Effective Gross Revenue.

Replacement Reserves: Underwritten to $362 per unit.

Third Party Reports

Appraisal. CBRE, Inc. prepared an appraisal, dated as of July 21, 2014 (with a valuation date of June 16, 2014), with respect to the Mortgaged Property in connection with the offering of the Series 2014 Bonds (the "Appraisal"). The Appraisal determined an "as is" value for the Mortgaged Property of $1,100,000,000. In general, appraisals represent the analysis and opinion of qualified appraisers and are not guarantees of present or future value. One appraiser may reach a different conclusion than the conclusion that would be reached if a different appraiser were appraising the same property. Moreover, appraisals seek to establish the amount a typically motivated buyer would pay a typically motivated seller and, in certain cases, may have taken into consideration the purchase price paid by the owner. Such amount could be significantly higher than the amount obtained from the sale of the Mortgaged Property under a distress or liquidation sale.

The Appraisal contains various conclusions that are based on multiple methods of measuring property valuation and that are subject to numerous material qualifications and assumptions. See "CERTAIN RISK FACTORS—Limitations of Appraisals and Inspections" herein. A copy of the Appraisal will be available for review as described in "—*Copies of Third Party Reports*" below. Potential investors in the Series 2014 Bonds should review in detail the entirety of the Appraisal before evaluating the conclusions reached in the Appraisal. See "CERTAIN RISK FACTORS—Limitations of Appraisals and Inspections" in this Official Statement.

Property Condition Report. Property Solutions Inc. prepared a property condition assessment, dated June 27, 2014, with respect to the Mortgaged Property (the "Property Condition Report") in connection with the offering of the Series 2014 Bonds. A copy of the Property Condition Report will be available for review as described in "—*Copies of Third Party Reports*" below. Potential investors in the Series 2014 Bonds should review in detail the entirety of the Property Condition Report before evaluating the conclusions reached in the Property Condition Report. See "CERTAIN RISK FACTORS—Limitations of Appraisals and Inspections" herein.

Environmental Assessment. Property Solutions Inc. prepared an Environmental Site Assessment Report with respect to the Mortgaged Property, dated June 27, 2014 (the "ESA") in connection with the offering of the Series 2014 Bonds. A copy of the ESA will be available for review as described in "—*Copies of Third Party Reports*" below. Potential investors in the Series 2014 Bonds should review in detail the entirety of the ESA before evaluating the conclusions reached in the ESA. See "CERTAIN RISK FACTORS—Limitations of Appraisals and Inspections" and "—The Borrower May Be Subject to Environmental Liabilities" herein.

Copies of Third Party Reports. Electronic versions of the Appraisal, Property Condition Report and ESA (the "Third Party Reports") in .pdf format are contained on the CD-ROM attached to this Official Statement as Annex A. Investors are encouraged to review the Third Party Reports in their entirety.

The Third Party Reports were prepared prior to the date of this Official Statement. Accordingly, the information included in the Third Party Reports may not reflect the current economic, competitive, market and other conditions with respect to the Mortgaged Property. In addition, the information in the Third Party Reports has not been independently verified by the Borrower, the Issuer, the Underwriters, the Master Servicer, the Special Servicer, the Operating Advisor or the Indenture Trustee, and none of them makes any representations or warranties about such information. Investors are responsible for performing their own due diligence and investigation with respect to the information contained in the Third Party Reports. The Third

Party Reports do not appear elsewhere in paper form in this Official Statement and must be reviewed and considered together with the information contained elsewhere in this Official Statement. All of the information contained in the Third Party Reports is subject to the same limitations and qualifications contained in this Official Statement.

Additional Information Regarding the Loan and the Mortgaged Property

For purposes of this Official Statement:

"Closing Date Balance" means the original principal balance of the Loan as of the Closing Date.

"LTV" means (x) the Closing Date Balance of the Loan divided by the (y) the appraised value of the Mortgaged Property of $1.1 billion, as determined by CBRE, Inc. as of June 16, 2014.

"Occupancy" means the percentage of the square footage of the net rentable or leasable area of the Mortgaged Property that was occupied or leased as of a specified date. The Occupancy information has been obtained from the Borrower, as derived from the Mortgaged Property's rent rolls, operating statements or appraisals. The Occupancy presented in this Official Statement may include unoccupied space leased to an affiliate of the Borrower and space subject to build out or other construction or renovation. The Occupancy may exclude area currently under renovation.

"Property" means the Mortgaged Property.

"TTM" means trailing twelve (12) months.

"Underwritten Net Cash Flow", "Underwritten NCF" or "UW NCF", with respect to the Mortgaged Property, means the Underwritten Net Operating Income decreased by the estimated capital expenditures and reserves for capital expenditures, including Tenant improvement costs and leasing commissions, as applicable. Underwritten Net Cash Flow generally does not reflect interest expense and non-cash items such as depreciation and amortization.

"Underwritten Net Operating Income", "Underwritten NOI" or "UW NOI", with respect to the Mortgaged Property, means an estimate of cash flow available for debt service in a typical year of stable, normal operations as determined by the Underwriters. In general, it is the estimated underwritten revenue derived from the use and operation of the Mortgaged Property less the sum of (a) estimated operating expenses (such as utilities, administrative expenses, repairs and maintenance, management fees and advertising); and (b) estimated fixed expenses (such as insurance and real estate taxes). The Underwritten Net Operating Income for the Mortgaged Property is calculated on the basis of numerous assumptions, including the assumptions set forth under "DESCRIPTION OF THE MORTGAGED PROPERTY—Underwritten Assumptions" above, as well as subjective judgments. These assumptions and judgments, if ultimately proven erroneous, could result in the actual net cash flow for the Mortgaged Property differing materially from the Underwritten Net Operating Income set forth in this Official Statement. Certain of such assumptions and subjective judgments of the Underwriter relate to future events, conditions and circumstances, including future expense levels, future increases in rents over current rental rates (including in circumstances where a Tenant may currently be in a free or reduced rent period), future vacancy rates, commencement of occupancy and rent payments with respect to leases for which rentals have not yet commenced and/or a "free rent" period is still in effect, the re leasing of vacant space and the continued leasing of occupied space, which will be affected by a variety of complex factors over which none of the Borrower, Issuer, Underwriters, Indenture Trustee, Operating Advisor, the Master Servicer or Special Servicer have control.

In determining Underwritten Net Operating Income for the Mortgaged Property, the Underwriters generally relied on rent rolls and/or other generally unaudited financial information provided by the Borrower, and as appropriate, the appraisal and/or local market information. From that information, the Underwriters

calculated stabilized estimates of cash flow that took into consideration historical financial statements, appraiser estimates, borrower budgets, material changes in the operating position of the Mortgaged Property of which the Underwriters were aware (*e.g.*, current rent roll information including newly signed leases (regardless of whether the Tenant has taken occupancy), near term rent steps, expirations of "free rent" periods, market rents, and market vacancy data), and estimated capital expenditures, leasing commissions and Tenant improvement costs.

"UW NCF Debt Service Coverage Ratio", "Underwritten NCF DSCR", "Debt Service Coverage Ratio" or "DSCR" means (a) the Underwritten Net Cash Flow for the Mortgaged Property, divided by (b) in the case of the Series 2014 Bonds, the annual interest payments on the Series 2014 Bonds, and in the case of any Class of the Series 2014 Bonds, the annual interest payments on such Class and all Classes with an earlier alphabetical designation to such Class using the aggregate weighted average interest rate of all Loan Components. The "Approximate Underwritten NCF Debt Service Ratio" includes the HDC Servicing Fee, the Indenture Trustee Fee, the Servicing Fees, the Operating Advisor Fee and the CREFC® Intellectual Property Royalty License Fee.

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 a property to service mortgage debt. If a property does not possess a stable operating expectancy (for instance, if it is subject to material leases that are scheduled to expire during the loan term and that provide for above market rents and/or that may be difficult to replace), a debt service coverage ratio may not be a reliable indicator of a property's ability to service the mortgage debt over the entire remaining loan term. The Underwritten NCF DSCR is presented in this Official Statement for illustrative purposes only and, as discussed above, is limited in its usefulness in assessing the current, or predicting the future, ability of the Mortgaged Property 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.

Description of Residential Lease

The leases for the residential units in the Mortgaged Property substantially conform to the standard form of apartment lease of the Real Estate Board of New York, Inc. The lease and riders provided to the residential Tenants (including the DHCR (as defined below) tenant's rights rider) comply with the requirements of the Rent Stabilization Regulations and fully inform both the Borrower and the Tenants of their rights and obligations thereunder. Each residential lease includes a rider advising the Tenant that the Rent Stabilization Regulations with respect to the Tenant's lease will no longer apply at the expiration of the Tenant's lease following the termination of the 421-a real estate tax benefits on June 30, 2031 (the "421-a Lease Rider"). See "DESCRIPTION OF THE MORTGAGED PROPERTY—Rent Stabilization Regulations" below, "DESCRIPTION OF THE LOAN AGREEMENT —Rent Stabilization Regulations and 421-a Regulations" and "CERTAIN RISK FACTORS —421-a Regulations" and "—Rent Stabilization Regulations" herein.

Rent Stabilization Regulations

Each residential rental unit in the Mortgaged Property is subject to the Rent Stabilization Regulations during the term of the 421-a real estate tax benefits and thereafter with respect to a Tenant who then resides in a unit and whose lease did not include the appropriate 421-a Lease Rider. Under the Rent Stabilization Regulations, the amount that the Borrower can increase rents on Tenants is limited by law, and may be below non-regulated market increases. Each year, the New York City Rent Guidelines Board (the "Rent Guidelines Board") establishes the lease guidelines for rent stabilized apartments applicable to leases with effective dates between October 1 of such year and September 30 of the following year. The Rent Stabilization Regulations set forth the factors that must be considered by the Rent Guidelines Board prior to the adoption of rent guidelines. These include, without limitation, (A) the economic condition of the residential real estate industry

in the City, including such factors as the prevailing and projected (i) real estate taxes and sewer and water rates, (ii) gross operating maintenance costs (including insurance rates, governmental fees, cost of fuel and labor costs), (iii) costs and availability of financing (including effective rates of interest), (iv) overall supply of housing accommodations and overall vacancy rates and (B) relevant data from the current and projected cost of living indices for the affected area. Additionally, the Borrower is required under the Rent Stabilization Regulations to provide certain services to Tenants and to offer Tenants renewal leases, and limits the grounds on which a Tenant may be evicted. The Rent Stabilization Regulations also permits Tenants to file relevant complaints with the Division of Housing and Community Renewal ("DHCR"). DHCR is empowered to reduce rents and levy civil penalties against the Borrower in cases of violations, reduce rents if services are not maintained, and, in cases of rent overcharges, DHCR may assess penalties of interest or treble damages payable to the Tenant, if such overcharges are found to be unlawful.

Ongoing Information Regarding the Loan and the Mortgaged Property

The primary source of ongoing information regarding the Loan, the Mortgaged Property and the Series 2014 Bonds will be the periodic reports posted on the Indenture Trustee's website. See "DESCRIPTION OF THE SERVICING AGREEMENT—Additional Matters Regarding the Indenture Trustee" herein. In addition, certain other information is required to be made available pursuant to the Continuing Disclosure Agreement. See "CONTINUING DISCLOSURE" herein. No assurance can be made that any additional ongoing information regarding the Loan, the Mortgaged Property or the Series 2014 Bonds will be available through any other source. The limited nature of the available information may adversely affect the liquidity of the Series 2014 Bonds, even if a secondary market for the Series 2014 Bonds does develop.

The Indenture Trustee will make such information available to the Bondholders via the Indenture Trustee's internet website at http://www.usbank.com/abs. Bondholders with questions may direct them to the Indenture Trustee at its Customer Service desk at (866) 252-4360.

INSURANCE ON THE MORTGAGED PROPERTY

Loan Agreement

The Borrower is obligated under the Loan Agreement to obtain and maintain, or cause to be maintained, at all times insurance for the Borrower and the Mortgaged Property providing at least the coverage described in the Loan Agreement. See "DESCRIPTION OF THE LOAN AGREEMENT—Insurance" for a description of the required insurance.

Insurance Currently in Effect

The Mortgaged Property is currently insured under a blanket policy program that covers the Mortgaged Property and various other assorted miscellaneous properties owned by affiliates of Forest City. The annual blanket policy program was most recently placed November 1, 2013, and affords the following coverage:

- "all risk" property coverage for non-terrorism perils, in the amount of $1.1 billion, with a $50,000 deductible. The "all risk" insurance provided by multiple insurance companies. The "all risk" insurance coverage includes:
    - the Mortgaged Property at full replacement value;
    - business income insurance, with an extended period of indemnity for 12 months after full restoration of the Mortgaged Property;

- ordinance or law coverage for (i) undamaged portions of the Mortgaged Property and (ii) demolition cots and increased cost of construction coverage, subject to a single $100 million sublimit; and

- earthquake and flood, each subject to $200 million sublimit;

- property coverage for non-NBCR (Nuclear, Biological, Chemical and Radiological), terrorism, in the amount of $1.1 billion;

- boiler & machinery coverage, in the amount of $100 million;

- liability coverage, including automobile liability, in the amount of $126 million, with the first $1 million ($2 million aggregate) of coverage provided by Navigators Insurance Company including a $500,000 self insured retention, and the remaining $125 million of coverage provided by an umbrella company;

- worker's compensation insurance, in the amount required by New York statute, provided by Sentry; and

- pollution legal liability insurance, in the amount of $5 million, provided by American International Group. The pollution legal liability insurance policy is a five year policy that expires on October 16, 2018.

PLAN OF FINANCE

Estimated Sources and Uses of Funds

The following describes the estimated sources and uses of the proceeds of the Loan:

Source of Funds		
Principal amount of Series 2014 Bonds		$550,000,000
Uses of Funds		
Redemption of Prior Bonds		$539,000,000
Fees and Costs[†]		9,746,559
Deposit into Tax and Insurance Reserve Account[††]		1,253,441
	Total	$550,000,000

[†] Includes the fee to the Underwriters; the fee to the Issuer; legal, financial advisory and rating agency fees; fees of the Underwriters, the Servicers, the Operating Advisor and the Indenture Trustee; and other fees, costs and expenses related to the Series 2014 Bonds and the Prior Bonds. The amount of Fees and Costs is an estimate and is subject to adjustment to reflect final Fees and Costs as of the Bond Issuance Date.

[††] Includes the amount required by the Loan Agreement to be deposited into the Tax and Insurance Reserve Account. The deposit is subject to adjustment to the extent the Fees and Costs listed above are adjusted to reflect final Fees and Costs as of the Bond Issuance Date.

The Loan

The Loan will be made pursuant to the Loan Agreement (and further evidenced by the Note) pursuant to which the Issuer will loan the proceeds of the Series 2014 Bonds to the Borrower in the principal amount of $550,000,000. The Borrower will use the proceeds of the Loan to effect the refunding in whole of the Prior

Bonds and to pay costs related to the issuance of the Series 2014 Bonds. It is intended that the Prior Bonds will be redeemed in whole and will no longer be outstanding on the Bond Issuance Date.

DESCRIPTION OF THE SERIES 2014 BONDS

General Description

The Series 2014 Bonds consist of the Class A Bonds, Class B Bonds, Class C Bonds, Class D Bonds, Class E Bonds and Class F Bonds. Each Class of the Series 2014 Bonds is dated their date of original issuance and delivery (except as otherwise provided in the Indenture) and will mature on the date and in the respective principal amounts, and bear interest at the respective initial rates set forth on the inside facing cover page of this Official Statement. Interest payable on each Bond Payment Date will be equal to interest accrued during the preceding calendar month, with interest payable on the first Bond Payment Date equal to interest accrued in November 2014 from and including the Closing Date. In no event will the Series 2014 Bonds bear interest at the Default Rate.

The Series 2014 Bonds are issuable as fully registered bonds without coupons in book-entry-only form and will be registered in the name of Cede & Co. as described below. The Series 2014 Bonds will bear interest, payable monthly on the fifteenth (15^{th}) day of each month commencing December 15, 2014 (or, if any such day is not a Business Day, the next succeeding Business Day), computed on the basis of a 360-day year and twelve 30-day months. The Class A Bonds, the Class B Bonds, the Class C Bonds, the Class D Bonds and the Class E Bonds will be in the minimum denomination of $100,000 original principal amount and integral multiples of $1 in excess thereof, and the Class F Bonds will be in the minimum denomination of $500,000 original principal amount and integral multiples of $1 in excess thereof. Interest on, and to the extent set forth herein, principal of the Series 2014 Bonds shall be payable on each Bond Payment Date to the Bondholders of record on the Record Date relating thereto.

The Series 2014 Bonds are expected to pay interest only through the Bond Payment Date following the Lockout Period. However, in connection with a Casualty or a Condemnation affecting the Mortgaged Property, the Borrower is required to prepay the Loan in an amount equal to Net Proceeds that are not required to be made available for Restoration of the Mortgaged Property pursuant to the provisions of the Loan Agreement. Any such prepayment will be applied toward the reduction of the principal amount of the Debt and will be applied to repay the principal of the Series 2014 Bonds, subject to the priority of payments set forth under "DESCRIPTION OF THE SERVICING AGREEMENT – Allocation of Available Distribution Amount". See also "DESCRIPTION OF THE LOAN AGREEMENT – Prepayment".

The principal or Redemption Price, if any, of, the Series 2014 Bonds shall be payable at the designated corporate trust office of the Indenture Trustee in New York, New York, as Paying Agent, or at the designated corporate trust office of any successor Paying Agent. Payments on the Series 2014 Bonds on each Bond Payment Date shall be payable to the Bondholders of record on the Record Date (1) by check or draft mailed on the Bond Payment Date to the registered owner or (2) by wire transfer on the Bond Payment Date to any owner of at least $1,000,000 in original principal amount of Series 2014 Bonds upon written notice provided by such Person to the Indenture Trustee not later than the Record Date for such payment. Payments on the Series 2014 Bonds on a Bond Payment Date made by check or draft shall be mailed to each owner at his address as it appears on the registration books of the Issuer maintained by the Indenture Trustee on the applicable Record Date. Wire transfer of payments on the Series 2014 Bonds on a Bond Payment Date shall be made at such wire transfer address in the United States of America as the owner shall specify in his notice requesting payment by wire transfer.

While the Series 2014 Bonds are held through The Depository Trust Company ("DTC"), payment of principal or Redemption Price, if any, of, and interest on, the Series 2014 Bonds will be made through the facilities of DTC. See "BOOK-ENTRY ONLY SYSTEM" below.

Class Priority

The payment of the Available Distribution Amounts on the Series 2014 Bonds are subject to a priority of payment as set forth in "DESCRIPTION OF THE SERVICING AGREEMENT—Allocation of Available Distribution Amount" (the "Class Priority") such that (a) the Class A Bonds will be senior in payment priority to the Series 2014 Bonds of Classes B through F, inclusive; (b) the Class B Bonds will be senior in payment priority to the Series 2014 Bonds of Classes C through F, inclusive; (c) the Class C Bonds will be senior in payment priority to the Series 2014 Bonds of Classes D through F, inclusive; (d) the Class D Bonds will be senior in payment priority to the Series 2014 Bonds of Classes E through F, inclusive; and (e) the Class E Bonds will be senior in payment priority to the Series 2014 Bonds of Class F. See "DESCRIPTION OF THE SERVICING AGREEMENT—Allocation of Available Distribution Amount."

Optional Redemption

The Series 2014 Bonds are subject to redemption, at the option of the Issuer, in whole only, on any date after the Bond Payment Date that immediately follows the end of the Lockout Period, at a Redemption Price equal to one hundred percent (100%) of the outstanding Principal Balance of the Series 2014 Bonds to be so redeemed, plus accrued interest to the Redemption Date, plus all other amounts due and payable as described under "DESCRIPTION OF THE SERVICING AGREEMENT—Allocation of Available Distribution Amount."

Defeasance

The Issuer may defease the Series 2014 Bonds at any time prior to the end of the Lockout Period by irrevocably depositing with the Indenture Trustee either cash or government obligations the principal of and the interest on which when due will provide moneys that, together with the moneys, if any, deposited by the Issuer with the Indenture Trustee at the same time, would be sufficient to pay interest due and to become due on the Series 2014 Bonds on each Bond Payment Date to and including the Bond Payment Date that immediately follows the end of the Lockout Period and the outstanding Principal Balance of the Series 2014 Bonds on such Bond Payment Date, as well as the fees of the Indenture Trustee and the CREFC® Intellectual Property Royalty License Fee.

Payments After the Anticipated Repayment Date

On each Bond Payment Date following the Bond Payment Date in the month in which the Anticipated Repayment Date occurs, monthly installments of principal will be payable on the Series 2014 Bonds in an amount equal to all Excess Cash collected in respect of the Mortgaged Property during the related Collection Period and paid as principal on the Loan until the Loan is paid in full. Excess Cash paid as principal on the Loan will be applied first in reduction of the outstanding principal balance of each Component of the Loan in sequential order (i.e., first to Component A, then to Component B, then to Component C and so forth) until the entire outstanding principal balance of each such Component is paid in full, and thereafter to the payment of all deferred Excess Interest and then to the payment of ARD Payment Premiums, as described below. Such payments allocated to principal on the Components will be allocated as principal on the related Class of Series 2014 Bonds, subject to the payment priorities set forth under "DESCRIPTION OF THE SERVICING AGREEMENT—Allocation of Available Distribution Amount" herein. Application of such amounts to reduce the principal balance of each Class of Series 2014 Bonds will not be a prior redemption of Series 2014 Bonds as governed by the Indenture, but will be an amortization of the Series 2014 Bonds without prior notice thereof to Bondholders.

Series 2014 Taxable Bonds

Commencing with the Bond Payment Date immediately following the Anticipated Repayment Date, interest will accrue on the outstanding Principal Balance of each Class of Series 2014 Taxable Bonds at the

Revised Bond Rate (a rate equal to the Bond Interest Rate for such Class plus 5.0% per annum), provided that the Servicer has not waived, modified or amended the Loan. Excess Interest in excess of the Bond Interest Rate, including all interest accrued thereon, will be deferred and accrue on the unpaid Principal Balance of each Class of Series 2014 Taxable Bonds at the applicable Revised Bond Rate and will be payable upon payment in full of the Loan or upon the earlier optional redemption, if any, in whole of the Series 2014 Bonds. Excess Interest, if any, paid by the Borrower and on deposit in the Excess Interest Distribution Account established under the Indenture as of the related Determination Date is required to be paid to the Bondholders of the related Class of Series 2014 Taxable Bonds upon payment in full of the Loan or upon such earlier optional redemption, and allocated pro rata among the Outstanding Series 2014 Taxable Bonds of such Class based on their respective Percentage Interests. See "DESCRIPTION OF THE LOAN AGREEMENT—Principal and Interest" and "DESCRIPTION OF THE SERVICING AGREEMENT—Allocation of Available Distribution Amount."

Series 2014 Tax-Exempt Bonds

In the event that any Tax-Exempt Component that corresponds to a Class of Series 2014 Tax-Exempt Bonds is not paid in full on or prior to the Anticipated Repayment Date, the Borrower will be required to pay the ARD Payment Premium upon payment in full of the Loan or upon the earlier optional redemption, if any, in whole of the Series 2014 Bonds, provided that the Servicer has not waived, modified or amended the Loan, in an amount equal to the outstanding principal balance of such Tax-Exempt Component as of the Anticipated Repayment Date multiplied by the percentage set forth below applicable to the Full Payment Date (the date on which such Component is paid in full or such earlier optional redemption date):

If Full Payment Date occurs:	Percentage
From and including November 10, 2024 through and including December 9, 2024	0.5%
From and including December 10, 2024 through and including February 9, 2025	2.0%
From and including February 10, 2025 through and including November 9, 2027	5.0%
From and including November 10, 2027 through and including November 9, 2030	10.0%
From and including November 10, 2030 through and including November 9, 2033	20.0%
From and including November 10, 2033 and thereafter	30.0%

Amounts representing ARD Payment Premiums, if any, paid by the Borrower pursuant to the Loan Agreement on a Tax-Exempt Component of the Loan and on deposit in the ARD Payment Premium Distribution Account established under the Indenture as of the related Determination Date will be required to be paid to the Bondholders of the related Class of Series 2014 Tax-Exempt Bonds on the Bond Payment Date following the payment in full on the Loan or upon such earlier optional redemption, and allocated pro rata among the Outstanding Series 2014 Tax-Exempt Bonds of such Class based on their respective Percentage

Interests. See "DESCRIPTION OF THE LOAN AGREEMENT—Principal and Interest" and "DESCRIPTION OF THE SERVICING AGREEMENT—Allocation of Available Distribution Amount."

Notice of Redemption

Upon election by the Issuer to redeem all of the Outstanding Series 2014 Bonds pursuant to the Indenture, the Indenture Trustee shall give notice of such redemption in the name of the Issuer, specifying the Redemption Date, the Redemption Price and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Indenture Trustee). Such notice shall further state that on such date there shall become due and payable upon each Series 2014 Bond to be redeemed the Redemption Price thereof, and that from and after such Redemption Date interest thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Indenture Trustee, in the name and on behalf of the Issuer, (i) will mail a copy of such notice by first class mail, postage prepaid, not more than 30 nor less than 20 days prior to the date fixed for redemption to the registered owners of any Series 2014 Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice will not affect the validity of the proceedings for the redemption of Series 2014 Bonds with respect to which proper mailing was effected; (ii) cause notice of such redemption to be submitted to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board; and (iii) mail a copy of such notice by first class mail, postage prepaid, or delivered by electronic delivery acceptable to the recipient, to the Master Servicer and the Special Servicer at the same time notice is sent to the Bondholders. Any notice delivered as provided in the Indenture will be conclusively presumed to have been duly given, whether or not the registered owner receives the notice; provided, however, that such notice may state that such redemption shall be conditional upon the receipt by the Indenture Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, Redemption Price, if any, and interest on the Series 2014 Bonds to be redeemed, and that if such moneys shall not have been so received said notice will be of no force and effect and the Issuer will not be required to redeem the Series 2014 Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made and the Indenture Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Interchangeability, Transfer and Registry

Each Series 2014 Bond will be transferable only upon compliance with the restrictions on transfer set forth in the Indenture and on such Series 2014 Bond and only upon the books of the Issuer, which will be kept for the purpose at the designated corporate trust office of the Indenture Trustee, by the registered owner thereof in person or by his duly authorized attorney-in-fact with signature guaranteed, upon presentation thereof together with a written instrument of transfer in the form appearing on such Series 2014 Bond, duly executed by the registered owner or his attorney duly authorized in writing. Upon the transfer of any Series 2014 Bond, the Indenture Trustee will prepare and issue in the name of the transferee one or more new Series 2014 Bonds of the same aggregate principal amount, Class and maturity as the surrendered Series 2014 Bond.

Any Series 2014 Bond, upon surrender thereof at the designated corporate trust office of the Indenture Trustee with a written instrument of transfer in the form appearing on such Series 2014 Bond, duly executed by the registered owner or his duly authorized attorney-in-fact with signature guaranteed, may, at the option of the owner thereof, be exchanged for an equal aggregate original principal amount of Series 2014 Bonds of the same Class and maturity of any other Authorized Denominations. However, the Indenture Trustee will not be required to transfer or exchange any such Series 2014 Bonds called for redemption on and after the date notice of redemption is sent to the owners thereof.

The Issuer, the Borrower, the Bond Registrar, the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor and any Paying Agent may deem and treat the person in whose name any Series 2014 Bond shall be registered as the absolute owner of such Series 2014 Bond, whether such Series

2014 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if any, of, and interest on such Series 2014 Bond and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2014 Bond to the extent of the sum or sums so paid, and none of the Issuer, the Borrower, the Bond Registrar, the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor nor any Paying Agent shall be affected by any notice to the contrary.

The Class F Bonds may only be sold or transferred to, and each purchaser of the Class F Bonds, by its purchase of the Class F Bonds, will be deemed to have acknowledged, represented and agreed with and to the Issuer, on its own account and on behalf of any investor account for which it has purchased the Class F Bonds, that it is a "Qualified Purchaser," as such term is defined in the Investment Company Act and the rules and regulations promulgated thereunder, and any such purchaser will be further deemed, by its purchase of the Class F Bonds, to have represented and agreed with and to the Issuer, on its own account and on behalf of any investor account for which it has purchased the Class F Bonds, that it will only offer, sell or otherwise transfer the Class F Bonds to a person it reasonably believes is such a Qualified Purchaser.

BOOK-ENTRY-ONLY SYSTEM

DTC, as an automated clearing house for securities transactions, will act as securities depository for the Series 2014 Bonds. Purchasers of beneficial ownership interests in the Series 2014 Bonds will not receive certificates representing their interests in the Series 2014 Bonds purchased. The Series 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each Class of the Series 2014 Bonds, each in the aggregate principal amount of such maturity and Class, and will be deposited with 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 UCC and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchasers of the Series 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014 Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Series 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf

of Beneficial Owners. Beneficial Owners will receive bond certificates representing their ownership interests in the Series 2014 Bonds, except in the event that use of the book-entry system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 Bonds deposited by Direct Participants with DTC are registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Series 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2014 Bonds, such as redemptions, defaults, and proposed amendments to the documents relating to the Series 2014 Bonds. For example, Beneficial Owners of Series 2014 Bonds may wish to ascertain that the nominee holding the Series 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to Cede & Co.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments and Redemption Price on the Series 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Indenture Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial 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 such Participant and not of DTC, the Indenture Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and Redemption Price to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Indenture Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The Issuer and the Indenture Trustee may treat DTC (or its nominee) as the sole and exclusive registered owners of the Series 2014 Bonds registered in its name for the purpose of payment of the principal of, or interest on the Series 2014 Bonds, giving any notice permitted or required to be given to registered owners under the Indenture, registering the transfer of the Series 2014 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Issuer and the Indenture Trustee do not have any

responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2014 Bonds under or through DTC or any Participant or any other person which is not shown on the registration books of the Issuer (kept by the Indenture Trustee) as being a registered owner, with respect to: the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal of, or interest on the Series 2014 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges set forth in the Indenture; or other action taken by DTC as a registered owner. Interest and principal will be paid by the Indenture Trustee to DTC, or its nominee. Disbursement of such payments to the Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants or the Indirect Participants.

No assurance can be given by the Issuer that DTC will make prompt transfer of payments to the Participants or that Participants will make prompt transfer or payments to Beneficial Owners. The Issuer is not responsible or liable for payment by DTC or Participants, or for sending transaction statements, or for maintaining, supervising or reviewing records maintained by DTC or Participants.

For every transfer and exchange of beneficial ownership of the Series 2014 Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may discontinue providing its service with respect to the Series 2014 Bonds at any time by giving reasonable notice to the Issuer or the Indenture Trustee and discharging its responsibilities with respect thereto under applicable law, or the Issuer may terminate its participation in the system of book-entry transfer through DTC at any time by giving notice to DTC. In either event, the Issuer may retain another securities depository for the Series 2014 Bonds as appropriate or may direct the Indenture Trustee to deliver bond certificates in accordance with instructions from DTC or its successor. If the Issuer directs the Indenture Trustee to deliver such bond certificates, such Series 2014 Bonds may thereafter be exchanged for denominations and of the same maturity and Class as set forth in the Indenture, upon surrender thereof at the principal corporate trust office of the Indenture Trustee.

The foregoing information concerning DTC and DTC's book-entry system has been provided by DTC for informational purposes only and is not intended to serve as a representation, warranty, or contractual modification of any kind, and neither the Issuer, the Borrower nor the Underwriters take responsibility for the accuracy or completeness thereof, or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement.

So long as Cede & Co. is the registered owner of the Series 2014 Bonds, as nominee for DTC, references herein to Bond owners or registered owners of the Series 2014 Bonds (other than under the heading "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2014 Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Indenture Trustee to DTC only.

NONE OF THE ISSUER, THE UNDERWRITERS, THE BORROWER OR THE INDENTURE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY OTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE, IF APPLICABLE, OR INTEREST ON THE SERIES

2014 BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO HOLDERS UNDER THE TERMS OF THE INDENTURE; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2014 BONDS.

The Issuer and the Indenture Trustee cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the Series 2014 Bonds (i) payments of principal, Redemption Price, if applicable, of, or interest on the Series 2014 Bonds, (ii) confirmations of their ownership interests in the Series 2014 Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Series 2014 Bonds, or that they will do so on a timely basis, or that DTC, the Direct Participants or the Indirect Participants will serve and act in the manner described in this Official Statement.

DESCRIPTION OF THE SERVICING AGREEMENT

The servicing and administration of the Loan will be carried out by the Master Servicer and the Special Servicer pursuant to the Servicing Agreement. The Servicing Agreement establishes the voting rights of the Bondholders and the Issuer with respect to the Loan, and provides for the assignment by the Indenture Trustee to the Master Servicer and the Special Servicer of the sole and exclusive right to take enforcement actions (except on behalf of the Issuer with respect to the Issuer's Reserved Rights), to grant or withhold any approvals and to exercise rights and remedies under the Loan Documents. Under the Servicing Agreement, the Master Servicer (or upon its failure, the Indenture Trustee) has certain obligations to make Servicing Advances and Interest Advances, except, in each instance, where it has determined in accordance with the Servicing Standard (or with respect to the Indenture Trustee, its good faith business judgment) exercised in accordance with the Servicing Agreement that such advances would not be recoverable from subsequent payments or collections (including Liquidation Proceeds) in respect of the Loan or the Mortgaged Property. In addition, Interest Advances and voting rights may be reduced where Realized Losses or Appraisal Reduction Amounts have been determined.

As a general rule, (i) the Master Servicer is required to service and administer the Loan when it is a Performing Loan (i.e., the Loan when no Servicing Transfer Event then exists), and (ii) the Special Servicer is required to service and administer (x) a Specially Serviced Loan (i.e., the Loan if a Servicing Transfer Event does exist) and (y) an REO Property.

The following is a summary of certain provisions of the Servicing Agreement. This summary does not purport to be complete and reference is made to the entire Servicing Agreement for the detailed provisions thereof. This summary is qualified in its entirety by such reference.

Responsibilities of the Master Servicer and the Special Servicer

The Master Servicer will be required to service and administer the Loan for so long as no Servicing Transfer Event exists with respect to the Loan (a "Performing Loan") and the Special Servicer will be required to service and administer (i) the Loan if there exists a Servicing Transfer Event (as defined below) (such Loan, a "Specially Serviced Loan"), (ii) an REO Loan or (iii) the REO Property, in any case, in the best interests and for the benefit of the Bondholders, subject to Applicable Law and the express terms of the Regulatory Agreement, the Loan and the Loan Documents, and, to the extent consistent with the foregoing, further as follows (the "Servicing Standard"): (i) with the same care, skill, prudence and diligence with which the Master Servicer or Special Servicer, as applicable, performs its general mortgage servicing and REO property management activities on behalf of third parties or on behalf of itself, whichever is higher, and giving due consideration to the customary and usual standards of practice of prudent institutional commercial mortgage lenders servicing their own loans; (ii) with a view to the timely collection of all scheduled payments of principal and interest under the Loan and all Borrower Reimbursable Expenses, and, in the case of the Special

Servicer, if the Loan comes into and continues in default and if, in the good faith and reasonable judgment of the Special Servicer, no satisfactory arrangements can be made for the collection of the delinquent payments (including payments of Yield Maintenance Premiums), the maximization of the recovery on the outstanding Loan on a net present value basis for the benefit of the Bondholders; and (iii) without regard to: (a) any known relationship that the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be, may have with the Borrower (or any Affiliate thereof) or with any other party to the Servicing Agreement; (b) the ownership of the Loan or Bonds by the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be; (c) the ownership of any indebtedness with respect to the Mortgaged Property or any related mezzanine debt by the Master Servicer or the Special Servicer, as the case may be; (d) the obligation of the Master Servicer or the Special Servicer to make Advances; (e) the obligation of the Special Servicer to make, or direct the Master Servicer to make, Advances; (f) the right of the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be, to receive reimbursement of costs, or the sufficiency of any compensation payable to it, under the Servicing Agreement or with respect to any particular transaction; or (g) any ownership, servicing and/or management by the Master Servicer (or any Affiliate thereof) or the Special Servicer (or any Affiliate thereof), as the case may be, of any other mortgage loan or real property.

The Master Servicer (with respect to a Performing Loan) and the Special Servicer (with respect to a Specially Serviced Loan and an REO Loan) will generally be required to undertake reasonable efforts to collect all payments called for under the terms and provisions of the Loan and must use collection procedures consistent with the Servicing Standard. The Master Servicer will not be permitted to obtain title to the Mortgaged Property on behalf of the Indenture Trustee.

The Master Servicer, at its own expense without a right of reimbursement under the Servicing Agreement or otherwise, may enter into sub-servicing agreements with sub-servicers for the servicing and administration of the Loan; provided that (i) any such sub-servicing agreement is upon such terms and conditions as are not inconsistent with the Servicing Agreement and as the Master Servicer and the sub-servicer have agreed and (ii) no sub-servicer retained by the Master Servicer may grant any modification, waiver, or amendment to the Loan or the Loan Documents without the approval of the Master Servicer. The Master Servicer will remain liable for its servicing obligations under the Servicing Agreement as if the Master Servicer were servicing the Loan directly.

The Special Servicer will not be authorized to engage any sub-servicer or to enter into any sub-servicing agreement.

The Master Servicer and/or the Special Servicer, acting in accordance with the terms of the Servicing Agreement and the Loan Documents, will have the sole and exclusive authority to take any actions under the terms of the Loan Documents, including, without limitation, under any insurance policies relating to the Loan (to the extent it has the legal right to do so and the same is not prohibited by the Indenture) but excluding the Reserved Rights, and to enforce the terms of, and to exercise any and all approval and enforcement rights of the Indenture Trustee or Issuer (other than the Reserved Rights, which Reserved Rights may be enforced by the Issuer, in consultation with the Master Servicer, through an action for specific performance or in certain limited circumstances, other remedial actions as described under "DESCRIPTION OF THE REGULATORY AGREEMENT" herein) under the Loan Documents, and neither the Issuer nor the Indenture Trustee may take any actions (other than with respect to the Issuer to the extent provided above) with respect to any such policies or Loan Documents. The Master Servicer and the Special Servicer, to the extent consistent with the terms of the Servicing Agreement and the Servicing Standard, will have the sole and exclusive authority with respect to the administration of, and exercise of rights and remedies with respect to the Loan.

The Servicing Agreement requires the Special Servicer to direct the Indenture Trustee to accelerate the Series 2014 Bonds upon a liquidation of the Mortgaged Property or other collateral constituting security for a Defaulted Loan through a trustee's sale, foreclosure sale, sale or other disposition of REO Property, or

otherwise, or the sale of the Defaulted Loan or the realization of a deficiency judgment against the Borrower (a "Liquidation").

Inspections

Beginning in 2015, the Master Servicer will be required to inspect or cause to be inspected the Mortgaged Property not less frequently than once per calendar year if the Special Servicer has not already done so. All costs and expenses incurred by the Master Servicer with respect to such inspections will be borne by the Master Servicer. In addition, the Special Servicer will be required to inspect or cause to be inspected the Mortgaged Property as soon as practicable following the occurrence of a Servicing Transfer Event and at least once per calendar year for so long as a Servicing Transfer Event is continuing. All reasonable and direct out-of-pocket expenses incurred by the Special Servicer with respect to such inspections will constitute a Servicing Advance. The Master Servicer or the Special Servicer, as the case may be, will be required to prepare a written report of inspection and deliver it to the Indenture Trustee.

Servicing Transfer Events

The Loan will be a Specially Serviced Loan until the earliest of (i) the Loan is no longer subject to the Servicing Agreement, (ii) the Mortgaged Property becoming an REO Property, and (iii) the cessation of all existing Servicing Transfer Events.

Upon determining that a Servicing Transfer Event has occurred with respect to the Loan or receipt of a request for a modification, waiver or other action that would be a Major Decision (as defined below) has been received from the Borrower, the Master Servicer will be required to promptly give notice of such event to the Special Servicer, the Operating Advisor, the Issuer, the Indenture Trustee and the Borrower. The Master Servicer will be required to deliver the Servicing File to the Special Servicer and use its best efforts to provide the Special Servicer with all information, documents (or copies) and records relating to the Loan and reasonably requested by the Special Servicer to enable it to assume its functions under the Servicing Agreement with respect such Loan. The Master Servicer will be required to continue to act as Master Servicer and administrator of the Loan until the Special Servicer has commenced the servicing of the Loan upon the occurrence and during the continuation of a Servicing Transfer Event, which will occur upon the receipt by the Special Servicer of the information, documents and records referred to in this paragraph.

If all Servicing Transfer Events have ceased to exist with respect to a Specially Serviced Loan other than by foreclosure, sale or liquidation of the Loan (such Loan, a "Corrected Loan"), the obligations of the Master Servicer to service and administer the Loan will resume.

No later than 60 days after a Servicing Transfer Event, the Special Servicer will be required to deliver to the Issuer, the Operating Advisor and the Indenture Trustee, and the Indenture Trustee will be required to make such information available to Bondholders who have provided the Indenture Trustee with an Investor Certification, a report (the "Asset Status Report") with respect to the Loan and the Mortgaged Property.

The Special Servicer will be required to consult with the Operating Advisor for no longer than ten (10) Business Days after the delivery of the Asset Status Report. After consulting with the Operating Advisor with respect to a Major Decision, the Special Servicer will be required to, in its discretion in accordance with the Servicing Standard, (i) either revise the Asset Status Report to reflect the outcome of the consultation with the Operating Advisor or not so revise the Asset Status Report, (ii) deliver to the Operating Advisor, the Issuer and the Indenture Trustee the Asset Status Report and a proposed notice to each Bondholder that will include a summary of the current Asset Status Report (which will be a brief summary of the current status of the Mortgaged Property and the Loan and current strategy with respect to the Loan), and the Indenture Trustee will be required to post such notice and summary (but not the Asset Status Report) on its website and (iii) implement the Asset Status Report substantially in the form delivered to the Indenture Trustee. Under no circumstances will the Special Servicer be bound or obligated (and the Special Servicer will have no liability

for any failure) to act in accordance with any suggestion or recommendation of the Operating Advisor. The Special Servicer may, from time to time, modify any Asset Status Report it has previously delivered and implement such report. Following the occurrence of an extraordinary event with respect to the Mortgaged Property, or if a failure to take any such action at such time would be inconsistent with the Servicing Standard, the Special Servicer may take actions with respect to the Mortgaged Property before consulting with the Operating Advisor (or prior to finishing such consultation) if the Special Servicer reasonably determines in accordance with the Servicing Standard that failure to take such actions prior to such consultation (or completion of such consultation) would materially and adversely affect the interests of the Bondholders and the Special Servicer has made a reasonable effort to contact the Operating Advisor.

In addition, the Loan Agreement and the Servicing Agreement provide that if the Loan becomes a Specially Serviced Loan, none of the Borrower or any of its affiliates will be entitled to receive or review any Asset Status Report or other report or information generated by the Special Servicer.

"Major Decision" means, collectively:

(a) any modification of, or waiver with respect to, the Loan that would result in the extension of its Stated Maturity Date, a reduction in the interest rate borne thereby or the monthly debt service payment or a deferral or a forgiveness of interest on or principal of the Loan or a modification or waiver of any other term of the Loan relating to the amount or timing of any payment of principal or interest or any other sums due and/or payable under the Loan Documents or a modification or waiver of any material term of the Loan, including but not limited to provisions that restrict the Borrower or its equity owners from incurring additional indebtedness, or incurring any Lien on any of the Mortgaged Property or the personal property related thereto (other than liens permitted pursuant to the Loan Documents);

(b) any foreclosure upon or comparable conversion (which may include acquisition of an REO Property) of the ownership of the Mortgaged Property or any acquisition of the Mortgaged Property by deed-in-lieu of foreclosure or any other exercise of remedies following a Mortgage Event of Default;

(c) any sale of all or any portion of the Mortgaged Property or REO Property except in each case as expressly permitted by the Loan Documents and Regulatory Agreement;

(d) any action to bring the Mortgaged Property or REO Property into compliance with any laws relating to Hazardous Materials;

(e) any substitution or release of collateral for the Loan, except in each case as expressly permitted by the Loan Documents and Regulatory Agreement;

(f) any release of the Borrower or any guarantor from liability with respect to the Loan including, without limitation, by acceptance of an assumption of the Loan by a successor Borrower or any guarantor (other than in connection with a defeasance or as otherwise expressly permitted under the Loan Documents and Regulatory Agreement);

(g) any determination not to enforce a "due-on-sale" or "due-on-encumbrance" clause;

(h) any transfer of the Mortgaged Property or any portion thereof, or any transfer of any direct or indirect ownership interest in the Borrower, except in each case as expressly permitted by the Loan Documents and Regulatory Agreement;

(i) any consent to incurrence of additional debt by the Borrower, including modification of the terms of any document evidencing or securing any such additional debt and of any separate 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, except in each case as expressly permitted by the Loan Documents;

(j) consenting to any modification or waiver of any material provision of any Loan Document governing the types, nature or amounts of insurance coverage required to be obtained and maintained by the Borrower;

(k) approval of the termination or replacement of a Property Manager or of the execution, termination, renewal or material modification of any management agreement, to the extent the lender's approval is required under the Loan Documents or determination to waive any provision in the Loan Documents requiring the replacement or termination of the Property Manager;

(l) any waiver of amounts required to be deposited into any Reserve Account, or any amendment to any of the Loan Documents that would modify the amount required to be deposited into any Reserve Account (other than changes in the ordinary course of business of the amounts required to be deposited into any Reserve Account for Taxes or Insurance Premiums);

(m) the approval or adoption of any annual budget for, or material alteration at, the Mortgaged Property (to the extent the lender's approval is required under the Loan Documents and, if so, notwithstanding anything to the contrary set forth herein, subject to the same standard of approval as is set forth in the applicable Loan Documents);

(n) (A) the release to the Borrower of any escrow to which the Borrower is not entitled under the Loan Documents or under Applicable Law; and (B) other than in connection with a Casualty or Condemnation, the approval of significant repair or renovation projects (determined as a percentage of the value of the Mortgaged Property) that are intended to be funded through the disbursement of any funds from any reserve accounts established in accordance with the Loan Documents (in the case of any action under this clause (n), only to the extent the lender's approval is required under the Loan Documents);

(o) the approval of any material proposed amendment of, modification to or waiver of, any of the terms and conditions of the Condominium Documents, or any surrender or cancellation thereof, to the extent the lender's approval is required under the Loan Documents;

(p) the waiver or modification of any documentation relating to any guarantor's obligations under any guaranty that is a Loan Document;

(q) the voting on any plan of reorganization, restructuring or similar plan in the bankruptcy of the Borrower; and

(r) any waiver of any of the covenants or restrictions regarding special purpose entities set forth in the Loan Documents and/or the organizational documents of the Borrower to the extent the Master Servicer determines that such waiver would jeopardize or adversely affect the single purpose entity status of the Borrower.

"Servicing Transfer Event" means any of the following events: (i) the Borrower has failed to make when due any Debt Service Payment or any other payment required under the related Loan Documents, which failure continues, or the Master Servicer determines, in its reasonable, good faith judgment, will continue, unremedied, for a period of 60 days, provided however, solely in the case of a delinquent Balloon Payment if (a) the Borrower is actively seeking a refinancing commitment and (b) the Borrower continues to make payments in the amount of its Assumed Debt Service Payment, then failure to pay such Balloon Payment for a 120-day period will not constitute a Servicing Transfer Event if the Borrower has delivered to the Master Servicer, on or before the 60th day after the Due Date of such Balloon Payment, a refinancing commitment reasonably acceptable to the Master Servicer, for such longer period, not to exceed 120 days beyond such Due

Date, during which the refinancing would occur; (ii) the Master Servicer has determined, in its reasonable, good faith judgment, that a default in the making of a Debt Service Payment or any other material payment required under the Loan Documents is likely to occur within 30 days and either (a) the Borrower has requested a material modification of the payment terms of the Loan or (b) such default is likely to remain unremedied for the applicable cure period under the terms of the Loan (or, if no cure period is specified, for 60 days); (iii) the Master Servicer has determined, in its reasonable, good faith judgment, that a default, other than as described in clause (i) or (ii) of this definition, has occurred or is reasonably foreseeable that may materially impair the value of the Mortgaged Property as security for the Loan, which default or reasonably foreseeable default has continued or is reasonably expected to continue (as applicable) unremedied for the applicable cure period under the terms of the Loan (or, if no cure period is specified, for 60 days); (iv) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises in an involuntary action against the Borrower under any present or future U.S. federal or state bankruptcy, insolvency or similar law or the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceeding, or for the winding-up or liquidation of its affairs, will have been entered against the Borrower to the extent not discharged as provided in the Loan Agreement; (v) the Borrower has consented to the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceeding of or relating to such Borrower or of or relating to all or substantially all of its property; (vi) the Borrower has admitted in writing its inability to pay its debts generally as they become due, filed a petition to take advantage of any applicable insolvency or reorganization statute, made an assignment for the benefit of its creditors, or voluntarily suspended payment of its obligations; (vii) the Master Servicer has received notice of the commencement of foreclosure or similar proceedings with respect to the Mortgaged Property; provided, that a Servicing Transfer Event will cease to exist: (w) in the case of the circumstances described in clause (i) of this definition, if and when the Borrower has made three consecutive full and timely Debt Service Payments with respect to a Debt Service payment failure (or paid the other amount outstanding which caused such Servicing Transfer Event under clause (a) above) under the terms of the Loan (as such terms may be changed or modified in connection with a bankruptcy or similar proceeding involving the Borrower or by reason of a modification, waiver or amendment granted or agreed to by the Master Servicer or the Special Servicer pursuant to the Servicing Agreement); (x) in the case of the circumstances described in clauses (ii), (iv), (v) and (vi) of this definition, if and when such circumstances cease to exist in the reasonable, good faith judgment of the Special Servicer; (y) in the case of the circumstances described in clause (iii) of this definition, if and when such default is cured in the reasonable, good faith judgment of the Special Servicer; and (z) in the case of the circumstances described in clause (vii), if and when such proceedings are terminated; and so long as at that time no circumstance identified in clauses (i) through (vii) of this definition exists that would cause the Loan to continue to be characterized as a Specially Serviced Loan; and provided that no additional default is foreseeable in the reasonable good faith judgment of the Special Servicer.

Master Servicing Fee and Special Servicing Fee

The principal compensation to be paid to the Master Servicer in respect of its servicing activities will be a servicing fee (the "Master Servicing Fee"). The Master Servicing Fee will be payable monthly out of amounts on deposit in the Master Account and will accrue at a rate of 0.0025% per annum on the outstanding principal balance of the Loan, calculated assuming each month has 30 days and each year has 360 days (prorated for partial periods). The Master Servicer or the Special Servicer, as applicable, will also be entitled to additional compensation consisting of certain other customary charges and fees including, without limitation, late payment charges (to the extent not applied to interest on Advances), fees in connection with property releases and assumptions and modifications, if any.

If a Servicing Transfer Event occurs, a special servicing fee with respect to the Specially Serviced Loan and REO Loan will be payable to the Special Servicer (the "Special Servicing Fee"), and will accrue at a rate of 0.25% per annum on the outstanding principal balance of the Loan, calculated assuming each month has 30 days and each year has 360 days (prorated for partial periods), until such Servicing Transfer Event no longer exists. In addition, if a Servicing Transfer Event is terminated following resolution of such Servicing

Transfer Event other than in connection with a sale of such Loan, the Special Servicer will be entitled to an additional fee equal to 0.50% (the "Workout Fee") of each payment received from the Borrower and applied as interest (other than Default Interest and Excess Interest) and principal pursuant to the Loan Documents made on the Loan for so long as the Loan remains a Corrected Loan. If the Special Servicer is terminated or resigns, it will retain the right to receive any and all Workout Fees payable in respect of (i) the Loan serviced by it that became a Corrected Loan during the period that it acted as Special Servicer and that was still a Corrected Loan at the time of such termination or resignation and (ii) the Specially Serviced Loan for which the Special Servicer resolved the circumstances and/or conditions causing any such Loan to be a Specially Serviced Loan, but that had not as of the time the Special Servicer was terminated become a Corrected Loan solely because the Borrower had not made three consecutive timely Debt Service Payments and that subsequently becomes a Corrected Loan as a result of the Borrower making such three consecutive timely Debt Service Payments for so long as another Servicing Transfer Event does not occur.

The Special Servicer will be entitled to receive a fee (a "Liquidation Fee") with respect to the Specially Serviced Loan or REO Loan as to which it receives any full, partial or discounted payoff from the Borrower or any Net Proceeds or cash amounts (other than Insurance Proceeds, Condemnation Proceeds and REO Revenues) received in connection with the Liquidation of the Mortgaged Property (the "Liquidation Proceeds"). The Liquidation Fee will be payable from, and will be calculated by application of a rate of 0.50% to, the related net Liquidation Proceeds (other than any portion of such payment or proceeds that represents Default Charges or a Yield Maintenance Premium). The Liquidation Fee with respect to any Specially Serviced Loan will not be payable if such Loan becomes a Corrected Loan. Each of the foregoing fees will be payable from funds on deposit in the Master Account out of amounts otherwise available to make payments on the Series 2014 Bonds. The Master Servicer and Special Servicer, as applicable, will also be entitled to retain as additional servicing compensation any income earned (net of losses) on the investment of funds deposited in the Master Account (with respect to the Master Servicer) and any account related to REO Property (with respect to the Special Servicer).

Insurance

The Master Servicer, consistent with the Servicing Standard, will be required to cause to be maintained (by the Borrower, or if the Borrower fails to maintain such insurance, by the Master Servicer to the extent such insurance is available at commercially reasonable rates, and to the extent the Indenture Trustee has an insurable interest) insurance with respect to the Mortgaged Property of the types and in the amounts described under the heading below entitled "INSURANCE ON THE MORTGAGED PROPERTY" with Qualified Insurers. The cost of such insurance will be borne by the Borrower, or if the Borrower fails to maintain such insurance, by the Master Servicer to the extent such insurance is available at commercially reasonable rates, and to the extent the Indenture Trustee, as mortgagee, has an insurable interest. The cost of any such insurance will be required to be advanced by the Master Servicer as a Servicing Advance unless it would be a Nonrecoverable Advance. If and only if the Special Servicer has determined, on an annual basis, that terrorism insurance is not required pursuant to the terms of the Loan Documents as in effect on the date of such determination, the Master Servicer and the Special Servicer will not (i) be in default under the Servicing Agreement for not obtaining or (ii) cause the Borrower to be in default for not obtaining, terrorism insurance. Neither the Master Servicer nor the Special Servicer will be required to obtain terrorism insurance pursuant to the Servicing Agreement to the extent the Borrower would not be obligated to maintain terrorism insurance under the Loan Documents.

The Special Servicer, consistent with the Servicing Standard and the Loan Documents, will be required to cause to be maintained insurance with respect to the REO Property of the types and in the amounts described under the heading below entitled "INSURANCE ON THE MORTGAGED PROPERTY". The cost of any such insurance with respect to the REO Property will be payable out of amounts on deposit in the REO Account or will be required to be advanced by the Master Servicer as a Servicing Advance unless it would be a Nonrecoverable Advance. Any such insurance (other than terrorism insurance) that is required to be maintained with respect to an REO Property will only be so required to the extent such insurance is available at

commercially reasonable rates. If the Special Servicer requests the Master Servicer to make a Servicing Advance in respect of the premiums due in respect of such insurance, the Master Servicer is required to, as soon as practicable after receipt of such request, make such Servicing Advance unless it would be a Nonrecoverable Advance.

The Master Servicer or the Special Servicer, as applicable, may 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 Mortgaged Property or the REO Property for which coverage is otherwise required to be maintained pursuant to the Servicing Agreement. The incremental cost of such insurance allocable to the Mortgaged Property or REO Property, if not borne by the Borrower, will be required to be paid by the Master Servicer as a Servicing Advance unless it would be a Nonrecoverable Advance. If such master force placed or blanket insurance policy contains a deductible clause, the Master Servicer or the Special Servicer, as applicable, will be obligated to deposit in the Master Account out of its own funds all sums that would have been deposited in the Master Account but for such clause to the extent any such deductible exceeds the deductible limitation that pertained to the Loan pursuant to the Loan Documents, or in the absence of any such deductible limitation, the deductible limitation that is consistent with the Servicing Standard.

Fidelity Bonds and Errors and Omissions Insurance

Each of the Master 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 Servicing Agreement, a blanket fidelity bond and an errors and omissions insurance policy (from an insurer having a financial strength rating of "A-" or better by S&P and "A" by Fitch (if rated by Fitch, and if not, its ratings equivalent by S&P) covering its directors, officers, employees and other persons acting on behalf of the Master Servicer or the Special Servicer, as applicable, in connection with its activities under the Servicing Agreement. The amount of coverage is required to be at least equal to the coverage required by any Governmental Authority having regulatory power over the Master Servicer and the Special Servicer. If no such coverage amounts are imposed by such governmental entities, the amount of coverage must be at least equal to the coverage that would be required by the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation ("Freddie Mac") with respect to the Master Servicer and the Special Servicer if each were servicing and administering the Loan for Fannie Mae or Freddie Mac or as otherwise approved by Fannie Mae or Freddie Mac. In the event that any such bond or policy ceases to be in effect, the Master Servicer or the Special Servicer, as applicable, will be required to obtain a comparable replacement bond or policy. In lieu of the foregoing, the Master Servicer and Special Servicer will be entitled to self-insure with respect to such risks so long as it is rated at least "A-" or its equivalent by S&P and "A" by Fitch.

Modification of the Loan Documents

The Servicing Agreement will permit (i) the Master Servicer, if the Loan is a Performing Loan and the subject modification, waiver or amendment does not constitute a Major Decision, or (ii) the Special Servicer, if the subject modification, waiver or amendment constitutes a Major Decision (whether or not the Loan is a Performing Loan) and at all times when the Loan is a Specially Serviced Loan, to modify, waive or amend any term of the Loan if such modification, waiver or amendment (a) does not constitute a significant modification of the Loan under Treasury Regulations Section 1.1001-3, unless a Mortgage Event of Default has occurred and is continuing or is reasonably foreseeable, (b) does not cause an Adverse Tax-Exempt Bonds Event (unless this requirement is waived by the Issuer), as evidenced by an Opinion of Bond Counsel (the cost of which will be covered by, and reimbursable as, a Servicing Advance), (c) would not have the effect of permanently extinguishing principal or interest (other than Default Interest, Excess Interest or ARD Payment Premiums) (other than as a result of Liquidation Proceeds being insufficient to pay any of such amounts) on the Loan, and (d) is consistent with the Servicing Standard. In addition to the foregoing, in no event may the Master Servicer or the Special Servicer permit (i) an extension of the Stated Maturity Date of the Loan, or (ii) an extension of any Debt Service Payment beyond a date that is more than five (5) years after the originally scheduled Due Date of the first Debt Service Payment that is extended, unless such extension will not cause an Adverse Tax-

Exempt Bonds Event (provided that this requirement may be waived by the Issuer), as evidenced by an Opinion of Bond Counsel (the cost of which will be covered by, and reimbursable as, a Servicing Advance).

Prior to implementing any modification that involves the following actions, the Master Servicer or the Special Servicer, as applicable, will be required to obtain a No Downgrade Confirmation with respect to such modification:

(i) any substitution of collateral for the Loan, except as expressly permitted by the Loan Documents;

(ii) any 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 material modifications to the terms of the Loan Agreement;

(iv) any transfer of the Mortgaged Property or any portion thereof, or any transfer of any direct or indirect ownership interest in the Borrower, except in each case as expressly permitted by the Loan Documents;

(v) any consent to incurrence of additional debt by the Borrower or mezzanine debt by a direct or indirect parent of the Borrower except in each case as expressly permitted by the Loan Documents, 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;

(vi) any modification that would result in an increase in the loan to value ratio of the Loan or a decrease in the debt service coverage ratio; or

(vii) approval of the termination or replacement of the Property Manager, to the extent approval of the applicable holders of the Loan is required by the Loan Documents.

The Loan Documents may be corrected at the request of the Indenture Trustee or the Issuer to correct any mistake, cure any ambiguities or to make such tax changes as may be requested or required unless such modification or waiver would (i) cause an Adverse Tax-Exempt Bonds Event as evidenced by an opinion of Bond Counsel or (ii) have a material adverse effect on the Loan; provided, that in each case a No Downgrade Confirmation is obtained or each Rating Agency waives its right to provide a No Downgrade Confirmation.

The Master Servicer is not permitted to make any modification, waiver or amendment that would constitute a Major Decision without the consent of the Special Servicer and such Major Decisions are required to be processed by the Special Servicer. Notwithstanding the foregoing, the Special Servicer is not permitted to modify, waive or amend the Loan if such modification, waiver or amendment would constitute a Major Decision as to which the Issuer has objected in writing within ten (10) Business Days after receipt of a written recommendation and analysis (provided that if such written objection has not been received by the Special Servicer within such ten (10) Business Day period, then the Issuer will be deemed to have approved such action). Notwithstanding the rights of the Issuer set forth in the immediately preceding sentence, the Special Servicer may make any modification, waiver or amendment that would constitute a Major Decision before the expiration of the aforementioned ten (10) Business Day period if the Special Servicer determines that immediate action with respect thereto is necessary to protect the interests of the Bondholders.

In the event the Special Servicer determines that a refusal to consent by the Issuer would cause the Special Servicer to violate the terms of the Loan Documents, Applicable Law or the Loan Agreement, including without limitation, the Servicing Standard, the Special Servicer will be required to disregard such

refusal to consent and notify the Master Servicer, the Issuer, the Indenture Trustee and the Rating Agencies of its determination, including a reasonably detailed explanation of the basis therefor. The taking of, or refraining from taking, any action by the Master Servicer or Special Servicer in accordance with the direction of or approval of the Issuer that does not violate the terms of the Loan Documents, Applicable Law or the Servicing Standard or any other provisions of the Loan Agreement, will not result in any liability on the part of the Master Servicer or the Special Servicer. A modification, waiver or amendment of the Loan will not be considered an Adverse Tax-Exempt Bonds Event, if, prior to the modification, waiver or amendment (i) there is obtained an Opinion of Bond Counsel that such action will not constitute an Adverse Tax-Exempt Bonds Event and (ii) any conditions required by such bond counsel for the delivery of such opinion are satisfied, which may include (a) execution by the Issuer and the Borrower of a new Tax Certificate for the Series 2014 Bonds dated the date of the modification, waiver or amendment, (b) filing with the IRS of a new Form 8038 (or such other information return as is then required by the Code) with respect to the Series 2014 Bonds, (c) computation and payment of any rebate required with respect to the Series 2014 Bonds by Section 148(f) of the Code within 60 days following such modification, waiver or amendment, and (d) compliance with such other conditions as such bond counsel determines are reasonably necessary for the modification, waiver or amendment to not constitute an Adverse Tax-Exempt Bonds Event.

To the extent any such waiver, modification or workout permitted pursuant to the Servicing Agreement modifies any of the economic terms of the Loan Documents, the full adverse economic effect of such waiver, modification or workout will be borne by, and modify the terms of, Component F, Component E, Component D, Component C, Component B and Component A, in such order, in each case to the full extent of such modification. This paragraph may not be construed to alter or affect in any manner the obligation of the Master Servicer or Special Servicer to act in accordance with the Servicing Standard.

If the Borrower requests any consent, modification, waiver, amendment or other action while no Servicing Transfer Event has occurred or is in effect and such action would constitute a Major Decision, the Master Servicer will be required to forward such request to the Special Servicer and the Special Servicer will handle that request.

In no event will the Master Servicer or the Special Servicer take any action or refrain from taking any action if the taking of such action or the refraining from taking such action would result in an Adverse Tax-Exempt Bonds Event, unless such requirement with respect to an Adverse Tax-Exempt Bonds Event is waived by the Issuer. With respect to any proposed modification of payment terms (including without limitation prepayment restrictions) of the Loan, the Master Servicer or the Special Servicer, as applicable, must obtain an Opinion of Bond Counsel concluding that no Adverse Tax-Exempt Bonds Event would result from such modification (which may be waived by the Issuer).

"Adverse Tax-Exempt Bonds Event" means any act, or failure to act, that adversely affects the exclusion of interest on the Series 2014 Tax-Exempt Bonds from the gross income, for federal income tax purposes, of the beneficial owners of the Series 2014 Tax-Exempt Bonds, other than a beneficial owner who is a "substantial user" of the Mortgaged Property or a "related person" of such substantial user within the meaning of the Code.

Flow of Funds; Accounts

Deposit Account

The Borrower will be required to establish the Deposit Account pursuant to the Loan Agreement. Amounts will be remitted from the Deposit Account to the Cash Management Account and then to the Master Servicer for deposit into the Master Account, but only to the extent a Cash Sweep Period is continuing as described under 'DESCRIPTION OF THE LOAN AGREEMENT—Cash Management".

Master Account

The Master Servicer will be required to establish and maintain an account (the "Master Account") into which it will deposit or cause to be deposited within two (2) Business Days of receipt of properly identified funds, and hold all funds collected and received by it in connection with the Loan. Funds in the Master Account must be held separate and apart from the Master Servicer's own funds and general assets. The Master Account must be an Eligible Account. Funds in the Master Account may be invested at the direction of the Master Servicer in certain investments permitted ("Permitted Investments") in accordance with the Servicing Agreement. Interest and investment income realized on funds deposited in the Master Account will be for the sole and exclusive benefit of the Master Servicer. If any net loss is incurred in respect of any Permitted Investment on deposit in the Master Account, the Master Servicer is required to promptly deposit such amount into the Master Account from its own funds, without right of reimbursement, no later than the end of the Collection Period during which such loss was incurred, unless such loss is incurred solely as a result of the insolvency of the federal or state chartered depository institution or trust company that holds such account, so long as such depository institution or trust company satisfied the qualifications set for in the definition of "Eligible Account" (within the meaning of the Servicing Agreement) at the time such investment was made.

The Master Servicer may make withdrawals from the Master Account for any of the following purposes (the below not constituting an order of priority):

(i) to pay the Available Distribution Amount to the Indenture Trustee on the Master Servicer Remittance Date;

(ii) remit to CREFC® the CREFC® Intellectual Property Royalty License Fee on the Master Servicer Remittance Date;

(iii) to reimburse the Indenture Trustee or the Master Servicer, in that order, for unreimbursed Interest Advances made, the rights to reimbursement pursuant to this clause (iii) with respect to any Interest Advance (other than Nonrecoverable Advances, which are reimbursable pursuant to clause (viii) below) being limited to amounts that represent Late Collections received in respect of the Loan or REO Loan;

(iv) to pay to the Master Servicer and the Issuer earned and unpaid Master Servicing Fees and HDC Servicing Fees, respectively, in that order, in respect of the Loan and the REO Loan, the Master Servicer's and the Issuer's right to payment pursuant to this clause (iv) with respect to the Loan or the REO Loan being payable from, and limited to, amounts received on or in respect of the Loan (whether in the form of payments, Net Liquidation Proceeds or Net Proceeds) or the REO Loan (whether in the form of REO Revenues, Net Liquidation Proceeds or Net Proceeds) that are allocable as a recovery of interest thereon or as payment by the Borrower of the HDC Servicing Fee with respect to Component A, Component B and Component C (or with respect to HDC Servicing Fee, received as the HDC Servicing Fee pursuant to the Loan Agreement) or as payment by the Borrower of the portion of the Monthly Administrative Fee that represents the Master Servicing Fee and HDC Servicing Fee with respect to Component D, Component E and Component F of the Loan;

(v) to pay to the Special Servicer, earned and unpaid Special Servicing Fees in respect of each Specially Serviced Loan and REO Loan;

(vi) to pay to the Special Servicer earned and unpaid Workout Fees and Liquidation Fees;

(vii) to reimburse the Indenture Trustee or the Master Servicer, in that order, as applicable, for any unreimbursed Servicing Advances or Administrative Advances and related Advance Interest made thereby (in each case, with its own funds), the Indenture Trustee's or the Master Servicer's, in that order, as the case may be, respective rights to reimbursement pursuant to this clause with respect to any Servicing Advance or Administrative Advance (other than Nonrecoverable Advances, which are reimbursable pursuant to clause

(viii) below) being limited to (A) payments made by the Borrower that are allocable to cover the item in respect of which such Servicing Advance or Administrative Advance was made, and (B) Condemnation Proceeds, Insurance Proceeds, Liquidation Proceeds, Default Charges and, if applicable, REO Revenues received in respect of the Loan or REO Property;

(viii) to reimburse the Indenture Trustee or the Master Servicer, in that order, as applicable, for any unreimbursed Advances and the related Advance Interest made thereby that have been determined to be Nonrecoverable Advances;

(ix) to pay the Indenture Trustee or the Master Servicer (in that order), as applicable, any Advance Interest with respect to Advances that have not been declared Nonrecoverable Advances due and owing to the Master Servicer or the Indenture Trustee that has not been determined to be nonrecoverable;

(x) to pay itself any items of Additional Master Servicing Compensation to which the Master Servicer is entitled, and to pay to the Special Servicer any items of Additional Special Servicing Compensation to which the Special Servicer is entitled;

(xi) to pay any unpaid liquidation expenses incurred with respect to the Loan or REO Property;

(xii) to pay certain servicing expenses that would, if advanced, constitute Nonrecoverable Advances;

(xiii) to pay costs and expenses incurred on behalf of the Indenture Trustee in connection with foreclosing on the Mortgaged Property (other than the costs of environmental testing, which are to be covered by, and reimbursable as, a Servicing Advance);

(xiv) to pay itself, the Special Servicer, the Indenture Trustee or any of their respective directors, officers, members, managers, employees and agents, as the case may be, any amounts payable to any such person for prosecuting or defending any legal action to enforce the interests of the Indenture Trustee;

(xv) to pay to the Master Servicer, the Special Servicer or the Indenture Trustee any amount specifically required to be paid to such person under any provision of the Servicing Agreement to which reference is not made in any other clause of this paragraph;

(xvi) to pay to each of the Indenture Trustee and the Operating Advisor, earned and unpaid Indenture Trustee Fee, and the Operating Advisor Fee, respectively;

(xvii) to pay all other amounts payable and reimbursable to (1) the Indenture Trustee pursuant to the terms of the Indenture (and any supplements thereto) or (2) the Operating Advisor pursuant to the terms of the Servicing Agreement;

(xviii) to pay to the Issuer any Issuer Judgment Amounts or other amounts owing to the Issuer in respect of the Reserved Rights to the extent actually collected pursuant to the Loan Agreement or the Servicing Agreement;

(xix) to withdraw any amounts deposited in error; and

(xx) to remit Interest Advances.

With respect to any Determination Date, the Master Servicer will not be permitted to make a withdrawal pursuant to clauses (ii), (iii), (iv), (v), (vi), (vii), (ix), (xi), (xv), (xiii), (xiv), (xvi), (xvii) or (xviii) above if, as a result of such withdrawal, the amount on deposit in the Master Account after giving effect to such withdrawal would be less than the Required Distribution Amount (as defined below), except upon (i) a

Liquidation of the Loan or the Mortgaged Property, (ii) the determination that any Advance that would increase the currently unreimbursed Advances in the aggregate would be a Nonrecoverable Advance or (iii) the final payment of the Loan and release of the Mortgage. The Master Servicer will be required to advance amounts that would otherwise have been withdrawn from the Master Account but for the withdrawal limitations set forth in this paragraph (each, an "Administrative Advance"), to the extent it determines that such amounts are recoverable. If the Master Servicer fails to make any Administrative Advance that it is required to make under the Servicing Agreement and such Administrative Advance has not been determined to be a Nonrecoverable Advance, the Indenture Trustee will be required to make such Administrative Advance. Notwithstanding any provision in the Servicing Agreement to the contrary, neither the Master Servicer nor the Indenture Trustee will be obligated to make any Administrative Advance that it determines, together with Advance Interest, will constitute a Nonrecoverable Advance if made.

The Master Servicer, the Special Servicer and the Indenture Trustee will have a right prior to any other person to any particular funds on deposit in the Master Account from time to time for the reimbursement or payment of compensation, Advances (with interest thereon at the Reimbursement Rate) and their respective expenses under the Servicing Agreement.

"Available Distribution Amount" means with respect to any Master Servicer Remittance Date, an amount equal to the sum of (a) all amounts on deposit in the Master Account as of the close of business on the related Determination Date (after giving effect to the withdrawals described in clauses (ii) through (xix), inclusive, under "DESCRIPTION OF THE SERVICING AGREEMENT—Flow of Funds—*Master Account*" above on the related Determination Date and taking into account any Administrative Advances required to be made with respect to such Master Servicer Remittance Date) net of (b) any portion of the amounts described in clause (a) of this definition that represents collected Debt Service Payments that are due on a Due Date following the end of the related Collection Period; provided, however, with respect to the Master Servicer Remittance Date that occurs after a Liquidation of the Loan or the REO Property, the Available Distribution Amount will be calculated without regard to clause (b) of this definition.

"Required Distribution Amount" means, as of any date of determination prior to a Liquidation, the amount that would be required to pay the Interest Accrual Amount in full on the related Master Servicer Remittance Date (calculated taking into account any Appraisal Reduction Amount that would reduce the amount of any Interest Advance on that Master Servicer Remittance Date if an Interest Advance was being made).

REO Account

If the Mortgaged Property becomes an REO Property, the Special Servicer will be required to establish and maintain an account (the "REO Account"), to be held for the benefit of the Indenture Trustee, for the benefit of the Bondholders, for the retention of revenues and other proceeds derived from the REO Property. The Special Servicer will be required to segregate and hold all funds collected and received in connection with any REO Property separate and apart from its own funds and general assets. The REO Account must be an Eligible Account. Alternately, the Special Servicer may direct that any such REO Revenues, Liquidation Proceeds, Condemnation Proceeds and Insurance Proceeds be deposited directly with the Master Servicer to be held with respect to such REO Loan. The Special Servicer will be required to deposit or cause to be deposited into the REO Account, within two (2) Business Days of receipt of properly identified funds, all revenues from the REO Property, Liquidation Proceeds (net of all liquidation expenses) and insurance proceeds received in respect of an REO Property. Funds in the REO Account may be invested at the direction of the Special Servicer only in Permitted Investments pursuant to the Servicing Agreement. Interest and investment income realized on funds deposited in the REO Account will be for the sole and exclusive benefit of the Special Servicer. If any net loss is incurred in respect of any Permitted Investment on deposit in the REO Account, the Special Servicer will be required to (in the case of the REO Account with respect to funds invested by the Special Servicer for its own account) promptly deposit such amount into the REO Account from its own funds, without right of reimbursement, no later than the end of the Collection

Period during which such loss was incurred unless such loss is incurred solely as a result of the insolvency of the federal or state chartered depository institution or trust company that holds such account, so long as such depository institution or trust company satisfied the qualifications set forth in the definition of "Eligible Account" at the time such investment was made.

The Special Servicer will be required to withdraw funds from the REO Account necessary for the proper operation, management and maintenance of the REO Property and for other expenses related to the preservation and protection of such REO Property. In addition, the Special Servicer may make withdrawals from the REO Account to pay itself, as Additional Special Servicing Compensation, interest and investment income earned in respect of amounts held in such REO Account (but only to the extent of the net investment earnings with respect to the REO Account for any Collection Period).

Allocation of Amounts Collected on the Loan

On each Master Servicer Remittance Date after a Mortgage Event of Default prior to a Liquidation, all amounts collected in respect of the Loan in the form of payments from the Borrower, Net Condemnation Proceeds or Net Insurance Proceeds or otherwise will be allocated to amounts due and owing under the Loan Documents (including for principal and accrued and unpaid interest) in accordance with the express provisions of the Loan Documents; provided, however, for purposes of calculating payments after a Mortgage Event of Default under the Loan (to the extent not cured or waived), all such amounts collected will be deemed to be allocated for purposes of collecting amounts due under the Loan in the following order of priority:

(i) as a recovery of any unreimbursed Advances with respect to the Loan and unpaid interest on all Advances and, if applicable, unreimbursed and unpaid Borrower Reimbursable Expenses with respect to the Loan;

(ii) to the extent not previously allocated pursuant to clause (i) above, as a recovery of accrued and unpaid interest on each Component of the Loan exclusive of Default Interest, Deferred Interest and Excess Interest to the extent of the excess of (A) accrued and unpaid interest on each Component of the Loan at the related Component Interest Rate to, but not including, the date of receipt, over (B) the cumulative amount of the reductions (if any) in the amount of related Interest Advances for the Loan that have theretofore occurred in connection with Appraisal Reduction Amounts (to the extent that collections have not been allocated as a recovery of accrued and unpaid interest pursuant to clause (iv) below on earlier dates);

(iii) to the extent not previously allocated pursuant to clause (i) above, as a recovery of principal of the Loan then due and owing, including by reason of acceleration of the Loan following a default thereunder (or, if the Loan has been liquidated or after the Anticipated Repayment Date, as a recovery of principal to the extent of its entire remaining unpaid principal balance);

(iv) as a recovery of accrued and unpaid interest on the Loan to the extent of the cumulative amount of the reductions (if any) in the amount of related Interest Advances for the Loan that have theretofore occurred in connection with related Appraisal Reduction Amounts (to the extent that collections have not been allocated as recovery of accrued and unpaid interest pursuant to this clause (iv) on earlier dates);

(v) as a recovery of amounts to be currently allocated to the payment of, or escrowed for the future payment of, Taxes, Insurance Premiums and similar items relating to the Loan;

(vi) as a recovery of any other Reserve Amounts to the extent then required to be held in escrow with respect to the Loan;

(vii) as a recovery of any Deferred Interest, Default Interest, Excess Interest, ARD Payment Premium or late payment charges then due and owing under the Loan (in such order);

(viii) as a recovery of any assumption fees, assumption application fees and Modification Fees then due and owing under the Loan;

(ix) as a recovery of Issuer Judgment Amounts or other amounts owing to the Issuer in respect of the Reserved Rights other than remaining unpaid principal and HDC Assignment Fees payable, if any;

(x) as a recovery of any other amounts then due and owing under the Loan; and

(xi) as a recovery of any remaining principal of the Loan to the extent of its entire remaining unpaid principal balance.

The application of amounts received in respect of the Loan will be determined by the Master Servicer in accordance with the Servicing Standard.

On each Master Servicer Remittance Date, collections in respect of the REO Property for the REO Loan (exclusive of amounts to be allocated to the payment of the costs of operating, managing, leasing, maintaining and disposing of such REO Property) will be deemed allocated for purposes of collecting amounts due under the REO Loan in the following order of priority:

(i) as a recovery of any unreimbursed Advances with respect to the REO Loan and unpaid interest on all Advances and, if applicable, unreimbursed and unpaid Borrower Reimbursable Expenses with respect to the Loan;

(ii) to the extent not previously allocated pursuant to clause (i) above, as a recovery of accrued and unpaid interest on each Component of the REO Loan exclusive of Default Interest, Deferred Interest and Excess Interest to the extent of the excess of (A) accrued and unpaid interest on each Component of the REO Loan at the related Component Interest Rate to, but not including, the date of receipt, over (B) the cumulative amount of the reductions (if any) in the amount of Interest Advances for the REO Loan that have theretofore occurred in connection with Appraisal Reduction Amounts (to the extent that collections have not been allocated as a recovery of accrued and unpaid interest pursuant to clause (iv) below on earlier dates);

(iii) to the extent not previously allocated pursuant to clause (i) above, as a recovery of principal on the REO Loan until the entire remaining unpaid principal balance of the Loan is paid in full);

(iv) as a recovery of accrued and unpaid interest on the REO Loan to the extent of the cumulative amount of the reductions (if any) in the amount of Interest Advances for the Loan that have theretofore occurred in connection with related Appraisal Reduction Amounts (to the extent that collections have not been allocated as recovery of accrued and unpaid interest pursuant to this clause (iv) on earlier dates);

(v) as a recovery of any Deferred Interest, Default Interest, Excess Interest, ARD Payment Premium or late payment charges then due and owing under the Loan (in such order);

(vi) as a recovery of any assumption fees, assumption application fees and Modification Fees then due and owing under the Loan; and

(vii) as a recovery of any other amounts then due and owing under the Loan, including Issuer Judgment Amounts or other amounts owing to the Issuer in respect of the Reserved Rights other than remaining unpaid principal.

The applications of amounts received in respect of the REO Loan will be determined by the Special Servicer in accordance with the Servicing Standard.

"Deferred Interest" means all interest on the Loan that has been deferred by the Special Servicer pursuant to a work-out or other modification of the Loan.

"Issuer Judgment Amount" means the dollar amount of a judgment obtained as a result of an Issuer Judgment Event.

"Issuer Judgment Event" means either (i) a judgment has been obtained against the Issuer with respect to which the Issuer claims entitlement to indemnification from the Borrower pursuant to the Loan Agreement, the Indemnification Agreement (provided the Issuer has complied with the requirements for indemnification provided in the Loan Agreement or the Indemnification Agreement, as applicable), the Regulatory Agreement and/or the Environmental Indemnity or (ii) a judgment has been obtained by the Issuer against the Borrower pursuant to the Loan Agreement, the Indemnification Agreement, the Regulatory Agreement and/or the Environmental Indemnity and, in any case, such judgment has not been stayed, vacated or discharged (by payment, bonding or otherwise) within 30 days.

Allocation of Available Distribution Amount

On each Bond Payment Date, the Indenture Trustee will be required to withdraw from the Revenue Fund the amounts on deposit in in the Revenue Fund in respect of interest, principal and reimbursement of Realized Losses, to the extent of the Available Distribution Amount, and pay those amounts to the Bondholders of each Class of Series 2014 Bonds in the amounts and in the order of priority set forth below:

(i) to the holders of the Class A Bonds, in respect of interest, up to an amount equal to the respective Interest Distribution Amount for such Class;

(ii) to the holders of the Class A Bonds in reduction of the Principal Balances thereof in an amount equal to the Principal Distribution Amount for such Bond Payment Date until the outstanding Principal Balance of the Class A Bonds has been reduced to zero;

(iii) to the holders of the Class A Bonds, up to an amount equal to the aggregate unreimbursed Realized Losses previously allocated to such Class, plus interest thereon at the Bond Interest Rate for such Class compounded monthly from the date such Realized Loss was allocated to such Class;

(iv) to the holders of the Class B Bonds, in respect of interest, up to an amount equal to the Interest Distribution Amount for such Class;

(v) to the holders of the Class B Bonds, in reduction of the Principal Balance thereof, up to an amount equal to the Principal Distribution Amount for such Bond Payment Date less the portion of such Principal Distribution Amount paid pursuant to all prior clauses, until the Principal Balance thereof is reduced to zero;

(vi) to the holders of the Class B Bonds, up to an amount equal to the aggregate unreimbursed Realized Losses previously allocated to such Class, plus interest thereon at the Bond Interest Rate for such Class compounded monthly from the date the related Realized Loss was allocated to such Class;

(vii) to the holders of the Class C Bonds, in respect of interest, up to an amount equal to the Interest Distribution Amount for such Class;

(viii) to the holders of the Class C Bonds, in reduction of the Principal Balance thereof, up to an amount equal to the Principal Distribution Amount for such Bond Payment Date less the portion of such Principal Distribution Amount paid pursuant to all prior clauses, until the Principal Balance thereof is reduced to zero;

(ix) to the holders of the Class C Bonds, up to an amount equal to the aggregate unreimbursed Realized Losses previously allocated to such Class, plus interest thereon at the Bond Interest Rate for such Class compounded monthly from the date the related Realized Loss was allocated to such Class;

(x) to the holders of the Class D Bonds, in respect of interest, up to an amount equal to the Interest Distribution Amount for such Class;

(xi) to the holders of the Class D Bonds, in reduction of the Principal Balance thereof, up to an amount equal to the Principal Distribution Amount for such Bond Payment Date less the portion of such Principal Distribution Amount paid pursuant to all prior clauses, until the Principal Balance thereof is reduced to zero;

(xii) to the holders of the Class D Bonds, up to an amount equal to the aggregate unreimbursed Realized Losses previously allocated to such Class, plus interest thereon at the Bond Interest Rate for such Class compounded monthly from the date the related Realized Loss was allocated to such Class;

(xiii) to the holders of the Class E Bonds, in respect of interest, up to an amount equal to the Interest Distribution Amount for such Class;

(xiv) to the holders of the Class E Bonds, in reduction of the Principal Balance thereof, up to an amount equal to the Principal Distribution Amount for such Bond Payment Date less the portion of such Principal Distribution Amount paid pursuant to all prior clauses, until the Principal Balance thereof is reduced to zero;

(xv) to the holders of the Class E Bonds, up to an amount equal to the aggregate unreimbursed Realized Losses previously allocated to such Class, plus interest thereon at the Bond Interest Rate for such Class compounded monthly from the date the related Realized Loss was allocated to such Class;

(xvi) to the holders of the Class F Bonds, in respect of interest, up to an amount equal to the Interest Distribution Amount for such Class;

(xvii) to the holders of the Class F Bonds, in reduction of the Principal Balance thereof, up to an amount equal to the Principal Distribution Amount for such Bond Payment Date less the portion of such Principal Distribution Amount paid pursuant to all prior clauses, until the Principal Balance thereof is reduced to zero;

(xviii) to the holders of the Class F Bonds, up to an amount equal to the aggregate unreimbursed Realized Losses previously allocated to such Class, plus interest thereon at the Bond Interest Rate for such Class compounded monthly from the date the related Realized Loss was allocated to such Class; and

(xix) to the holders of the Class A, Class B, Class C, Class D, Class E and Class F Bonds, pro rata based on their original Principal Balance, any remaining amounts.

Any amounts of Excess Interest actually collected on Component A, Component B or Component C pursuant to the Loan Agreement and on deposit in the Excess Interest Distribution Account as of the related Determination Date are required to be paid on the Bond Payment Date following the date on which the Loan is paid in full or the date on which the Series 2014 Bonds are otherwise redeemed in whole to the Bondholders of the related Class of Bonds (i.e., the Class of Bonds with the same alphabetic designation). Any ARD Payment Premium actually collected on Component D, Component E or Component F pursuant to the Loan Agreement and on deposit in the ARD Payment Premium Distribution Account as of the related Determination Date are required to be paid on the Bond Payment Date following the date on which the Loan is paid in full or the date on which the Series 2014 Bonds are otherwise redeemed in whole to the Bondholders of the related Class of Bonds (i.e., the Class of Bonds with the same alphabetic designation).

"Principal Distribution Amount" means for any Bond Payment Date, the sum, without duplication, of:

(a) the Scheduled Principal Distribution Amount for such Bond Payment Date;

(b) the Unscheduled Payments of the Loan (including the REO Loan) received during the related Collection Period; and

(c) the Principal Shortfall, if any, for such Bond Payment Date;

provided that the Principal Distribution Amount for any Bond Payment Date will be reduced, to not less than zero, by the amount of any reimbursements of Nonrecoverable Advances, with interest on such Nonrecoverable Advances at the Reimbursement Rate that are paid or reimbursed from principal collections on the Loan in a period during which such principal collections would have otherwise been included in the Principal Distribution Amount for such Bond Payment Date; provided further that if any of the amounts that were reimbursed from principal collections on the Loan are subsequently recovered on the Loan, such recovery will increase the Principal Distribution Amount for the Bond Payment Date related to the period in which such recovery occurs).

"Bond Interest Rate" means with respect to any Class of Bonds, the rate set forth below:

Class of Bonds	Bond Interest Rate
Class A	3.709%[1]
Class B	3.864%[1]
Class C	3.931%[1]
Class D	3.000%
Class E	3.500%
Class F	4.500%

[1] In the event that any Class of Series 2014 Taxable Bonds is not paid in full on or prior to the Bond Payment Date that follows the Anticipated Repayment Date, interest will accrue on the outstanding Principal Balance of such Class at the Revised Bond Rate.

"Interest Distribution Amount" means with respect to any Bond Payment Date and with respect to each Class of Bonds, an amount equal to the sum of (i) the Interest Accrual Amount with respect to such Class for such Bond Payment Date and (ii) the Interest Shortfall, if any, with respect to such Class for such Bond Payment Date.

"Mortgage Rate" means the weighted average of the Component Interest Rates.

If a court of competent jurisdiction orders that any amount received or collected in respect of the Loan must, pursuant to any insolvency, bankruptcy, fraudulent conveyance or transfer, preference or similar law, be returned to the Borrower or paid to the Indenture Trustee or to any other person, then the Master Servicer will not be required to distribute any portion of such amount to the Indenture Trustee, and the Indenture Trustee will be required to, promptly on demand by the Master Servicer, repay to the Master Servicer any portion of such amount that the Master Servicer had previously distributed to the Indenture Trustee to the extent the Indenture Trustee has not distributed such funds.

If the Master Servicer makes any payment to the Indenture Trustee before the Master Servicer has received the corresponding payment (it being understood that the Master Servicer is under no obligation to do so), and the Master Servicer does not receive the corresponding payment within five (5) Business Days, the Indenture Trustee will be required to, at the Master Servicer's request, promptly return that payment to the Master Servicer (together with interest at the prime rate if the Indenture Trustee fails to return such payment within three (3) Business Days) to the extent the Indenture Trustee has not distributed such funds.

There will be no obligation under the Servicing Agreement to return any amount that has been paid to the Bondholders. However, the Master Servicer will have the right to receive amounts that would have been due from the Indenture Trustee by deducting such amounts from any future payments due to the Indenture Trustee under the Servicing Agreement.

Upon a Liquidation, the Special Servicer is to direct the Indenture Trustee to accelerate the Series 2014 Bonds.

Appraisal Reductions and Realized Losses

Within 60 days after the occurrence of an Appraisal Event, the Special Servicer will (i) notify the Indenture Trustee and the Master Servicer of such occurrence of an Appraisal Event, (ii) order and use efforts consistent with the Servicing Standard to obtain an Appraisal of the Mortgaged Property (provided that the Special Servicer will not be required to obtain an Appraisal of the Mortgaged Property if there exists an Appraisal which is less than nine (9) months old, unless it has actual knowledge of a material adverse change in the market or condition or value of the Mortgaged Property) and (iii) determine on the basis of such Appraisal whether there exists any Appraisal Reduction Amount. Promptly following the receipt of, and based upon, such Appraisal, the Special Servicer will determine and report to the Indenture Trustee and the Master Servicer the then applicable Appraisal Reduction Amount, if any. Annual updates of such Appraisals shall be obtained by the Master Servicer or the Special Servicer, as applicable, for so long as an Appraisal Event exists, and promptly following the receipt of, and based upon, such update, the Special Servicer will redetermine and report to the Indenture Trustee and the Master Servicer, the then applicable Appraisal Reduction Amount, if any. The cost of obtaining such Appraisals will be paid by the Master Servicer as a Servicing Advance unless it would be a Nonrecoverable Advance, then such cost will be paid from the Master Account. The Special Servicer will be required to provide a copy of any Appraisal obtained as described to this paragraph to the Issuer and the Indenture Trustee.

While an Appraisal Reduction Amount exists, (i) the amount of any Interest Advance will be reduced as provided in the Servicing Agreement under the sub-heading below entitled "Advances" and (ii) the existence thereof will be taken into account for purposes of determining Voting Rights, and will be allocated solely for determining Voting Rights first, to the Class F Bonds to reduce their Principal Balance until such balance is reduced to zero, second, to the Class E Bonds to reduce their Principal Balance until such balance is reduced to zero, third, to the Class D Bonds to reduce their Principal Balance until such balance is reduced to zero, fourth, to the Class C Bonds to reduce their Principal Balance until such balance is reduced to zero, fifth, to the Class B Bonds to reduce their Principal Balance until such balance is reduced to zero and sixth, to the Class A Bonds to reduce their Principal Balance until such balance is reduced to zero.

Realized Losses will be allocated on the Master Servicer Remittance Date (immediately following the distributions to the Indenture Trustee on the Master Servicer Remittance Date), first, to the Class F Bonds to reduce their Principal Balance until such balance is reduced to zero, second, to the Class E Bonds to reduce their Principal Balance until such balance is reduced to zero third, to the Class D Bonds to reduce their Principal Balance until such balance is reduced to zero, fourth, to the Class C Bonds to reduce their Principal Balance until such balance is reduced to zero, fifth, to the Class B Bonds to reduce their Principal Balance until such balance is reduced to zero and sixth, to the Class A Bonds to reduce their Principal Balance until such balance is reduced to zero. The Indenture Trustee will be required to cause any such applicable reduction to be made to the Principal Balance of each applicable Series 2014 Bond pursuant to the Indenture.

"Appraisal Event" means any of the following events:

(i) the occurrence and continuance of a Mortgage Event of Default (other than a monetary default) if such Mortgage Event of Default causes the Loan to become a Specially Serviced Loan;

(ii) the acceleration of the Loan;

(iii) the Loan becomes a Modified Loan;

(iv) any Debt Service Payment with respect to the Loan remains unpaid for 60 days past the Due Date for such payment; provided, however, solely in the case of a delinquent Balloon Payment, if (x) the Borrower is actively seeking a refinancing commitment and (y) the Borrower continues to make payments in the amount of its Assumed Debt Service Payment, then failure to pay such Balloon Payment for a 120-day period will not constitute an Appraisal Event if the Borrower has delivered to the Master Servicer, on or before the 60th day after the Due Date of such Balloon Payment, a refinancing commitment reasonably acceptable to the Master Servicer, for such longer period, not to exceed 120 days beyond such Due Date, during which the refinancing would occur;

(v) immediately upon receipt by the Special Servicer of notice that the Borrower has become the subject of bankruptcy, insolvency or similar proceedings that remain undischarged and undismissed;

(vi) immediately upon receipt by the Special Servicer of notice that a receiver or similar official is appointed with respect to the Mortgaged Property, and such appointment has not been discharged or dismissed; or

(vii) the Mortgaged Property becomes an REO Property.

"Appraisal Reduction Amount" means, at any time after the occurrence of and during the continuation of an Appraisal Event, an amount (calculated as of the most recent Due Date by the Special Servicer immediately following the later of the date on which the most recent Appraisal acceptable for purposes of the Servicing Agreement was obtained by the Special Servicer pursuant to the Servicing Agreement and the date of the most recent Appraisal Event with respect to the Loan) equal to the excess, if any, of:

(a) the sum of (i) the Stated Principal Balance of the Loan as of such date of determination, (ii) to the extent not previously advanced by the Master Servicer or the Indenture Trustee, all unpaid interest (net of Default Interest and Excess Interest) accrued on the Loan through the most recent Due Date prior to such Determination Date, (iii) all unpaid Master Servicing Fees, Special Servicing Fees, Indenture Trustee Fees and all other Borrower Reimbursable Expenses accrued with respect to the Loan, (iv) all unreimbursed Advances with respect to the Loan, together with all unpaid Advance Interest accrued on all Advances, and (v) all currently due but unpaid Taxes and Insurance Premiums in respect of the Mortgaged Property or REO Property, as applicable, for which neither the Master Servicer nor the Special Servicer holds sufficient escrows; over

(b) the sum of (x) the excess, if any, of (i) 90% of the Appraised Value of the Mortgaged Property or REO Property (subject to such downward adjustments as the Special Servicer may deem appropriate in accordance with the Servicing Standard (without implying any obligation to do so) based upon its review of the related Appraisal and such other information as the Special Servicer deems appropriate), as applicable, as determined by the most recent relevant Appraisal acceptable for purposes of the Servicing Agreement, over (ii) the amount of any obligation(s) secured by any Liens on the Mortgaged Property or REO Property, as applicable, that are prior to the Lien of the Loan, and (y) all escrows, letters of credit and reserves held by the Master Servicer or the Special Servicer with respect to the Loan, the Mortgaged Property or the REO Property (exclusive of any such items that are to be applied to real estate taxes, assessments and/or insurance premiums or that were taken into account in determining the Appraised Value of the Mortgaged Property or REO Property, as applicable, referred to in clause (b)(x)(i) of this definition).

Notwithstanding the foregoing, if an Appraisal is required to be obtained in accordance with the Servicing Agreement but is not obtained within 60 days following the event described in the applicable clause of the definition of "Appraisal Event", then, until such Appraisal is obtained, the Appraisal Reduction Amount will equal 25% of the Stated Principal Balance of the Loan; provided, however, that upon receipt of an Appraisal, the Appraisal Reduction Amount for the Loan will be recalculated in accordance with this definition without regard to this sentence.

In addition, the Loan will no longer be subject to the Appraisal Reduction Amount if (a) the Loan has become a Corrected Loan and (b) no other Appraisal Event has occurred and is continuing.

"Modified Loan" means that a Servicing Transfer Event has occurred and that the Loan has been modified by the Special Servicer in a manner that: (i) affects the amount or timing of any payment of principal or interest due on any Component (other than, or in addition to, bringing current Debt Service Payments with respect to the Loan); (ii) except as expressly contemplated by the related Loan Documents and provided that the Special Servicer has received a No Downgrade Confirmation from each Rating Agency, results in a release of the lien of the Mortgage on any material portion of the Mortgaged Property without a corresponding prepayment of principal in an amount, or the delivery of substitute real property collateral with a fair market value (as is), that is not less than the fair market value (as is), as determined by an Appraisal delivered to the Special Servicer (at the expense of the Borrower and upon which the Special Servicer may conclusively rely), of the property to be released; or (iii) in the good faith and reasonable judgment of the Special Servicer, otherwise materially impairs the security for the Loan or reduces the likelihood of timely payment of amounts due on the Loan.

Realization Upon the Mortgaged Property

The Special Servicer will be required to exercise reasonable efforts, consistent with the Servicing Standard, to foreclose upon or otherwise comparably convert, or cause such foreclosure or comparable conversion of, the ownership of the Mortgaged Property if a Mortgage Event of Default has occurred and is continuing and no arrangement satisfactory to the Special Servicer can be made for collection of delinquent payments. Neither the Master Servicer nor the Special Servicer may, with respect to the Loan after its Anticipated Repayment Date, take any enforcement action with respect to the payment of Excess Interest or ARD Payment Premiums (other than the making of requests for its collection) unless (i) the taking of an enforcement action with respect to the payment of other amounts due under the Loan is, in the good faith and reasonable judgment of the Special Servicer (without regard to such Excess Interest or ARD Payment Premiums), necessary, appropriate and consistent with the Servicing Standard, or (ii) all other amounts due under the Loan have been paid, the payment of such Excess Interest or ARD Payment Premiums has not been forgiven and, in the good faith and reasonable judgment of the Special Servicer, the Liquidation Proceeds expected to be recovered in connection with such enforcement action will cover the anticipated costs of such enforcement action and, if applicable, any associated Advance Interest.

All costs and expenses incurred in any foreclosure sale or similar proceeding will be required to be paid by, and reimbursable to, the Master Servicer as a Servicing Advance.

The Mortgaged Property may not be acquired by the Special Servicer on behalf of the Indenture Trustee under any circumstances, in any manner or pursuant to any terms that would cause any Adverse Tax-Exempt Bonds Event.

Neither the Master Servicer nor the Special Servicer may, on behalf of the Indenture Trustee, obtain title to the Mortgaged Property by foreclosure, deed-in-lieu of foreclosure or otherwise, or take any other action with respect to the Mortgaged Property, if, as a result of any such action, the Indenture Trustee could, in the reasonable, good faith judgment of the Special Servicer, exercised in accordance with the Servicing Standard, be considered to hold title to, be a "mortgagee-in-possession" of, or be an "owner" or "operator" of the Mortgaged Property within the meaning of CERCLA or any comparable law, unless:

(i) the Special Servicer has previously determined in accordance with the Servicing Standard, based on a "Phase I" environmental assessment of the Mortgaged Property conducted by an Independent Appraiser who regularly conducts "Phase I" environmental assessments and performed during the twelve (12) month period preceding any such acquisition of title or other action, that the Mortgaged Property is in compliance with applicable environmental laws and regulations and there are no circumstances or conditions present at the Mortgaged Property relating to the use, management or disposal of any dangerous, toxic or hazardous pollutants, chemicals, wastes, or substances for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any applicable environmental laws and regulations; or

(ii) if the determination described in the immediately preceding clause (i) cannot be made, the Special Servicer has previously determined in accordance with the Servicing Standard, on the same basis as described in the immediately preceding clause (i), that it would maximize the recovery to the Bondholders on a net present value basis (the discounting of anticipated collections that will be distributable to the holders of the Loan to be performed at the related Mortgage Rate) to acquire title to or possession of the Mortgaged Property and to take such remedial, corrective and/or other further actions as are necessary to bring the Mortgaged Property into compliance with applicable environmental laws and regulations and to appropriately address any of the circumstances and conditions referred to in the immediately preceding clause (i).

Any determination by the Special Servicer contemplated by clause (i) or clause (ii) above must be evidenced by an officer's certificate to such effect delivered to the Master Servicer and the Indenture Trustee, specifying all of the bases for such determination, such officer's certificate to be accompanied by all related environmental reports. The cost of such "Phase I" environmental assessment and any such additional environmental testing will be advanced by the Master Servicer at the direction of the Special Servicer given in accordance with the Servicing Standard subject to a recoverability determination. Amounts so advanced will be subject to reimbursement as Servicing Advances. The cost of any remedial, corrective or other further action contemplated by clause (ii) above will be payable out of the Master Account. If neither of the conditions set forth in clauses (i) and (ii) above has been satisfied with respect to the Mortgaged Property securing the Defaulted Loan, the Special Servicer will be required to take such action as is in accordance with the Servicing Standard (other than proceeding against the Mortgaged Property) and, at such time as it deems appropriate, may, on behalf of the Issuer, release all or a portion of the Mortgaged Property from the lien of the Mortgage.

The Special Servicer has the right to determine, in accordance with the Servicing Standard, the advisability of seeking to obtain a deficiency judgment if the terms of the subject Loan permit such an action and is required to, in accordance with the Servicing Standard, seek such deficiency judgment if it deems advisable.

The Special Servicer may purchase the Defaulted Loan or REO Property at the Purchase Price therefor. The Special Servicer may also offer to sell to any person any Defaulted Loan or REO Property, if and when the Special Servicer determines, consistent with the Servicing Standard, that such a sale would be in the best interests of the Bondholders in accordance with the Servicing Standard. In the absence of any such offer, the Special Servicer will be required to accept the highest offer received from any person that is determined by the Special Servicer to be a fair price for the Defaulted Loan or REO Property (if the highest offeror is a person other than the Special Servicer, or any of its affiliates) or if such price is determined to be a fair price for the Defaulted Loan or REO Property by the Indenture Trustee (if the highest offeror is the Special Servicer or any of its affiliates, if and when the Special Servicer determines, consistent with the Servicing Standard, that such a sale would be in the best interests of the Bondholders in accordance with the Servicing Standard). The Special Servicer will not be obligated to accept the highest offer pursuant to the preceding sentence if it determines, in accordance with the Servicing Standard, that rejection of such offer would be in the best interests of the Bondholders. In addition, the Special Servicer may accept a lower offer if it determines, in accordance with the Servicing Standard, that acceptance of such offer would be in the best interests of the Bondholders. In determining whether any offer received from the Special Servicer or any of its affiliates represents a fair price for the Defaulted Loan or REO Property, the Indenture Trustee will be entitled to conclusively rely on an independent appraisal paid for by the Master Servicer as a Servicing Advance. If the Indenture Trustee is required to determine whether an offer constitutes a fair price, the Indenture Trustee may (at its option and at the expense of the Special Servicer) designate an independent third party expert in real estate or commercial mortgage loan matters with at least five (5) years' experience in valuing or investing in loans similar to the subject Defaulted Loan or REO Property, as applicable, that has been selected with reasonable care by the Indenture Trustee to determine if such offer constitutes a fair price for such Defaulted Loan or REO Property, as applicable. If the Indenture Trustee designates such a third party to make such determination, the Indenture Trustee will be entitled to rely conclusively upon such third party's determination. The reasonable costs of all appraisals, inspection reports and broker opinions of value incurred by any such third party pursuant to this paragraph will be covered by, and will be reimbursable by the Special Servicer; provided that the Indenture Trustee will not engage a third party expert whose fees exceed a commercially reasonable amount as determined by the Indenture Trustee.

In determining whether any offer constitutes a fair price for any such Defaulted Loan or REO Property, the Indenture Trustee (or, if applicable, such independent appraiser) will be required to take into account the physical condition of the Mortgaged Property or REO Property, the state of the local economy and the obligation to comply with the provisions of the Regulatory Agreement.

If title to the REO Property is acquired, the deed or certificate of sale will be issued to (or, if, and only if, required by law, to the Indenture Trustee, its agent or its nominee, on behalf of the Indenture Trustee) a single member limited liability company of which the Indenture Trustee or its agent is the sole member if a No Downgrade Confirmation has been obtained, which limited liability company will be formed or caused to be formed by the Special Servicer for the purpose of taking title to the REO Property pursuant to the Servicing Agreement and the costs of which will be paid as a Servicing Advance; provided, however, that no such acquisition may occur until such time as an opinion of Bond Counsel (the cost of which will be paid by the Special Servicer as a Servicing Advance) is delivered to the Master Servicer and the Indenture Trustee to the effect that such action will not cause an Adverse Tax-Exempt Bonds Event.

The Special Servicer will have full power and authority, subject to the Servicing Standard and the specific requirements and prohibitions of the Servicing Agreement, to do any and all things in connection with the REO Property for the benefit of the Indenture Trustee on such terms as are appropriate and necessary for the efficient liquidation of the REO Property, so long as the Special Servicer deems such actions to be consistent with the Servicing Standard.

The Special Servicer, for the benefit of the Indenture Trustee, will be required to use efforts in accordance with the Servicing Standard to sell the REO Property as expeditiously as possible with a view to the preservation of the capital of the Bondholders and not for the maximization of profit and in any event prior

to the Rated Final Date. The Special Servicer, for the benefit of the Indenture Trustee, will be required to dispose of the REO Property held by the Indenture Trustee prior to the date by which the REO Property is required to be disposed of pursuant to the provisions of the preceding sentence.

Neither the Indenture Trustee nor any of its affiliates, may make an offer for or purchase the Defaulted Loan or REO Property pursuant to the Servicing Agreement.

"Defaulted Loan" means the Loan following such time that (i) it is delinquent 60 days or more in respect to a Debt Service Payment or (ii) the Master Servicer or Special Servicer has, by written notice to the Borrower, accelerated the maturity of the Loan.

Advances

If any portion of a monthly payment (other than any Balloon Payment) on the Loan or REO Loan has not been made on or before the Business Day immediately prior to the Bond Payment Date, the Master Servicer, subject to its determination that such amounts are not Nonrecoverable Advances, will be obligated to make an Interest Advance, for deposit into the Master Account on such Bond Payment Date, in an amount equal to such monthly payment or any such portion of such monthly payment on the Loan that was delinquent as of close of the Business Day immediately prior to such Bond Payment Date. The Master Servicer will also be obligated to advance in respect of each Due Date following a delinquency in the payment of the Balloon Payment of the Loan, for deposit into the Master Account not later than the related Bond Payment Date, the amount of any Assumed Debt Service Payment deemed due on such Due Date, except that the portion of such Interest Advance equal to the CREFC® Intellectual Property Royalty License Fee for each Component will not be remitted to the Indenture Trustee but must instead be remitted to CREFC®.

At any time that an Appraisal Reduction Amount exists, the amount that would otherwise be required to be advanced by the Master Servicer in respect of delinquent payments of interest on the Loan will be reduced by multiplying such amount by a fraction, the numerator of which is the then outstanding principal balance of the Loan or REO Loan minus the Appraisal Reduction Amount and the denominator of which is the then outstanding principal balance of the Loan or REO Loan.

The Master Servicer will also be required to advance, as Servicing Advances (whether or not the Loan is a Specially Serviced Loan), to the extent recoverable, all such funds as are necessary for the purpose of effecting the timely payment of (i) taxes and other similar items, (ii) Insurance Premiums and (iii) such other costs and expenses that fall within the definition of "Servicing Advances", in each instance prior to the applicable penalty or termination date if and to the extent that (x) Reserve Amounts collected from the Borrower or amounts on deposit in the Reserve Account are insufficient to pay such item when due, and (y) the Borrower has failed to pay such item on a timely basis. If the Special Servicer requests that the Master Servicer make a Servicing Advance, the Master Servicer may conclusively rely on such request as evidence that the Servicing Advance is or is not a Nonrecoverable Advance.

The Master Servicer or the Indenture Trustee, as applicable, will be obligated to make an Advance only to the extent that the Master Servicer determines in accordance with the Servicing Standard, or the Indenture Trustee determines in its good faith business judgment, that the amount so advanced and interest on such Advances will not constitute a Nonrecoverable Advance if made. A "Nonrecoverable Advance" is any Advance made or proposed to be made in respect of the Loan or the REO Property that, the Master Servicer or, if applicable, the Special Servicer or the Indenture Trustee determines, in accordance with the Servicing Standard (or good faith business judgment in the case of the Indenture Trustee), will not be recoverable (together with Advance Interest thereon), or that in fact is not ultimately recovered from default charges, insurance proceeds, condemnation proceeds, Liquidation Proceeds or any other recovery on or in respect of the Loan or REO Property (without giving effect to potential recoveries on deficiency judgments or recoveries from guarantors). The Indenture Trustee and the Master Servicer will be entitled to reimbursement for any such Advances from general collections on deposit in the Master Account as provided in "DESCRIPTION OF

THE SERVICING AGREEMENT—Flow of Funds; Accounts—*Master Account*" in this Official Statement. In addition, any such Advance will accrue interest for each day that such Advance is outstanding at a rate of interest (the "Reimbursement Rate") equal to the "prime rate" published in the "Money Rates" section of *The Wall Street Journal*. If *The Wall Street Journal* ceases to publish the "prime rate", then the Master Servicer is required to select an equivalent publication that publishes such "prime rate", and if such "prime rate" is no longer generally published or is limited, regulated or administered by a governmental or quasi-governmental body, then the Master Servicer is required to reasonably select a comparable interest rate index.

The determination by the Master Servicer or the Indenture Trustee (or a determination by the Special Servicer with respect to the Specially Serviced Loan) 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 to the Master Servicer and Indenture Trustee (unless it is the Person making such determination) detailing the reasons for such determination with supporting documents attached. The Indenture Trustee will be entitled to rely conclusively on the Master Servicer's or the Special Servicer's, as applicable, determination that an Advance is a Nonrecoverable Advance. The cost of obtaining any appraisals, reports, surveys, and other information requested by the Master Servicer or the Indenture Trustee, as applicable, in making such determination will be treated as an expense payable from the Master Account, and will constitute a Servicing Advance if paid by the Master Servicer or the Indenture Trustee from its own funds.

"Assumed Debt Service Payment" means with respect to any Due Date, (a) in the event the Loan is not paid in full on its Stated Maturity Date, and no other Final Liquidation Event has occurred prior to the end of the Collection Period in which such Stated Maturity Date occurs, the scheduled monthly payment of principal and/or interest (exclusive of Default Interest and Excess Interest) that would have been due in respect of the Components of the Loan on its Stated Maturity Date and each subsequent Due Date if the Loan had been required to continue to accrue interest on such Components in accordance with its terms, and to pay principal in accordance with the amortization schedule (if any), in effect immediately prior to, and without regard to the occurrence of the Stated Maturity Date (as such terms and amortization schedule may have been modified, and such Stated Maturity Date may have been extended, in connection with a bankruptcy or similar proceeding involving the Borrower or a modification, waiver or amendment granted or agreed to by the Master Servicer or Special Servicer) and in the order and priority allocated to each Component and (b) with respect to an REO Loan for which the REO Property remains subject to the Servicing Agreement, the scheduled monthly payment of principal and/or interest (exclusive of Default Interest and Excess Interest) deemed to be due in respect thereof on such Due Date equal to the Debt Service Payment that was due (or, in the case of the Loan described in the preceding clause (a) of this definition, the Assumed Debt Service Payment that was deemed due) in respect of the Loan on the last Due Date prior to its becoming an REO Loan.

Servicer Termination Events

The following will constitute termination events under the Servicing Agreement (each, a "Servicer Termination Event"):

(i) any failure by the Master Servicer (a) to deposit into the Master Account any amount required to be so deposited under the Servicing Agreement that continues unremedied for two (2) Business Days following the date on which such deposit was first required to be made, but in no event later than the Master Servicer Remittance Date , or (b) to remit to the applicable persons on any Master Servicer Remittance Date, the full amount of any Available Distribution Amount required to be so remitted under the Servicing Agreement on such date;

(ii) any failure by the Special Servicer to deposit into, or to remit to the Master Servicer for deposit into, the Master Account or the REO Account, any amount required to be so deposited or remitted under the Servicing Agreement that continues unremedied for two (2) Business Days following the date on which such deposit or remittance was first required to be made, but in no event later than two (2) Business Days before the related Master Servicer Remittance Date ;

(iii) any failure by the Master Servicer to timely make any Advance required to be made by it pursuant to the Servicing Agreement, which failure continues unremedied for a period of three (3) Business Days following the date on which notice has been given to the Master Servicer by the Indenture Trustee or by any other party to the Servicing Agreement;

(iv) any failure by the Special Servicer to timely direct the Master Servicer to make any Advance required to be made by the Master Servicer at its direction pursuant to the Servicing Agreement, which failure is not remedied by providing direction to the Master Servicer within three (3) Business Days following the date on which notice has been given to the Special Servicer by the Indenture Trustee;

(v) any failure on the part of the Master Servicer or the Special Servicer to observe or perform in any material respect any other of the covenants or agreements thereof contained in the Servicing Agreement, which failure continues unremedied for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, is given to the Master Servicer or the Special Servicer, as the case may be, by any other party to the Servicing Agreement, with a copy to each other party to the Servicing Agreement; provided, however, that with respect to any such failure which is not curable within such 30-day period, the Master Servicer or the Special Servicer, as applicable, will have an additional cure period of 30 days to effect such cure so long as it has commenced to cure such failure within the initial 30-day period and has provided the Indenture Trustee with an officer's certificate certifying that it has diligently pursued, and thereafter continues to pursue, such cure;

(vi) any breach on the part of the Master Servicer or the Special Servicer of any representation or warranty thereof contained in the Servicing Agreement that materially and adversely affects the interests of the Bondholders and that continues unremedied for a period of 30 days after the date on which notice of such breach, requiring the same to be remedied, is given to the Master Servicer or the Special Servicer, as the case may be, by the Indenture Trustee, the Issuer or any other party to the Servicing Agreement; provided, however, that with respect to any such failure which is not curable within such 30-day period, the Master Servicer or the Special Servicer, as applicable, will have an additional cure period of 30 days to effect such cure so long as it has commenced to cure such failure with the initial 30-day period and has provided the Indenture Trustee and the Issuer with an officer's certificate certifying that it has diligently pursued, and thereafter continues to pursue, such cure;

(vii) 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, receiver, liquidator, trustee or similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding up or liquidation of its affairs, is entered against the Master Servicer or the Special Servicer and such decree or order has remained in force undischarged or unstayed for a period of 60 days;

(viii) the Master Servicer or the Special Servicer consents to the appointment of a conservator, receiver, liquidator, trustee or similar official in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to it or of or relating to all or substantially all of its property;

(ix) the Master Servicer or the Special Servicer admits in writing its inability to pay its debts generally as they become due, files a petition to take advantage of any applicable bankruptcy, insolvency or reorganization statute, makes an assignment for the benefit of its creditors, voluntarily suspends payment of its obligations, or takes any corporate action in furtherance of the foregoing;

(x) the Master Servicer or the Special Servicer, as applicable, is removed from S&P's Select Servicer List as a U.S. Commercial Mortgage Master Servicer or a U.S. Commercial Mortgage Special Servicer, as applicable, and is not restored to such status on such list within 60 days of such removal; or

(xi) with respect to the Master Servicer, the Master Servicer ceases to have a commercial master servicer rating of at least "CMS3" from Fitch and that rating is not reinstated within 60 days or, with respect to the Special Servicer, the Special Servicer ceases to have a commercial special servicer rating of at least "CSS3" from Fitch and that rating is not reinstated within 60 days, as the case may be.

Rights Upon Servicer Termination Events

If a Servicer Termination Event occurs then, and in each and every such case, so long as such Servicer Termination Event has not been remedied, either (i) the Indenture Trustee may (other than in the case of events described in clauses (vii), (viii) and (ix) of "DESCRIPTION OF THE SERVICING AGREEMENT—Servicer Termination Events" above), or (ii) upon (a) the written direction of the Issuer or holders of Series 2014 Bonds having at least 25% of the Aggregate Voting Rights and (b) in the case of events described in clauses (vii), (viii) and (ix) of "DESCRIPTION OF THE SERVICING AGREEMENT—Servicer Termination Events" above, the Indenture Trustee will be required to, terminate all of the rights and obligations of the Master Servicer or Special Servicer, as applicable, under the 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 Master Servicer or Special Servicer, as applicable. The Indenture Trustee will be required to serve as successor Master Servicer until a replacement Master Servicer is appointed.

The Indenture Trustee may, if it is unwilling to so act, or will be required to, if it is unable to so act, or if Bondholders entitled to at least 25% of the Aggregate Voting Rights so request in writing to the Indenture Trustee, or the Indenture Trustee is not approved by the Rating Agencies as a master servicer or special servicer, as the case may be, promptly appoint, or petition a court of competent jurisdiction to appoint, any established and qualified loan servicing institution acceptable to the Issuer the appointment of which will not result in a downgrade, qualification or withdrawal of the then current rating or ratings assigned to any Class of Series 2014 Bonds as evidenced in writing by the Rating Agencies, as the successor to the Master Servicer or Special Servicer, as applicable, under the Servicing Agreement in the assumption of all or any part of the responsibilities, duties or liabilities of the Master Servicer or the Special Servicer, as applicable, under the Servicing Agreement. No appointment of a successor to a terminated party under the Servicing Agreement will be effective until such successor assumes of all the terminated party's responsibilities, duties and liabilities under the Servicing Agreement. Pending appointment of a successor to a terminated party under the Servicing Agreement, unless the Indenture Trustee is prohibited by law from so acting, the Indenture Trustee will be required to act in the capacity of the terminated party. In connection with such appointment and assumption, the Indenture Trustee may make arrangements for the compensation of such successor out of payments on the Loan or otherwise as it and such successor agree, but no compensation may be in excess of the compensation of such terminated party. The Indenture Trustee, the Master Servicer (as applicable), the Special Servicer (as applicable) and such successor will be required to take such action, consistent with the Servicing Agreement, as is necessary to effectuate any such succession.

If a Servicer Termination Event described in clauses (x) or (xi) of "DESCRIPTION OF THE SERVICING AGREEMENT—Servicer Termination Events" above occurs and if the Master Servicer provides the Indenture Trustee with the appropriate "request for proposal" materials within the five (5) Business Days after such termination, then such Master Servicer will be required to continue to serve as Master Servicer, if requested to do so by the Indenture Trustee, and the Indenture Trustee will be required to promptly thereafter (using such "request for proposal" materials provided by the terminated Master Servicer) solicit good faith bids for the rights to service the Loan under the Servicing Agreement from at least three Persons qualified to act as Master Servicer for which the Indenture Trustee has received a No Downgrade Confirmation (any such Person so qualified, a "Qualified Bidder") or, if three Qualified Bidders cannot be located, then from as many Persons as the Indenture Trustee can determine are Qualified Bidders; provided that at the Indenture Trustee's request, the terminated Master Servicer will be required to supply the Indenture Trustee with the names of Persons from whom to solicit such bids (which names are approved by the Issuer); and provided, further, the Indenture Trustee will not be responsible if less than three or no Qualified Bidders submit bids for the right to master service the Loan under the Servicing Agreement.

In no event shall the Indenture Trustee be deemed to have knowledge of or be aware of any Servicer Termination Event until a Responsible Officer of the Indenture Trustee has received written notice thereof or has actual knowledge thereof.

Waiver of Servicer Termination Events

Bondholders representing a majority of the Aggregate Voting Rights may waive such Servicer Termination Event. Upon any such waiver of a Servicer Termination Event, such Servicer Termination Event will cease to exist and will be deemed to have been remedied for every purpose under the Servicing Agreement. No such waiver will extend to any subsequent or other Servicer Termination Event or impair any right consequent thereon except to the extent expressly so waived.

Additional Remedies of Indenture Trustee Upon Servicer Termination Event

During the continuance of any Servicer Termination Event, so long as such Servicer Termination Event has not been remedied, the Indenture Trustee, in addition to the rights specified above, will have the right, in its own name and as the Indenture Trustee, to take all actions now or hereafter existing at law, in equity or by statute to enforce its rights and remedies and to protect the interests, and enforce the rights and remedies, of the other Indenture Trustee (including the institution and prosecution of all judicial, administrative and other proceedings and the filings of proofs of claim and debt in connection therewith).

Replacement of the Special Servicer

Upon (i) the written direction of Bondholders evidencing not less than 25% of the Voting Eligible Bonds requesting a vote to replace the Special Servicer with a new special servicer, (ii) payment by such Bondholders to the Indenture Trustee of the reasonable fees and expenses to be incurred by the Indenture Trustee in connection with administering such vote and (iii) delivery by such Bondholders to the Indenture Trustee of a No Downgrade Confirmation (which confirmation will be obtained at the expense of such Bondholders), the Indenture Trustee will be required to promptly provide written notice to the Indenture Trustee and the Bondholders of such request by posting such notice on its internet website, and providing to the Indenture Trustee to be included in the next Bond Payment Date Statement, a statement that such request was received, and by mail, and conduct the solicitation of votes of all Series 2014 Bonds in such regard. Upon the written direction of holders of Series 2014 Bonds evidencing at least 75% of the Aggregate Voting Eligible Quorum, the Indenture Trustee will be required to terminate all of the rights and obligations of the Special Servicer under the Servicing Agreement and appoint the successor Special Servicer designated by such Bondholders. Any successor to the Master Servicer or Special Servicer, as applicable, is required to deliver written notice to the Borrower within five (5) Business Days of any resignation or removal and appointment of a successor Master Servicer or Special Servicer, as applicable.

Evidence as to Compliance

On or before April 1 of each year, commencing in 2015, each of the Master Servicer and the Special Servicer (regardless of whether the Special Servicer has commenced special servicing of the Loan) will be required to furnish (and 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) to the Indenture Trustee and each Rating Agency, 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 performance under the 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 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, on or before April 1 of each year, commencing in 2015, each of the Master Servicer and the Special Servicer (regardless of whether the Special Servicer has commenced special servicing of the Loan) will be required to furnish (and 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 furnish) to the Indenture Trustee and each Rating Agency, 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 most recently ended fiscal year, setting forth any material instance of noncompliance 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 most recently ended fiscal year.

Each party that is required to deliver on or before April 1 of each year, commencing in 2011, an Assessment of Compliance will also be required to deliver on or before April 1 of each year, commencing in 2011, 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. 1100-229.1123, as such may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Securities and Exchange Commission in the adopting release (Asset Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506-1,631 (January 7, 2005)) or by the staff of the Securities and Exchange Commission, or as may be provided by the Securities and Exchange Commission or its staff from time to time.

Certain Matters Regarding the Master Servicer, the Special Servicer and the Indenture Trustee

The Servicing Agreement will provide that each of the Master Servicer and the Special Servicer may not resign except upon (i) the appointment of, and the acceptance of such appointment by, a successor thereto that is reasonably acceptable to the Indenture Trustee and the receipt by the Indenture Trustee of a No Downgrade Confirmation, or (ii) determination that such obligations and duties under the Servicing Agreement are no longer permissible under Applicable Law, which will be evidenced by an opinion of counsel to such effect. All costs and expenses of the Indenture Trustee and obtaining the No Downgrade Confirmation in connection with any such resignation (including any transfer of servicing) will be required to be paid for by the resigning party.

The Servicing Agreement will provide that neither the Master Servicer, the Special Servicer nor any of their respective directors, officers, employees, affiliates or agents will be under any liability to the Indenture

Trust Estate, the Indenture Trustee, the Bondholders for any action taken or for refraining from the taking of any action in good faith pursuant to the Servicing Agreement, actions taken or not taken at the direction of the Indenture Trustee, the Issuer or the Bondholders if relying on such direction is permitted under the Servicing Agreement, or for errors in judgment; provided, however, that the Master Servicer, the Special Servicer or any such other person will not be protected against any breach of warranties or representations made in the Servicing Agreement or any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or negligence in the performance of its duties or by reason of negligent or reckless disregard of its obligations and duties under the Servicing Agreement. The Master Servicer, the Special Servicer and any of their respective directors, officers, employees, agents or "controlling persons" within the meaning of the Securities Act of 1933 (the "Securities Act"), will be indemnified from the Master Account 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 relating to the Servicing Agreement, the Loan, the Mortgaged Property or the Series 2014 Bonds (except as any such loss, liability or expense is otherwise reimbursable and reimbursed pursuant to the Servicing Agreement), other than any loss, liability or expense incurred by reason of (i) willful misfeasance, bad faith or negligence by it in the performance of its duties under the Servicing Agreement or by reason of its negligent disregard of its obligations and duties under the Servicing Agreement or (ii) a material breach of the representations and warranties made by such party in the Servicing Agreement.

The Servicing Agreement will provide that neither the Master Servicer nor the Special Servicer will be under any obligation to appear in, prosecute or defend any legal action unless such action is related to its respective duties under the Servicing Agreement and which in its opinion does not involve it in any ultimate expense or liability; provided, however, that the Master Servicer or the Special Servicer may, in its discretion, undertake any such action which it may deem necessary or desirable in respect of the Servicing Agreement and the rights and duties of the parties to the Servicing Agreement and the interests of the Indenture Trustee, the Bondholders under the Servicing Agreement. In such event, the legal expenses and costs of such action and any liabilities of the Master Servicer and the Special Servicer will be entitled to be reimbursed for such amounts from funds on deposit in the Master Account.

Each of the Master Servicer and the Special Servicer, severally and not jointly, will be required to indemnify and hold harmless the Indenture Trustee from and against any claims, losses, damages, penalties, fines, forfeitures, legal fees and expenses and related costs, judgments and other costs and expenses (including, without limitation, the amount of any and all taxes imposed on the Indenture Trustee or any Bondholder) incurred by the Indenture Trustee or any Bondholder, that arise out of or are based upon negligence, bad faith or willful misconduct on the part of the Master Servicer or the Special Servicer, as applicable, in the performance of, or its negligent or reckless disregard of, its obligations and duties under the Servicing Agreement.

The Indenture Trustee will be required to indemnify and hold harmless the Indenture Trust Estate, the Master Servicer, the Special Servicer, the Operating Advisor and the Issuer 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 Master Servicer, the Special Servicer, the Operating Advisor and the Issuer that arise out of or are based upon negligence, bad faith or willful misconduct on the part of the Indenture Trustee in the performance of, or its negligent or reckless disregard of, its obligations and duties under the Indenture or the Servicing Agreement.

The Indenture Trustee, by reason of the action or inaction of its directors, officers, members, managers, partners, employees or agents shall have no liability to the Indenture Trust Estate or the Bondholders for any action taken or for refraining from the taking of any action in good faith pursuant to the Servicing Agreement or the Indenture or for actions taken or not taken at the direction of Bondholders, or for errors in judgment; provided, however, that this provision shall not protect the Indenture Trustee or any such Person against any liability which would otherwise be imposed by reason of negligence, bad faith or willful misconduct on the part of the Indenture Trustee or any such Person in the performance of, or its negligent or

reckless disregard of, its obligations and duties under the Servicing Agreement or the Indenture. The Indenture Trustee and any of its respective directors, officers, members, managers, partners, employees, Affiliates, agents or controlling persons will be indemnified by the Indenture Trust Estate out of amounts on deposit in the Master Account and held 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 incurred in connection with or related to the Indenture Trustee's performance of its powers and duties under the Indenture, the Servicing Agreement, the Loan Documents or the Series 2014 Bonds (including, without limitation, the amount of any reasonable legal costs or expenses in bringing such suit or action); provided, however, that this provision will not protect the Indenture Trustee or any such Person against any breach of its representations or warranties made in the Indenture or the Servicing Agreement or any liability which would otherwise be imposed by reason of negligence, bad faith or willful misconduct on the part of the Indenture Trustee or any such Person in the performance of, or its negligent or reckless disregard of, its obligations and duties under the Indenture or the Servicing Agreement.

Additional Matters Regarding the Indenture Trustee

The Indenture Trustee, or a custodian acting on its behalf, will be required to maintain at its offices (and upon reasonable prior written request and during normal business hours, will be required to make available, or cause to be made available), and will be required to maintain on its website for review by any Privileged Person originals and/or copies of the following items, to the extent such items were prepared by or delivered to the Indenture Trustee: (i) this Official Statement and any other disclosure documents relating to the Series 2014 Bonds, substantially in the form most recently provided to the Indenture Trustee; (ii) the Servicing Agreement, each sub-servicing agreement delivered to the Indenture Trustee since the Closing Date, each of the Loan Documents, and any amendments and exhibits to such agreements; (iii) all reports comprising the CREFC® Investor Reporting Package ("IRP") actually delivered or otherwise made available to the Bondholders since the Closing Date; (iv) the annual assessments as to compliance (in the case of the Master Servicer and the Special Servicer) and the officer's certificates delivered by the Master Servicer and the Special Servicer to the Indenture Trustee since the Closing Date; (v) the annual independent public accountants' servicing report delivered by the Master Servicer and the Special Servicer to the Indenture Trustee since the Closing Date; (vi) the most recent inspection report prepared by the Master Servicer or the Special Servicer and delivered to the Indenture Trustee in respect of the Mortgaged Property; (vii) any and all notices and reports delivered to the Indenture Trustee with respect to the Mortgaged Property as to which environmental testing revealed certain environmental issues; (viii) the Loan Agreement, including any and all modifications, waivers and amendments of the terms of the Loan entered into or consented to by the Master Servicer or the Special Servicer and delivered to or by the Indenture Trustee; (ix) any and all officer's certificates and other evidence delivered to the Indenture Trustee to support its or any Master Servicer's, as the case may be, determination that any Advance was (or, if made, would be) a Nonrecoverable Advance; (x) the summary of the asset status report delivered to the Indenture Trustee and the annual and quarterly operating statements together with certain other information specified in the Servicing Agreement; (xi) notices of events received from the Master Servicer or the Special Servicer with respect to the Loan which may affect Bondholders, to the extent delivered to the Indenture Trustee electronically for posting; (xii) notices of all Master Servicer or Special Servicer terminations or resignations (and appointments of successors to the Master Servicer or the Special Servicer); (xiii) requests by Bondholders representing not less than 25% of the Voting Eligible Bonds to terminate the Special Servicer; and (xiv) any Appraisals delivered to the Indenture Trustee.

In addition, the Indenture Trustee will be required to make available on its website certain items including, but not limited to: (i) the CREFC® Loan Setup File delivered by the Master Servicer, (ii) the summary of any final Asset Status Reports and (iii) copies of all quarterly and annual summaries and a list of all quarterly and annual financial statements and other financial and property information of the Borrower provided to the Indenture Trustee from the Master Servicer or the Special Servicer, as well as notices of certain events received from the Master Servicer or the Special Servicer with respect to the Loan which may affect the Bondholders, to the extent delivered to the Indenture Trustee electronically for posting. The Indenture Trustee will be required to make such information available via its internet website, which will initially be located at

"http://www.usbank.com/abs". See "DESCRIPTION OF THE MORTGAGED PROPERTY—Ongoing Information Regarding the Loan and the Property" herein.

Limitation on Rights of the Indenture Trustee and the Holders of the Series 2014 Bonds

Disgorgement of Payments. It is provided in the Servicing Agreement that if a court of competent jurisdiction orders, at any time, that any amount received or collected in respect of the Loan must, pursuant to any insolvency, bankruptcy, fraudulent conveyance or transfer, preference or similar law, be returned to the Borrower or to any other Person, then, the Master Servicer will not be required to distribute any portion thereof to the Indenture Trustee, and the Indenture Trustee will promptly on demand by the Master Servicer repay to the Master Servicer any portion thereof that the Master Servicer will have theretofore distributed to the Indenture Trustee that has not already been distributed by the Indenture Trustee.

Enforcement of Loan Documents by Servicers. Each of the Issuer and the Indenture Trustee agrees in the Servicing Agreement that the Master Servicer and/or the Special Servicer, acting in accordance with the terms of the Servicing Agreement and the Loan Documents, will have the sole and exclusive authority to take any actions under the terms of the Loan and any insurance policies relating to the Loan (to the extent it has the legal right to do so and the same is not prohibited by the Condominium Documents, but excluding the Issuer's Reserved Rights), and to enforce the terms of, and to exercise any and all approval and enforcement rights of the Indenture Trustee (other than the Reserved Rights, which Reserved Rights may be enforced by the Issuer, in consultation with the Master Servicer, through an action for specific performance or in certain limited circumstances, other remedial actions as described under "DESCRIPTION OF THE REGULATORY AGREEMENT" herein) under the Loan Documents, and neither the Issuer nor the Indenture Trustee will take any actions with respect to any such policies or Loan Documents.

Exercise of Remedies by Servicers. Each of the Issuer and the Indenture Trustee agrees in the Servicing Agreement that the Servicers, to the extent consistent with the terms of the Servicing Agreement and the Servicing Standard, will have the sole and exclusive authority with respect to the administration of, and exercise of rights and remedies with respect to, the Loan, including, without limitation, the sole authority (consistent with the Servicing Standard) (a) with respect to the voting of all claims with respect to the Loan in any bankruptcy, insolvency or other similar proceedings, whether voluntary or involuntary, including the right to approve or reject any plan of reorganization and (b) to declare or waive any Mortgage Event of Default with respect to the Loan, accelerate the Loan or institute any foreclosure action, and neither the Issuer nor the Indenture Trustee (except as and to the extent expressly provided for in the Servicing Agreement) will have any voting, consent or other rights whatsoever with respect to the administration by the Servicers of, or exercise of the rights and remedies of the Issuer or the Indenture Trustee with respect to, the Loan, and irrevocably assigns to the Servicers all such rights.

Amendments

The Servicing Agreement may not be modified, cancelled or terminated except by an instrument in writing signed by the parties to the Servicing Agreement. In addition, the parties to the Servicing Agreement may not amend or modify the Servicing Agreement without first receiving (i) a No Downgrade Confirmation and (ii) an Opinion of Bond Counsel that such amendment or modification will not result in an Adverse Tax-Exempt Bonds Event. The party seeking modification of the Servicing Agreement will be solely responsible for any and all expenses that may arise in order to modify the Servicing Agreement. Notwithstanding clause (i) above, a No Downgrade Confirmation will not be required with respect to any amendment or modification to the Servicing Agreement or the Indenture to cure any ambiguity or to correct or supplement any provision in the Servicing Agreement that may be defective or inconsistent with any other provisions in the Servicing Agreement or the Indenture.

The Indenture Trustee will not be required to consent to any amendment to the Servicing Agreement unless it has first been furnished with an opinion of counsel to the effect that such amendment is authorized or permitted under the Servicing Agreement.

Termination

The Servicing Agreement will terminate upon (i) the full and final payment of all amounts due under the Loan or (ii) the final Liquidation of the Loan or the REO Property.

Servicing File and Records

The Master Servicer will be required to maintain at its primary servicing office and, upon reasonable advance written notice, will be required to make available for review by any Bondholder or prospective Bondholder that has provided an investor certification (which may be in electric form) to the Master Servicer, the Indenture Trustee, the Issuer, each Rating Agency, the Operating Advisor, the Office of Thrift Supervision, the Federal Trade Commission and any other banking or insurance regulatory authority that may exercise authority over any Bondholder, copies of any documents (other than documents required to be part of the Mortgage File), including, without limitation, the related ESA and any related environmental insurance or endorsement, in the possession of the Master Servicer or the Special Servicer and relating to the origination and servicing of the Loan or the administration of the REO Property (the "Servicing File") (which information the Master Servicer may, but will not be obligated to, distribute electronically in lieu of permitting such persons to visit its servicing office).

Governing Law

The Servicing Agreement will be governed by the laws of the State of New York.

DESCRIPTION OF THE MASTER SERVICER AND SPECIAL SERVICER

Wells Fargo Bank, National Association ("Wells Fargo") will act as the Master Servicer and as the Special Servicer under the Servicing Agreement. Wells Fargo is a national banking association organized under the laws of the United States of America, and is a wholly-owned direct and indirect subsidiary of Wells Fargo & Company. On December 31, 2008, Wells Fargo & Company acquired Wachovia Corporation, the owner of Wachovia Bank, National Association ("Wachovia"), and Wachovia Corporation merged with and into Wells Fargo & Company. On March 20, 2010, Wachovia merged with and into Wells Fargo. Like Wells Fargo, Wachovia acted as master servicer and special servicer of securitized commercial and multifamily mortgage loans and, following the merger of the holding companies, Wells Fargo and Wachovia integrated their two servicing platforms under a senior management team that is a combination of both legacy Wells Fargo managers and legacy Wachovia managers.

The principal west coast commercial mortgage master servicing and special servicing offices of Wells Fargo are located at MAC A0227-020, 1901 Harrison Street, Oakland, California 94612. The principal east coast commercial mortgage master servicing and special servicing offices of Wells Fargo are located at MAC D1086, 550 South Tryon Street, Charlotte, North Carolina 28202.

Wells Fargo has been master servicing securitized commercial and multifamily mortgage loans in excess of ten (10) years. Wells Fargo's primary servicing system runs on McCracken Financial Solutions software, Strategy CS. Wells Fargo reports to trustees and certificate administrators in the CREFC® format. The following table sets forth information about Wells Fargo's portfolio of master or primary serviced commercial and multifamily mortgage loans (including loans in securitization transactions and loans owned by other investors) as of the dates indicated:

Commercial and Multifamily Mortgage Loans	As of 12/31/2011	As of 12/31/2012	As of 12/31/2013	As of 9/30/2014
By Approximate Number:	38,132	35,189	33,354	33,473
By Approximate Aggregate Unpaid Principal Balance (in billions):	$437.68	$428.52	$434.37	$457.87

Within this portfolio, as of September 30, 2014, are approximately 24,464 commercial and multifamily mortgage loans with an unpaid principal balance of approximately $381.9 billion related to commercial mortgage-backed securities or commercial real estate collateralized debt obligation securities. In addition to servicing loans related to commercial mortgage-backed securities and commercial real estate collateralized debt obligation securities, Wells Fargo also services whole loans for itself and a variety of investors. The properties securing loans in Wells Fargo's servicing portfolio, as of September 30, 2014, were located in all 50 states, the District of Columbia, Guam, Mexico, the Bahamas, the Virgin Islands and Puerto Rico and include retail, office, multifamily, industrial, hotel and other types of income-producing properties.

In its master servicing and primary servicing activities, Wells Fargo utilizes a mortgage-servicing technology platform with multiple capabilities and reporting functions. This platform allows Wells Fargo to process mortgage servicing activities including, but not limited to: (i) performing account maintenance; (ii) tracking borrower communications; (iii) tracking real estate tax escrows and payments, insurance escrows and payments, replacement reserve escrows and operating statement data and rent rolls; (iv) entering and updating transaction data; and (v) generating various reports.

The following table sets forth information regarding principal and interest advances and servicing advances made by Wells Fargo, as master servicer, on commercial and multifamily mortgage loans included in commercial mortgage-backed securitizations. The information set forth below is the average amount of such advances outstanding over the periods indicated (expressed as a dollar amount and as a percentage of Wells Fargo's portfolio, as of the end of each such period, of master serviced commercial and multifamily mortgage loans included in commercial mortgage-backed securitizations).

Period	Approximate Securitized Master-Serviced Portfolio (UPB)*	Approximate Outstanding Advances (P&I and PPA)*	Approximate Outstanding Advances as % of UPB
Calendar Year 2011	$ 340,642,112,537	$ 1,880,456,070	0.55%
Calendar Year 2012	$ 331,765,453,800	$ 2,133,375,220	0.64%
Calendar Year 2013	$ 346,011,017,466	$ 2,158,219,403	0.62%
YTD Q3 2014	$ 368,794,050,097	$ 1,845,038,248	0.50%

* "UPB" means unpaid principal balance, "P&I" means principal and interest advances and "PPA" means property protection advances.

Wells Fargo has acted as a special servicer of securitized commercial and multifamily mortgage loans in excess of five (5) years. Wells Fargo's special servicing system includes McCracken Financial Solutions Corp.'s Strategy CS software.

The table below sets forth information about Wells Fargo's portfolio of specially serviced commercial and multifamily mortgage loans as of the dates indicated:

CMBS Pools	As of 12/31/2011	As of 12/31/2012	As of 12/31/2013	As of 9/30/2014
By Approximate Number	59	69	91	104
Named Specially Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance (in billions)[1]	$31.6	$40.2	$58.7	$61.3
Actively Specially Serviced Portfolio By Approximate Aggregate Unpaid Principal Balance [2]	$2,971,462,061	$2,256,422,115	$1,047,414,628	$513,397,088

(1) Includes all loans in Wells Fargo's portfolio for which Wells Fargo is the named special servicer, regardless of whether such loans are, as of the specified date, specially-serviced loans.

(2) Includes only those loans in the portfolio that, as of the specified date, are specially-serviced loans.

The properties securing loans in Wells Fargo's special servicing portfolio may include retail, office, multifamily, industrial, hospitality and other types of income-producing property. As a result, such properties, depending on their location and/or other specific circumstances, may compete with the Mortgaged Property for tenants, purchasers, financing and so forth.

Wells Fargo has developed strategies and procedures as special servicer for working with borrowers on problem loans (caused by delinquencies, bankruptcies or other breaches of the underlying loan documents) to maximize the value from the assets for the benefit of holders of any related securities. Wells Fargo's strategies and procedures vary on a case by case basis, and include, but are not limited to, liquidation of the underlying collateral, note sales, discounted payoffs, and borrower negotiation or workout in accordance with the applicable servicing standard, the underlying loan documents and applicable law, rule and regulation.

Wells Fargo is rated by Fitch, S&P and Morningstar as a primary servicer, a master servicer and a special servicer of commercial mortgage loans. Wells Fargo's servicer ratings by each of these agencies are outlined below:

	Fitch	S&P	Morningstar
Primary Servicer:	CPS1-	Above Average	MOR CS1
Master Servicer:	CMS1-	Above Average	MOR CS1
Special Servicer	CSS2-	Above Average	MOR CS2

The long-term deposits of Wells Fargo are rated "AA-" by S&P, "Aa3" by Moody's and "AA-" by Fitch. The short-term deposits of Wells Fargo are rated "A-1+" by S&P, "P-1" by Moody's and "F1+" by Fitch.

Wells Fargo has developed policies, procedures and controls relating to its servicing functions to maintain compliance with applicable servicing agreements and servicing standards, including procedures for handling delinquent loans during the period prior to the occurrence of a special servicing transfer event. Wells Fargo's master servicing and special servicing policies and procedures are updated periodically to keep pace with the changes in the commercial mortgage-backed securities industry and have been generally consistent for the last three years in all material respects. The only significant changes in Wells Fargo's policies and procedures have come in response to changes in federal or state law or investor requirements, such as updates issued by Fannie Mae or Freddie Mac.

Wells Fargo may perform any of its obligations under the Servicing Agreement through one or more third-party vendors, affiliates or subsidiaries. Notwithstanding the foregoing, the Master Servicer and the Special Servicer, as applicable, under the Servicing Agreement, will remain responsible for its duties thereunder. Wells Fargo may engage third-party vendors to provide technology or process efficiencies. Wells

Fargo monitors its third-party vendors in compliance with its internal procedures and applicable law. Wells Fargo has entered into contracts with third-party vendors for the following functions:

- provision of Strategy and Strategy CS software;
- tracking and reporting of flood zone changes;
- abstracting of leasing consent requirements contained in loan documents;
- legal representation;
- assembly of data regarding buyer and seller (borrower) with respect to proposed loan assumptions and preparation of loan assumption package for review by Wells Fargo;
- performance of property inspections;
- performance of tax parcel searches based on property legal description, monitoring and reporting of delinquent taxes, and collection and payment of taxes; and
- UCC searches and filings.

Wells Fargo may also enter into agreements with certain firms to act as a primary servicer and to provide cashiering or non-cashiering sub-servicing on the Loan. Wells Fargo monitors and reviews the performance of sub-servicers appointed by it. Generally, all amounts received by Wells Fargo on the Loan will initially be deposited into a common clearing account with collections on other mortgage loans serviced by Wells Fargo and will then be allocated and transferred to the appropriate account as described in the Servicing Agreement and in this Official Statement. On the day any amount is to be disbursed by Wells Fargo, that amount is transferred to a common disbursement account prior to disbursement.

Wells Fargo (in its capacity as the Master Servicer) will not have primary responsibility for custody services of original documents evidencing the Loan. On occasion, Wells Fargo may have custody of certain of such documents as are necessary for enforcement actions involving the Loan or otherwise. To the extent Wells Fargo performs custodial functions as a servicer, documents will be maintained in a manner consistent with the Servicing Standard.

A Wells Fargo proprietary website (www.wellsfargo.com/com/comintro) provides investors with access to investor reports for commercial mortgage-backed securitization transactions for which Wells Fargo is master servicer or special servicer, and also provides borrowers with access to current and historical loan and property information for these transactions.

Wells Fargo & Company files reports with the Securities and Exchange Commission as required under the Exchange Act. Such reports include information regarding Wells Fargo and may be obtained at the website maintained by the Securities and Exchange Commission at www.sec.gov.

There are no legal proceedings pending against Wells Fargo, or to which any property of Wells Fargo is subject, that are material to the bondholders, nor does Wells Fargo have actual knowledge of any proceedings of this type contemplated by governmental authorities.

Certain information set forth in this Official Statement regarding Wells Fargo or under this heading entitled "DESCRIPTION OF THE MASTER SERVICER AND SPECIAL SERVICER" has been provided by Wells Fargo. None of the Issuer, the Borrower, the Underwriters, nor any other person other than Wells Fargo makes any representation or warranty as to the accuracy or completeness of such information.

DESCRIPTION OF THE INDENTURE TRUSTEE

U.S. Bank National Association ("U.S. Bank"), a national banking association, will act as the Indenture Trustee pursuant to the Servicing Agreement and the Indenture.

U.S. Bancorp, with total assets exceeding $389 billion as of June 30, 2014, is the parent company of U.S. Bank, the fifth-largest commercial bank in the United States. As of June 30, 2014, U.S. Bancorp served approximately 17 million customers and operated over 3,000 branch offices in 25 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions.

U.S. Bank has one of the largest corporate trust businesses in the country with office locations in 50 domestic and 3 international cities. The Servicing Agreement and Indenture will be administered from U.S. Bank's corporate trust office located at 190 South LaSalle Street, 7th Floor, Chicago, Illinois 60603 (and for certificate transfer services, 111 Fillmore Avenue, St. Paul, Minnesota 55107, Attention: Bondholder Services – 8 Spruce Street).

U.S. Bank has provided corporate trust services since 1924. As of June 30, 2014, U.S. Bank was acting as trustee with respect to over 84,000 issuances of securities with an aggregate outstanding principal balance of over $3.0 trillion. This portfolio includes corporate and municipal bonds, mortgage backed and asset-backed securities and collateralized debt obligations.

As of June 30, 2014, U.S. Bank (and its affiliate U.S. Bank Trust National Association) was acting as trustee, paying agent, registrar, and securities administrator on 255 issuances of commercial mortgage-backed securities with an outstanding aggregate principal balance of approximately $181,163,300,000.

U.S. Bank will also act as custodian of the Mortgage File pursuant to the Servicing Agreement. As custodian, U.S. Bank is responsible for holding the Mortgage File on behalf of the Indenture Trustee. U.S. Bank will hold the Mortgage File in one of its custodial vaults, which are located at 1133 Rankin Street, Suite 100, St. Paul, Minnesota 55116 Attention: Document Custody Services – 8 Spruce Street. The Mortgage File is tracked electronically to identify that it is held by U.S. Bank pursuant to the Servicing Agreement. U.S. Bank uses a barcode tracking system to track the location of, and owner or secured party with respect to, each file that it holds as custodian, including the Mortgage File held on behalf of the Indenture Trustee. As of June 30, 2014, U.S. Bank holds approximately 10,440,000 document files for approximately 980 entities and has been acting as a custodian for over 20 years.

In its capacity as trustee on commercial mortgage securitizations, U.S. Bank is generally required to make an advance if the master servicer or special servicer fails to make a required advance. In the past three years, U.S. Bank, in its capacity as trustee, has not been required to make an advance on a domestic commercial mortgage-backed securities transaction.

The Indenture Trustee shall make each monthly statement available to the holders via the Indenture Trustee's internet website at http://www.usbank.com/abs. Holders with questions may direct them to the Indenture Trustee's bondholder services group at (800) 934-6802.

Under the terms of the Servicing Agreement, U.S. Bank National Association is responsible for securities administration, which includes pool performance calculations, distribution calculations and the preparation of monthly distribution reports. The distribution reports will be reviewed by an analyst and then by a supervisor using a transaction-specific review spreadsheet. Any corrections identified by the supervisor will be corrected by the analyst and reviewed by the supervisor. The supervisor also will be responsible for the timely delivery of reports to the administration unit for processing all cashflow items. In the past three years,

the Indenture Trustee has not made material changes to the policies and procedures of its securities administration services for commercial mortgage backed securities.

On June 18, 2014, a civil complaint was filed in the Supreme Court of the State of New York, New York County, by a group of institutional investors against U.S. Bank, in its capacity as trustee or successor trustee (as the case may be) under certain residential mortgage backed securities ("RMBS") trusts. The plaintiffs are investment funds formed by nine investment advisors (AEGON, BlackRock, Brookfield, DZ Bank, Kore, PIMCO, Prudential, Sealink and TIAA) that purport to be bringing suit derivatively on behalf of 841 RMBS trusts that issued $771 billion in original principal amount of securities between 2004 and 2008. According to the plaintiffs, cumulative losses for these RMBS trusts equal $92.4 billion as of the date of the complaint. The complaint is one of six similar complaints filed against RMBS trustees (Deutsche Bank, Citibank, HSBC, Bank of New York Mellon and Wells Fargo) by certain of these plaintiffs. The complaint against U.S. Bank alleges the trustee caused losses to investors as a result of alleged failures by the sponsors, mortgage loan sellers and servicers for these RMBS trusts and asserts causes of action based upon the trustee's purported failure to enforce repurchase obligations of mortgage loan sellers for alleged breaches of representations and warranties concerning loan quality. The complaint also asserts that the trustee failed to notify security holders of purported events of default allegedly caused by breaches by mortgage loan servicers and that the trustee purportedly failed to abide by appropriate standards of care following events of default. Relief sought includes money damages in an unspecified amount and equitable relief. Other cases alleging similar causes of action have previously been filed against U.S. Bank and other trustees by RMBS investors in other transactions.

There can be no assurance as to the outcome of the litigation, or the possible impact of the litigation on the trustee or the RMBS trusts. However, U.S. Bank denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of losses to investors and that it has meritorious defenses, and it intends to contest the plaintiffs' claims vigorously.

Certain information set forth in this Official Statement regarding U.S. Bank or under this heading entitled "DESCRIPTION OF THE INDENTURE TRUSTEE" has been provided by U.S. Bank. None of the Issuer, the Borrower, the Underwriters, nor any other person other than U.S. Bank makes any representation or warranty as to the accuracy or completeness of such information.

The Indenture Trustee may resign or be removed pursuant to the terms of the Indenture. See "APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

DESCRIPTION OF THE OPERATING ADVISOR

The Operating Advisor

Trimont Real Estate Advisors, Inc. ("Trimont") will act as the Operating Advisor pursuant to the Servicing Agreement (in such capacity, the "Operating Advisor").

The principal office of Trimont is located at 3424 Peachtree Road NE, Suite 2200, Atlanta, Georgia 30326 and its telephone number is (404) 420-5600. Trimont also has offices located in Irvine, California, New York, New York, Hoevelaken, The Netherlands, and London, England.

Trimont provides services to real estate lenders and investors on both debt and equity investments. Its core services include asset management, loan servicing, asset servicing, due diligence, underwriting services and portfolio risk analysis. Trimont is rated by S&P as Commercial Mortgage Special Servicer (Strong) and Construction Loan Servicer (Strong), by Fitch as a Primary Servicer (CPS2+) and Special Servicer (CSS2) and by Kroll Bond Rating Agency, Inc. as Primary Servicer (Pass) and Special Servicer (Pass).

Trimont has been named operating advisor or trust advisor on over 30 commercial mortgage-backed securities transactions with an aggregate original principal loan balance exceeding $35 billion (not including the subject transaction). The collateral for the loans has included multifamily, office, retail, hospitality and other income-producing properties.

Trimont has operating procedures across the various servicing functions to maintain compliance with its servicing obligations and servicing standards under Trimont's servicing agreements, including procedures for managing delinquent and specially serviced loans. There have been no material changes to Trimont's policies or procedures in the past three years that would have a material effect on the current transaction. The policies and procedures are reviewed annually and centrally managed. Furthermore, Trimont's disaster recovery plan is reviewed annually.

As of June 30, 2014, Trimont was special servicing approximately 466 loans and REO properties (securitized and non-securitized) with an aggregate outstanding principal balance of approximately $770 million. Trimont has been named special servicer on 36 commercial mortgage-backed securities transactions with an aggregate original principal loan balance of approximately $32.8 billion. The collateral for the loans has included multifamily, office, retail, hospitality and other income-producing properties. Trimont was first named as a special servicer in a commercial mortgage-backed securities transaction in 1998.

No commercial mortgage-backed securities transaction involving commercial or multifamily mortgage loans in which Trimont was acting as primary servicer or special servicer has experienced a servicer event of default as a result of any action or inaction of Trimont as primary servicer or special servicer, including as a result of Trimont's failure to comply with the applicable servicing criteria in connection with any commercial mortgage-backed securities transaction.

From time to time, Trimont is a party to lawsuits and other legal proceedings as part of its duties as a loan servicer (e.g., enforcement of loan obligations) and/or arising in the ordinary course of business. Trimont does not believe that any such lawsuits or legal proceedings, individually or in the aggregate, would be material to Bondholders.

Trimont is not an affiliate of the Borrower, the Underwriters, the Issuer, the Master Servicer, the Special Servicer or the Indenture Trustee.

Certain information set forth in this Official Statement regarding Trimont or under this heading entitled "DESCRIPTION OF THE OPERATING ADVISOR – The Operating Advisor" has been provided by Trimont. None of the Issuer, the Borrower, the Underwriters, nor any other person other than Trimont makes any representation or warranty as to the accuracy or completeness of such information.

Duties of the Operating Advisor

Pursuant to the Servicing Agreement, the Operating Advisor will accept its duties and obligations on behalf of the holders of the Series 2014 Bonds by execution of a certificate of acceptance and delivering the same to the Borrower, the Issuer and the Indenture Trustee. It is provided in the Servicing Agreement that if a Servicing Transfer Event has occurred and is continuing, and a consent, modification, amendment or waiver or other action in respect of the Loan which would constitute a Major Decision has been requested or proposed, the Special Servicer will consult with the Operating Advisor before implementing a decision with respect to such Major Decision. However, after consulting with the Operating Advisor, the Special Servicer has no obligation under the Servicing Agreement to act in accordance with any suggestion or recommendation of the Operating Advisor. Further, following the occurrence of an extraordinary event with respect to the Mortgaged Property, or if a failure to take any such action at such time would be inconsistent with the Servicing Standard, the Special Servicer may take actions with respect to the Mortgaged Property before consulting with the Operating Advisor (or prior to finishing such consultation) if the Special Servicer reasonably determines in accordance with the Servicing Standard that failure to take such actions prior to such consultation (or

completion of such consultation) would materially and adversely affect the interests of the Bondholders as a collective whole, and the Special Servicer has made a reasonable effort to contact the Operating Advisor.

FEES AND EXPENSES

It is provided in the Servicing Agreement that the Master Servicer, the Special Servicer, the Operating Advisor and the Indenture Trustee will in all cases have a right prior to the Bondholders to any particular funds on deposit in the Master Account from time to time for the reimbursement or payment of compensation, Advances (with interest thereon at the Reimbursement Rate) and their respective expenses and indemnities under the Servicing Agreement. With regard to this priority in payment, as compensation for the services to be provided under the Servicing Agreement, the Loan Documents, the Indenture and the Servicing Agreement provide that:

1. The principal compensation to be paid to the Master Servicer in respect of its servicing activities will be the Master Servicing Fee. The Master Servicing Fee will be, (a) with respect to Component A, Component B and Component C, an amount equal to the amount accrued at the related Master Servicing Fee Rate on the Stated Principal Balance of such Component calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods and (b) with respect to Component D, Component E and Component F, an aggregate fee paid from the Monthly Administrative Fee equal to the amount accrued at the Master Servicing Fee Rate on the outstanding principal balance of Component D, Component E and Component F with respect to each Determination Date. The "Master Servicing Fee Rate" is a per annum rate equal to 0.0025%. For a description of certain additional compensation payable to the Master Servicer and the Monthly Administrative Fee Rate, see "DESCRIPTION OF THE SERVICING AGREEMENT — Master Servicing Fee and Special Servicing Fee" herein.

2. The compensation to be paid to the Special Servicer in respect of its servicing activities will include a Special Servicing Fee and may include a liquidation fee or workout fee under certain circumstances, as described in the Servicing Agreement. The Special Servicing Fee with respect to the Loan will be payable monthly from payments on the Loan (to the extent that the Loan is a Specially Serviced Loan), and will accrue at a rate of 0.25% per annum on the outstanding principal balance of the Loan, computed assuming each month has 30 days and each year has 360 days (prorated for partial periods). For a description of certain additional compensation payable to the Special Servicer, see "DESCRIPTION OF THE SERVICING AGREEMENT — Master Servicing Fee and Special Servicing Fee" herein.

3. The principal compensation to be paid to the Indenture Trustee in respect of its services under the Indenture will be the Indenture Trustee Fee. The Indenture Trustee Fee will be, (a) with respect to Component A, Component B and Component C, an amount equal to the amount accrued at the Indenture Trustee Fee Rate on the Stated Principal Balance of such Component calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods and (b) with respect to Component D, Component E and Component F, an aggregate fee paid from the Monthly Administrative Fee equal to an amount equal to the amount accrued at the Indenture Trustee Fee Rate on the outstanding principal balance of Component D, Component E and Component F with respect to each Determination Date. The "Indenture Trustee Fee Rate" is a per annum rate equal to 0.002727%.

4. The principal compensation to be paid to the Operating Advisor in respect of its services will be the Operating Advisor Fee. The Operating Advisor Fee will be (a) with respect to Component A, Component B and Component C, an amount equal to the amount accrued at the related Operating Advisor Fee Rate on the Stated Principal Balance of such Component

calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods and (b) with respect to Component D, Component E and Component F, an aggregate fee paid from the Monthly Administrative Fee equal to the amount accrued at the Operating Advisor Fee Rate on the outstanding principal balance of Component D, Component E and Component F with respect to each Determination Date. The "Operating Advisor Fee Rate" is a per annum rate equal to 0.003640%.

In addition, the HDC Servicing Fee and the CREFC® Intellectual Property Royalty License Fee are payable prior to payments to Bondholders. See "DESCRIPTION OF THE SERVICING AGREEMENT—Flow of Funds; Accounts—*Master Account*" herein.

DESCRIPTION OF THE MANAGEMENT AGREEMENT AND THE PROPERTY MANAGER

Property Manager

FirstService Residential New York, Inc. (F/K/A Cooper Square Realty, Inc.) (the "Property Manager"), a New York corporation, is the manager with respect to the Mortgaged Property. The Property Manager is an independent contractor engaged in the business of managing, operating and maintaining residential properties, and is a licensed real estate broker in the State of New York.

Management Agreement

The Predecessor Entity entered into an Amended and Restated Management Agreement, dated December 20, 2012 (the "Management Agreement"), between the Predecessor Entity and the Property Manager, with respect to the Mortgaged Property. Pursuant to the Management Agreement, the Property Manager has been appointed as the Borrower's agent to manage, coordinate, supervise, operate and maintain the ordinary and usual day-to-day management of the Mortgaged Property.

Property Management

The Borrower has appointed the Property Manager as the agent for the management of the Mortgaged Property, and the Property Manager has agreed to perform its obligations and services pursuant to the highest standards of professional property management. The Property Manager has agreed to fulfill and perform specific duties, obligations and services, including, supervise the work of, and to hire, discharge, and pay employees of, the Mortgaged Property, supervise the execution of capital repair or improvements projects and Tenant improvement projects up to $250,000 performed at the Mortgaged Property, and process leases and lease renewals for the residential Tenant units at the Mortgaged Property in accordance with the Borrower's leasing guidelines.

The Property Manager is responsible for overseeing the collection of rents, security deposits, late fees and other income and for minimizing accounts receivable and bad debts. The Property Manager is required to use commercially reasonable efforts to collect all rents and other charges that may become due at any time from any Tenant. The Property Manager is required to, immediately upon learning of a default of any obligation or duty of any Tenant, notify such Tenant of the nature and extent of such default. In the event the defaulting party fails to cure such default, the Property Manager is required to immediately advise the Borrower of such failure and request the Borrower's approval to engage counsel in order to initiate or commence legal proceedings against such defaulting party. The Property Manager is required to give the Borrower reasonable assistance in the defense or other disposition of all legal action.

The Property Manager is required to maintain a comprehensive system of accounting records, books and reports employing generally accepted accounting practices and principles. The Borrower is authorized at all times to have access to such records, accounts and books and to all vouchers, files and all other information and materials pertaining to the Mortgaged Property. All books, records, lease and sale information,

correspondence and Mortgaged Property-related records acquired by the Property Manager during the term of the Management Agreement are property of the Borrower.

The Property Manager is authorized to make all necessary disbursements for expenses incurred by the Property Manager pursuant to the Management Agreement. To the extent the Property Manager is required to pay expenses from its own funds in connection with the performance of its obligations, the Borrower must fully reimburse the Property Manager for such expenditures provided such costs were included in the annual operating budget approved by the Borrower. The Borrower will not be required to reimburse the Property Manager for any expenditures not included in the approved budget unless otherwise approved in writing by the Borrower.

If the Property Manager is called upon to perform any extraordinary services, not customarily a part of the usual services performed by a property manager, the Borrower must pay to the Property Manager an additional fee in an amount to be agreed upon between the parties.

Annual Operating Budget

Not later than August 1 of each year, or such other date specified in writing from the Borrower to the Property Manager, the Property Manager is required to deliver to the Borrower a preliminary annual operating budget estimating income and expenses, on a cash and accrual basis, during the next succeeding calendar year in order to maintain, operate and manage the Mortgaged Property. After the preliminary annual operating budget is reviewed by the Borrower, the Property Manager is required to deliver to the Borrower a proposed annual budget which will become the annual operating budget.

Compensation

During the term of the Management Agreement, the Borrower is required to pay the Property Manager an annual fee in the amount of $661,495.00 for the period beginning on February 1, 2013 to January 31, 2014, after which such fee was increased by three percent (3%) effective each February 1, starting February 1, 2014, and certain other additional fees, as the Property Manager's compensation (the "Management Fee").

Insurance

The Borrower is required to carry comprehensive general liability insurance and excess and umbrella liability insurance coverage as may be necessary for the protection of the interests of the Borrower and the Property Manager. In each such policy of insurance, the Borrower is required to designate the Property Manager as an additional insured.

Indemnification

The Borrower is required to hold and save the Property Manager, its affiliates, principals, officers, directors, agents, and employees free and harmless from any claim for damages or injuries arising from the performance of the Property Manager's obligations and services, including claims arising from events occurring prior to the date the Property Manager became manager of the Mortgaged Property or occurring after the termination of the Management Agreement. However, the Property Manager will remain responsible to the Borrower for all criminal activity, willful misconduct, gross negligence, or material breach of its obligations to the Borrower.

Termination

In the event the Property Manager commits gross negligence, fraud, or willful misconduct, or is under criminal felony indictment, the Borrower may immediately terminate the Management Agreement upon notice to the Property Manager. If the Property Manager fails to perform any of its material obligations under the

Management Agreement, the Borrower may terminate the Management Agreement on 30 days' notice. In the event of either termination, the Property Manager will be entitled to receive only the compensation which has accrued to the Property Manager on a per diem basis, as of the date of the termination, with respect to the Mortgaged Property.

The Borrower may terminate the Management Agreement without cause or breach or default of the Property Manager at any time on 30 days' notice. In the event of any sale of the Mortgaged Property by the Borrower to a third party, the Borrower may terminate the Management Agreement as of the closing date of such sale. In the event that the Property Manager or any of its affiliates files a petition for voluntary bankruptcy or requests a reorganization under any insolvency laws, or the Borrower determines that the Property Manager or any of its affiliates is unable to meet its financial obligations on a timely basis, then the Borrower may immediately terminate the Management Agreement upon notice to the Property Manager.

The Property Manager may terminate the Management Agreement at any time upon a minimum 60 days' notice to the Borrower, and the Property Manager will be entitled to only such compensation which has accrued as of the date of termination.

Assignment

The Property Manager is not permitted to assign any of its rights or obligations, or transfer ownership, control or operation of its business to another person or entity other than an entity controlled by or under common control with the Property Manager, or permit any change in the personnel who are in effective control of the management of the Mortgaged Property, without first obtaining the Borrower's prior written consent, which the Borrower may withhold. Any such assignment or transfer without the prior written consent of the Borrower will be void and constitute a material breach and default by the Property Manager.

The Borrower may assign its rights and obligations to any successor in title to the Mortgaged Property.

DESCRIPTION OF THE LEASING AGREEMENT AND LEASING AGENT

Leasing Agent

Douglas Elliman, LLC (the "Leasing Agent"), a Delaware limited liability company, is the leasing agent with respect to the Mortgaged Property.

Leasing Agreement

The Predecessor Entity entered into a Leasing Brokerage Agreement, dated January 31, 2013 (the "Leasing Agreement"), between the Leasing Agent and the Predecessor Entity, with respect to the Mortgaged Property. The Leasing Agent is an independent contractor retained by the Borrower to provide the services and perform the duties with respect to marketing, leasing and consulting services for the Mortgaged Property.

The Leasing Agent has agreed to use commercially reasonable efforts to assist the Borrower and to cooperate with the Property Manager to obtain and retain desirable Tenants for the Mortgaged Property. The Leasing Agent is authorized to negotiate leases and extensions and renewals, each in accordance with the Borrower's leasing guidelines. Pursuant to the Leasing Agreement, the Leasing Agent has agreed to perform specific services, including, execution of leases and provide consulting and marketing services.

In the event the Leasing Agent fails to comply with any of the terms or conditions of the Leasing Agreement, the Borrower shall have the right to terminate the Leasing Agreement upon thirty (30) days notice. In the event of a sale or merger of the Leasing Agent, or in the event that the Leasing Agent files a petition for voluntary bankruptcy or request a reorganization under any insolvency laws, or the Borrower determines that

the Leasing Agent is unable to meet its financial obligations on a timely basis, then the Borrower may immediately terminate the Leasing Agreement upon notice to the Leasing Agent.

The Borrower may terminate the Leasing Agreement without cause at any time after three (3) months from commencement of the Leasing Agreement; provided that the Borrower makes a termination payment in the amount of $75,000. The Leasing Agent may terminate the Leasing Agreement at any time upon sixty (60) days notice to the Borrower.

The Leasing Agent is entitled to earn a leasing brokerage commission or fee for a lease procured (excluding renewals and extensions) by the Leasing Agent and a monthly fee in the amount of $7,500 if certain conditions are satisfied.

DESCRIPTION OF THE AMENITIES MANAGEMENT AGREEMENT AND THE AMENITIES PROPERTY MANAGER

Amenities Property Manager

The Wright Fit, Inc., a New York corporation, is the amenities manager with respect to the Property (the "Amenities Property Manager").

Amenities Management Agreement

The Borrower expects to enter into a Facilities Management Service Agreement on or prior to the Closing Date (the "Amenities Management Agreement") with the Amenities Property Manager with respect to the Mortgaged Property. Pursuant to the Amenities Management Agreement, the Amenities Property Manager will be responsible for the development and program implementation of the recreational amenities at the Mortgaged Property.

The Amenities Property Manager will be required to perform its obligations and services in accordance with recognized professional standards and industry practices in the New York metropolitan area. The Amenities Property Manager will be responsible for performing certain services with respect to the management of the Mortgaged Property, including, developing marketing concepts, planning of staffing guidelines, implementing of guest services procedures, and providing a variety of services to users of the fitness center at the Mortgaged Property, such as personal training, spa services, and group exercises programs.

The Borrower will be required to pay the Amenities Property Manager a fee in the amount of $5,000 per month, or $60,000 per year.

The Amenities Management Agreement will be effective for a period of three (3) years beginning on the commencement date, expected to be November 1, 2014, unless terminated in accordance with its terms. The Amenities Management Agreement will be automatically renewed on a month-to-month basis unless terminated by one of the parties by giving notice at least 90 days prior to the end of the term of the Amenities Management Agreement or 30 days prior to any renewal term.

The Amenities Property Manager will have the right to terminate the Amenities Management Agreement if the Borrower fails to make a timely payment of any amount due, and such failure continues for a period of 30 days after receiving notice of such default, or if the Borrower files a petition in bankruptcy or becomes insolvent, or in the event of any bona fide sale of the Mortgaged Property by the Borrower, or a sale of any indirect interest in Borrower, to a third party.

The Borrower will have the right to unilaterally terminate the Amenities Management Agreement after the 18 month anniversary of the commencement date upon 45 days' written notice to the Amenities Property Manager. Additionally, the Borrower will have the right to terminate the Amenities Management Agreement

at any time if the Amenities Property Manager materially breaches its obligations under the Amenities Management Agreement, and such breach is not cured within 30 days of the Borrower providing notice to the Amenities Property Manager of its intent to terminate the Amenities Management Agreement, or the Amenities Property Manager does not substantially perform its services under the Amenities Management Agreement, or the Amenities Property Manager files a petition in bankruptcy or becomes insolvent, or the Amenities Property Manager fails to reasonably agree to the written performance standards to be developed by the parties governing the services performed under the Amenities Management Agreement.

DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS

The Borrower (the "Declarant") is the declarant under the Declaration Establishing a Plan for Condominium Ownership of the Premises known as 8-12 Spruce Street a/k/a 60 Beekman Street a/k/a 52 Beekman Street, New York, New York 10038 Pursuant to Article 9-B of the Real Property Law of the State of New York, dated as of June 1, 2011 (the "Declaration"; and together with the Condominium Bylaws of Spruce Street Condominium (the " By-laws") annexed to the Declaration, tax lot drawings, the floor plans, and the other exhibits to the Declaration, the "Condominium Documents"), pursuant to which the Declarant created a condominium regime (the "Condominium"). The Condominium Bylaws govern the affairs of the Condominium Board and the operation, use and occupancy of the Condominium.

The Mortgaged Property made subject to the Condominium Documents includes the parcel of land, as described in detail in a schedule attached to the Declaration, situated in the City, County, and State of New York (the "Land"), and certain structures erected and located on the Land, which contain the Residential Rental/Retail Unit owned by the Borrower and the three additional units that are not a part of the Mortgaged Property--namely, the School Unit, the Care Center Unit, and Garage Unit, as well as certain common areas and facilities (collectively, the "Building"). A schedule attached to the Declaration sets forth the tax lot number, street address, approximate square footage, and the common interest appurtenant to each of the four units.

Common Elements

The common elements of the Condominium (the "Common Elements") consist of the Mortgaged Property, including, but not limited to, the Land and all parts of the Building and improvements, excluding, the individual units. The Common Elements are comprised of the General Common Elements, Residential/Retail Limited Elements, the School Limited Elements, the NYDH Limited Elements, and the Shared Limited Common Elements (all as defined and more particularly described in the Declaration). Pursuant to the Declaration, the Residential Rental/Retail Unit has a 86.54% interest in the Common Elements; the School Unit has a 9.04% interest in the Common Elements; the Care Center Unit has a 2.08% interest in the Common Elements; and the Garage Unit has a 2.34% interest in the Common Elements.

The "General Common Elements" are the rooms, areas, corridor spaces and other parts of the Building for the common use of the unit owners, including, all foundations, roofs, halls, lobbies, stairways, all central and appurtenant installations for services such as power, light, and television, water tanks, mechanical equipment and spaces, passenger elevator cabs, sewer pipes, storm drains, gutters, and other common elements that are appurtenant to, serve and benefit all the unit owners in the Condominium.

The "Residential/Retail Limited Elements" are the common areas specified in the Declaration that exclusively serve or benefit all or any combination of Residential Rental/Retail Unit owners, including certain bathrooms, workrooms, locker rooms, and storage rooms.

The "School Limited Elements" consist generally of those Common Elements that exclusively serve or benefit the School Unit.

The "NYDH Limited Elements" consist generally of those Common Elements that exclusively serve or benefit the Care Center Unit.

The "Shared Limited Common Elements" consist of those Common Elements that serve or benefit two or more, but less than all unit owners, and include, but are not limited to, the pump room, certain stairs, service corridors, loading dock, and certain other areas specifically designated in the Declaration.

Usage and Access

Under the Declaration, no nuisance is allowed at the Mortgaged Property, and no unlawful use of the Mortgaged Property or any portion thereof is permitted. All laws relating to any portion of the Mortgaged Property must be complied with at the sole expense of whichever of the unit owners or the Condominium Board has the obligation to maintain or repair such portion of the Mortgaged Property. In no event may any portion of the Common Elements or any unit be used for any sex-related commercial establishment. No unit owner may at any time permit the use of its unit or any other portion of the Building that violates the certificate of occupancy for the Building, any applicable provision of the Condominium Documents, any applicable law, causes injury to the Building, impairs the appearance of the Building, impairs the proper maintenance, operation and repair of the Common Elements, unreasonably annoys, inconveniences, disturbs, offends any other unit owner or any tenant or occupant of the Building at the time.

The Declaration provides that each unit owner has the right, which is to be exercised by the Condominium Board or its managing agent, to have access to each other's unit and its appurtenant Shared Limited Common Elements, for certain purposes, including, making repairs, removing violations, curing defaults, correcting conditions, or for making emergency repairs necessary to prevent damage to the Common Elements or to another unit. Such right of access must be exercised in a manner that will not unreasonably interfere with the normal conduct of the business of the occupants of the units or with the use of the units for their permitted purposes.

Power of Attorney to the Board

Under the Declaration, each unit owner grants the Condominium Board Members an irrevocable power of attorney, coupled with an interest: (a) to lease or purchase on behalf of all unit owners any unit; (b) to acquire any unit whose unit owner elects to surrender their unit pursuant to the By-laws; (c) to purchase or otherwise acquire any unit that becomes the subject of a foreclosure or other similar sale, on behalf of all unit owners, and after any such acquisition, to sell, lease, mortgage or otherwise deal with any such unit on terms as the attorneys-in-fact may determine; (d) to execute and deliver any consent, document, or other instrument affecting the Mortgaged Property or the Condominium that the Condominium Board deems necessary or appropriate to comply with any laws; and (e) subject to the Condominium Board obtaining the consent required pursuant to the By-laws, to execute and deliver any consent or declaration affecting the Property or the Condominium.

As long as the School Unit is owned and occupied by the NYC SCA, the Department of Education, or another academic-related agency of The City of New York, then the School Unit owner will have the right to opt out of clauses (a), (b) and (c) above by giving written notice to the Condominium Board within 30 days after receipt of notice from the Condominium Board of the proposed acquisition. All cost allocations among the unit owners with respect to such acquisition and with respect to the unit so acquired will be allocated among the other unit owners based on their relative common interest calculated without regard to the School Unit owner's common interest.

As long as the Care Center Unit is owned and occupied by the Hospital (or a successor hospital), then the Care Center Unit owner will have the right to opt out of clauses (a), (b) and (c) above by giving written notice to the Condominium Board within 30 days after receipt of notice from the Condominium Board of the proposed acquisition. All cost allocations among the unit owners with respect to such acquisition and with

respect to the unit so acquired will be allocated among the other unit owners based on their relative common interest calculated without regard to the Care Center Unit owner's common interest.

Governance

Pursuant to the By-laws, the affairs of the Condominium are governed by a condominium board, which must be comprised of four members (each, a "Board Member" and collectively, the "Condominium Board"): one designated by and representing the owner of each of the Residential Rental/Retail Unit, the School Unit, the Care Center Unit, and the Garage Unit. Each Board Member may vote the entire undivided common interest of the related unit owner.

In no event will a Board Member (or its proxy) be entitled to vote at any meeting of the Condominium Board while either a monetary event of default or a non-monetary event of default exists (in each case, as described in the By-laws) with respect to the applicable unit of such Board Member.

All determinations of the Condominium Board are made at meetings at which a quorum of the Board Members must be present. The presence of the Board Member designated by the Residential Rental/Retail Unit owner and such other Board Members who, together with the Board Member designated by the Residential Rental/Retail Unit owner represent more than 50% of the aggregate common interests will constitute a quorum. Except as may otherwise be provided by the Condominium Documents, the vote of a Majority of Board Members constitutes the decision of the Condominium Board. "Majority of Board Members" means the Condominium Board Member designated by the Residential Rental/Retail Unit together with (if the Residential Rental/Retail Unit's common interest is less than or equal to 50%) other Board Members who, together with the Board Member designated by the Residential Rental/Retail Unit, represent at least 50% of the aggregate common interests of all unit owners whose designated Condominium Board Members are present at a meeting at which a quorum is present. The Residential Rental/Retail Unit has a 86.54% interest in the Common Elements and thus constitutes the Majority of Board Members.

Regular meetings of the Condominium Board may be held at such time and place in the Borough of Manhattan or Brooklyn as determined by a Majority of Board Members. Regular meetings of the Condominium Board must be held once annually and be convened by the Residential Rental/Retail Unit.

The Condominium Board is entitled to make determinations and take actions (in accordance with the various required voting percentages described in the By-laws) with respect to all matters relating to the operation and the administration of the affairs of the Condominium, including, the following: upkeep and repair of the General Common Elements, the fixing and collection of common charges and special assessments, employment of personnel for operation of the General Common Elements, acquiring of units on behalf of all unit owners, selling or leasing or dealing with any unit acquired by the Condominium Board, maintaining bank accounts, settling insurance claims, borrowing money on behalf of the Condominium for certain services under certain conditions, organizing corporations or other entities, execution and delivery of documents, pursuing litigation against third parties, and obtaining insurance with respect of the Property. The Condominium Board may delegate some of these powers to a managing agent or manager as described in the By-laws. The By-laws may only be amended with the consent of at least a Majority of the Board Members and certain provisions of the By-laws (including, without limitation, provisions related to insurance, restoration following a casualty or condemnation and provisions affecting a mortgagee's rights) may not be amended without the prior written consent of each unit owners' mortgagee.

Subject to the terms of the Condominium Documents, all determinations that do not relate to or affect or involve the General Common Elements and affect only one unit will be made by the applicable unit owner.

Each of the unit owners is entitled to make determinations with respect to all matters relating to the operation and the affairs of its unit and the limited elements appurtenant thereto. Each of the unit owners who

share particular Shared Limited Common Elements are entitled to jointly make determinations with respect to all matters relating to the operation and the affairs of those Shared Limited Common Elements.

The Condominium Board may not, without the consent of at least a Majority of Board Members, execute or record any agreement necessary to comply with any law applicable to the maintenance, demolition, construction, repair or restoration of the Property or the Condominium. The Condominium Board may, however, execute, deliver and/or record any agreement or document affecting a particular unit (and affecting no other unit or other Common Elements), if the owner of such unit requests that the Condominium Board take such action, and the Condominium Board determines that taking such action is appropriate.

The Condominium Board agreed to retain a professional building manager to perform the Condominium Board's day-to-day responsibilities as they relate to the maintenance and operation of the Building. See "DESCRIPTION OF THE CONDOMINIUM MANAGEMENT AGREEMENT AND THE CONDOMINIUM MANAGER" herein.

Unit Owners

No joint annual meeting of the unit owners is required to be held unless required by law.

Each unit owner, or a proxy on its behalf (who need not be a unit owner), is entitled to cast the votes appurtenant to such unit (determined on a common interest basis), as set forth in the Condominium Documents, at all joint meetings of unit owners, if any. The designation of any proxy must be made in a signed and dated written instrument to the secretary of the Condominium. Under the By-laws, "Majority" of unit owners means the Residential Rental/Retail Unit owner and (if the Residential Rental/Retail Unit's common interest is less than or equal to 50%) those other unit owners having, together with the Residential Rental/Retail Unit owner, more than 50% of the total votes of all unit owners, who are present, authorized to vote and voting at a duly constituted meeting at which a quorum is present. Except as may otherwise be provided in the Condominium Documents, the affirmative vote of a Majority of unit owners will be binding upon all unit owners for all purposes.

Any unit owner may, without the prior consent of the Condominium Board or any other unit owner, sell, lease or mortgage its unit (subject to the Condominium Documents, including, without limitation, the use restrictions) or transfer any interests in such unit owner. No unit owner may execute any mortgage or other instrument conveying or mortgaging title to its unit without including such unit's entire common interest.

Common Expenses, Charges, and Assessments

The Condominium Board is authorized to determine and allocate all costs and expenses incurred by the Condominium Board in connection with the operation, maintenance, repair, and upkeep of the General Common Elements and the Shared Limited Common Elements. Expenses include, the cost and expense of water, sewer facilities, electricity and gas serving or comprising any General Common Element or Shared Limited Common Element (respectively, "General Common Expenses" and "Shared Limited Common Expenses"; all such costs and expenses, collectively, "Common Expenses"), and any other costs or expenses as the Condominium Board may deem proper for reserves in accordance with the allocations set forth on an exhibit to the By-laws, which potential investors should review.

In no event may the Condominium Board change the relative proportions of any of the Common Expenses allocations shown on the exhibit to the By-laws unless such change is made by a Majority of the Board Members.

The By-laws provide that the Condominium Board will from time to time, but at least annually (and no later than 90 days prior to the commencement of each fiscal year), prepare a budget for the succeeding fiscal year setting forth the projection of Common Expenses. The Condominium Board will allocate and assess

charges ("Common Charges") among the unit owners in accordance with the By-laws to meet the Common Expenses (each such approved budget, a "Budget"). The Condominium Board will approve or disapprove any proposed annual Budget within 45 days after receipt thereof by vote of the Majority of Board Members. If a Majority of Board Members fail to reach a vote in favor of the items included in a proposed Budget within the 45 day period, then, the items in controversy are submitted for resolution by arbitration. The fiscal year of the Condominium is the calendar year unless the Condominium Board determines otherwise.

The Condominium Board is authorized by an affirmative vote of at least a Majority of Board Members to levy special assessments against the unit owners to meet the Common Expenses (each, a "Special Assessment"). All Special Assessments relating to General Common Expenses are allocated among the unit owners based on their relative common interests, and all Special Assessments relating to Shared Limited Common Expenses are allocated in a manner consistent with the allocation method set forth in the By-laws. No unit owner may opt out of any services provided by the Condominium Board in order to reduce or avoid any Common Charges or Special Assessments.

Except to the extent prohibited by law, the Condominium Board will have a lien for all unpaid Common Charges and all other sums due to the Condominium Board from a delinquent unit owner on its unit (each, a "Condominium Board Lien"). To the extent permitted by law, such Condominium Board Liens will be subordinate to the first priority mortgage encumbering such unit and will be superior to any other mortgage liens of record encumbering such unit. Without limiting the foregoing, the Condominium Board may: (w) bring an action to foreclose the Condominium Board Lien; (x) purchase the interest of the delinquent unit owner's unit at a foreclosure sale resulting from any such action; however, in the event the net proceeds received on a foreclosure sale are insufficient to satisfy the defaulting unit owner's obligations, such unit owner will remain liable for the deficit; (y) proceed by appropriate judicial proceedings to enforce the specific performance or observance by the defaulting party of the applicable provisions of the Condominium Documents from which the event of default arose; or (z) exercise any other remedy available at law or in equity. Any mortgagee may bid in a foreclosure sale of any unit.

The Condominium Board may not record any notice of any Condominium Board Lien prior to the date on which all applicable notice and grace periods (including cure periods to which any mortgagee may be entitled) in respect of the defaults giving rise to the Condominium Board Lien have expired.

Upon a mortgagee's payment (on behalf of a defaulting unit owner) to the Condominium Board of monies due to the Condominium Board in satisfaction of a Condominium Board Lien, the remaining amount, if any, of such Condominium Board Lien will be reduced by the amount of any such payment.

Repair; Alterations to Units and Common Elements

Pursuant to the By-laws, each unit owner has the right to make alterations to its unit without (except as otherwise provided in the Condominium Documents) obtaining the approval of any other unit owner or the Condominium Board, provided that upon completion, such unit continues to maintain certain project standards described in the By-laws.

The By-laws provide that the prior written approval of the Condominium Board is required if an alteration would either in the course of performance or upon completion (a) have an adverse effect on the General Common Elements or the structure of the Building; (b) necessitate the erection or removal of structural columns or load-bearing walls supporting any portion of the Building; (c) increase insurance premiums or maintenance costs of any other unit or the Common Elements; (d) change the exterior appearance of the Building; or (e) change the location or size of any signs, marquees and canopies on the exterior of the Building other than as set forth on or described in certain guidelines set forth in the Condominium Documents.

Alterations to any Common Element may be made only by the Condominium Board or the unit owners required in the Condominium Documents to maintain and repair such Common Element, and all costs

will be charged either to all unit owners as a General Common Expense, or to the unit owners responsible for such costs.

If the costs of alterations exceed $3,000,000 in the aggregate in any calendar year, then such proposed alterations may not be made unless first approved by a Majority of Board Members, except if the alterations are necessary to comply with law or certain insurance requirements or for the safety of the unit owners. The Condominium Board may allocate and assess each of the unit owners its share in accordance with the terms of the By-laws and on an allocated basis as shown on an exhibit to the By-laws.

Damage to Individual Units

If a unit is damaged or destroyed by casualty or impaired by partial condemnation, the By-laws provide that each unit owner must immediately remove any rubble and debris resulting from such event and immediately after either (i) repair and restore the unit to a complete, independent and self-contained architectural whole, or (ii) repair or restore the unit to a safe condition, having no adverse effect on any other unit or the Common Elements, and enclosed by a barrier that is not unsightly.

If a unit owner fails to undertake such repair as soon as possible after the damage or destruction of its unit and such failure adversely affects the structural elements of the Building, or the use or enjoyment of another unit, then the Condominium Board may cause such repair to be made on behalf of the unit owner using the proceeds of any insurance available for that purpose. Deficiencies arising out of the repair by the Condominium Board of a damaged or destroyed unit will be charged to that unit owner as a General Common Charge.

If 75% or more of the Building is destroyed or damaged by fire or other casualty, and if, within 90 days after the date of such damage, unit owners owning units having aggregate common interests of more than 90% of the total common interest of all unit owners resolve not to proceed to make the necessary repairs, then: (i) such repairs will not be required to be made; and (ii) the Mortgaged Property will be subject to an action for partition at the suit of any unit owner, as if owned in common, and the net proceeds of sale and net proceeds of insurance policies maintained by the Condominium Board, will be considered one fund. The Condominium Board will secure and fence in the Mortgaged Property boundary and raze the Building, if necessary, and make the Mortgaged Property safe. The proceeds of sale, condemnation awards and/or insurance proceeds will be divided among the unit owners pro rata based on their relative common interests.

Insurance; Casualty

Under the By-laws, the Condominium Board is required to maintain the following insurance with respect to the General Common Elements: "All Risk insurance" (including building collapse and other insurable hazards) providing flood and earthquake coverage, foreign and domestic terrorism insurance, and business interruption/loss of rents coverage; workers' compensation insurance and New York State Disability benefits insurance; rent insurance in the amount equal to Common Charges for one (1) year; plate grass insurance to the extent determined by the Condominium Board; elevator liability and collision insurance; fidelity insurance covering the Condominium Board; comprehensive boiler and machinery coverage; crime insurance; directors' and officers liability insurance; and a commercial general liability policy of insurance. Such policies cover the Condominium Board and each of the unit owners, as described in the By-laws.

The amount of the "All Risk" insurance must not be less than 100% of the aggregate replacement cost value of the Building (other than the units) (without deduction for depreciation). Such coverage does not include any unit, or any fixtures, improvements, furnishings or personal property within any unit. Each unit owner must obtain certain policies of insurance in the amounts and limits set forth in the By-laws.

In the event of the taking in condemnation or by eminent domain, or casualty of all or any part of the Common Elements, then the Condominium Board and the unit owners will each arrange for the repair and

restoration of the part of the Common Elements affected by such taking or casualty that, pursuant to the provisions of the By-laws, are required to be maintained by it.

The Condominium Board must hold insurance proceeds or condemnation awards in trust, to be allocated and divided among the Condominium Board and/or the applicable unit owners responsible for such repair and restoration, without commingling such monies with other funds being held by the Condominium Board; except, however, that any award exceeding $1,000,000 will be paid to an insurance trustee and disbursed to the contractors engaged in such repair and restoration, if any, in commercially reasonable progress payments and otherwise in accordance with the terms of Condominium Documents. Funds to be applied to the restoration of the Common Elements must be applied to the payment of the costs of restoration before using any portion of such funds for any other purpose.

The Condominium Board is required to cause any insurance proceeds or condemnation award payable with respect to a unit encumbered by a mortgage and that would otherwise be payable to such unit owner to be delivered instead to such unit owner's mortgagee unless otherwise directed by the mortgagee.

Mortgagee Notices and Cure Rights

If any notice of any default or event of default or operating statement is given to a unit owner, a copy thereof must also be given to each unit owner's mortgagee, failing which, with respect to any default that would materially prejudice such mortgagee, the subject notice of such default or event of default will not be effective.

Each mortgagee will have: (i) with respect to monetary events of default, until the later of: (a) the expiration of any cure period applicable to its mortgagor; or (b) fifteen (15) Business Days following its receipt of notice of the monetary event of default within which to cure such monetary event of default; and (ii) with respect to non-monetary events of default, 30 days following its receipt of notice of such non-monetary event of default within which to cure such non-monetary event of default, except: (a) in the case of an emergency, in which event only such additional cure period as may be reasonable under the circumstances (which may be none) will be afforded; and (b) if the subject non-monetary event of default cannot be cured within a 30 day period then such longer period of time as may be necessary, provided, however, that the mortgagee, commences efforts to cure such default within said 30 day period and thereafter prosecutes such action to completion continuously and diligently. The Condominium Board is required to accept performance by a mortgagee (or its designee) of any covenant, condition or agreement on the part of a unit owner to be performed under the Condominium Documents with the same force and effect as though performed by the defaulting unit owner.

No event of default of a unit owner will be deemed to exist if a mortgagee of such unit owner has timely (i.e., within the time periods provided in the preceding paragraph): (i) cured the event or condition that would otherwise constitute an event of default under the Condominium Documents; or (ii) with respect to certain non-monetary defaults, delivered to the Condominium Board its written agreement to cure the event or condition that would otherwise constitute a non-monetary event of default under the Condominium Documents and thereafter, in good faith, have commenced promptly to cure the same and to prosecute the same to completion, provided that during the period in which such action is being taken, all of the other obligations of the unit owner under the Condominium Documents are being performed. However, any time after the mortgagee's delivery to the Condominium Board of the mortgagee's agreement to cure, the mortgagee may notify the Condominium Board that it intends to discontinue such cure, in which event: (i) the mortgagee will thereafter have no further liability under the agreement to cure (except for any liabilities accruing during the period from the date of such agreement to the date it delivers such notice caused directly by the mortgagee's acts or failure to act with respect to the event or condition it had elected to cure); (ii) the event of default will be deemed to exist; and (iii) the Condominium Board and the other unit owners, as the case may be, will have the unrestricted right to exercise any rights and remedies available under the Condominium Documents.

A defaulting unit owner's mortgagee who timely exercises its cure rights set forth above with respect to all then existing events of default by the defaulting unit owner under the Condominium Documents will, subject to the penultimate sentence of this paragraph, have the following rights: (i) to vote in lieu of such defaulting unit owner on all matters or actions to be decided upon by the unit owners under the Condominium Documents (as if the mortgagee were the defaulting unit owner); (ii) to name immediately a substitute person to act on the Condominium Board (in lieu of any Person designated by the defaulting unit owner and without regard to the unexpired term of such person's tenure); and (iii) to have the Condominium Board rely on the votes of or actions taken by the mortgagee (or by any person designated to the Condominium Board by such mortgagee in determining the appropriateness of any action to be taken. The right of the mortgagee (or of any person designated to the Condominium Board as aforesaid by the such mortgagee to vote on any matter to be decided upon (or any action to be taken) by the unit owners, as described in the preceding sentence, will cease immediately upon the mortgagee's failure to timely pay any of the Common Charges or other amounts due or payable by the defaulting unit owner for a period of more than fifteen (15) days after notice by the Condominium Board to such mortgagee or such mortgagee's failure to timely perform any of the unit owner's other obligations under the Condominium Documents after notice by the Condominium Board to such mortgagee and the expiration of any applicable cure period. payment or performance of any obligation of a unit owner by a mortgagee (prior to the date, if any, on which such mortgagee or its designee takes title to the defaulting unit owner's unit or take title to the ownership interests in the defaulting unit owner, respectively) will not give rise to any obligation on the part of the mortgagee to payor perform in the future.

DESCRIPTION OF THE CONDOMINIUM MANAGEMENT AGREEMENT AND THE CONDOMINIUM MANAGER

Condominium Manager

First New York Partners Management, LLC (the "Condominium Manager"), a New York limited liability company, is the manager with respect to the common elements of the Property, and an affiliate of the Borrower.

Condominium Management Agreement

The Condominium entered into a Management Agreement (the "Management Agreement (Condominium)"), dated December 1, 2011, between the Condominium and the Property Manager, which was amended by a First Amendment ("Amendment to Management Agreement (Condominium)"), dated as of December 20, 2012 (collectively, the "Condominium Management Agreement"), with respect to the Mortgaged Property. Pursuant to the Condominium Management Agreement, the Condominium Manager was appointed to manage, operate and maintain the common elements of the Mortgaged Property.

The Condominium Manager is authorized to bill and collect common charges and special assessments, provide an adequate number of on-site maintenance, operation and service personnel, cause the common elements of the Condominium to be maintained and supervised, check and approve for payment of all bills received for services rendered in connection with the operation and maintenance of the common elements, maintain orderly files containing assessment records, insurance claims, and bills, and prepare and submit budgets and operating statements to the Condominium.

During the term of the Condominium Management Agreement, the Condominium is required to pay the Condominium Manager an annual management fee equal to 10% of the operating expenses, less utilities, for the Condominium, but never less than $100,000 per annum, in equal monthly installments.

The term of the Condominium Management Agreement will expire on December 1, 2016 and thereafter will automatically renew for successive one year periods unless otherwise terminated.

In the event that the Condominium or the Condominium Manager intends to terminate the Condominium Management Agreement, it must provide the other party with one hundred twenty (120) days' prior written notice of such termination. In the event that the Condominium terminates the Condominium Management Agreement prior to December 1, 2014, the Condominium Manager is required to be paid liquidated damages in the amount of $30,000. In the event that the Condominium Manager fails to perform its services and functions, and such default continues for a period of thirty (30) days following receipt by the Condominium Manager of a notice of default, or the Condominium Manager receives more than two (2) notices of default during any twelve (12) consecutive month period, then the Condominium may terminate the Condominium Management Agreement without payment of liquidated damages. The Condominium Management Agreement is immediately terminable by the Condominium for cause upon the occurrence of fraud.

DESCRIPTION OF THE ASSIGNMENT OF MANAGEMENT AGREEMENT AND THE ASSIGNMENT OF LEASING AGREEMENT AND THE ASSIGNMENT OF THE AMENITIES MANAGEMENT AGREEMENT

In connection with the making of the Loan, the Borrower will enter into an Assignment and Subordination of Management Agreement and Consent of Property Manager, to be dated the Closing Date (the "Assignment of Management Agreement"), among the Borrower, the lender and the Property Manager, an Assignment and Subordination of Leasing Agreement and Consent of Leasing Agent, to be dated the Closing Date (the "Assignment of Leasing Agreement"), among the Borrower, the lender and the Leasing Agent, in each case, for the benefit of the Bondholders and an Assignment and Subordination of the Amenities Management Agreement (the "Assignment of the Amenities Management Agreement") among the Borrower, the lender and the Amenities Property Manager.

Assignment

As additional collateral security for the Loan, the Borrower conditionally transferred, set over and assigned to the lender all of the Borrower's right, title and interest in and to the Management Agreement, the Leasing Agreement and the Amenities Management Agreement, which transfer and assignment will automatically become a present, unconditional assignment, at the lender's option, upon the occurrence and during the continuance of an Event of Default. At all times during the term of the Loan, all portions of the Rents, security deposits, issues, proceeds, profits and other revenues of the Mortgaged Property collected by the Property Manager or the Leasing Agent or the Amenities Property Manager, as applicable, will be handled and applied in accordance with the Loan Agreement.

Subordination

The Management Agreement, the Leasing Agreement, the Amenities Management Agreement and all of the Property Manager's, the Leasing Agent's and the Amenities Property Manager's right, title and interest in and to the Mortgaged Property, are and all rights and privileges of the Property Manager to the Management Fee paid under the Management Agreement, the Leasing Agent fee paid under the Leasing Agreement and the Amenities Property Manager fees paid under the Amenities Management Agreement are and will at all times be subject and subordinate to the Mortgage and the lien thereof, to all the terms, conditions and provisions of the Mortgage and to each and every advance made or thereafter made under the Mortgage, and to all the rights, privileges and powers of the lender under the Mortgage, the Loan Agreement, the Note and the other Loan Documents so that at all times the Mortgage will be and remain a lien on the Mortgaged Property prior and superior to the Management Agreement, the Leasing Agreement and the Amenities Management Agreement for all purposes.

Attornment

Upon conveyance of title to the Property to any successor owner, the Property Manager, the Leasing Agent and the Amenities Property Manager are each required to attorn to such successor owner and must continue to perform all of the Property Manager's, the Leasing Agent's and the Amenities Property Manager's obligations under the Management Agreement, the Leasing Agreement and the Amenities Management Agreement, as applicable, with respect to the Mortgaged Property in accordance with the terms of the Management Agreement, the Leasing Agreement and the Amenities Management Agreement, as applicable. Notwithstanding the foregoing, none of the Property Manager, the Leasing Agent or the Amenities Property Manager will be under any obligation to so attorn unless such successor owner, within twenty (20) days after the date of the foreclosure pursuant to which the successor owner obtains title to the Mortgaged Property, assumes all of the obligations of the Borrower under the Management Agreement, the Leasing Agreement or the Amenities Management Agreement, as applicable, which arise from and after the date of such foreclosure, pursuant to a written assumption agreement delivered to the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable; provided, however, pursuant to the Assignment of Management Agreement, the Assignment of Leasing Agreement and the Assignment of Amenities Management Agreement and at the lender's option, the Property Manager and the successor owner, the Leasing Agent and the successor owner or the Amenities Manager and the successor owner, as applicable, will be required to terminate the then-existing Management Agreement, Leasing Agreement or Amenities Management Agreement, as applicable, and enter into a new management agreement or leasing agreement or new amenities management agreement on the same terms and conditions as the then-existing Management Agreement, Leasing Agreement or Amenities Management Agreement, as applicable, which will be effective as of such date that the successor owner obtains title to the Mortgaged Property.

DESCRIPTION OF THE REGULATORY AGREEMENT

In connection with the issuance of the Prior Bonds, the prior owner and the Corporation entered into a regulatory agreement, which will be amended and restated in connection with the issuance of the Series 2014 Bonds (the "Regulatory Agreement").

The Regulatory Agreement requires the Borrower to: (1) comply at all times with the Act and any rules adopted by the Issuer pursuant thereto relating to the Loan and the operation of the Mortgaged Property as may be necessary to enforce the Regulatory Agreement; (2) comply with the applicable provisions of the Code and the Regulatory Agreement in order to preserve the exclusion from gross income for the purposes of Federal income taxation of interest on Series 2014 Tax-Exempt Bonds; (3) do all things necessary to maintain the exemption and/or abatement of real property tax with regard to the Mortgaged Property pursuant to the 421-A Regulations (the "Real Property Tax Benefits"); (4) rent or make available each unit in the Mortgaged Property (except two model apartments and one management office) on a continuous basis to the general public; (5) register all the Mortgaged Property's units with DHCR; (6) cause the Mortgaged Property to be subject to, and at all times in compliance with, the Rent Stabilization Regulations for the period such Real Property Tax Benefits are received by the Mortgaged Property in New York City, as may be amended from time to time; (7) terminate within 30 days and change the Property Manager of the Mortgaged Property when, in the Issuer's sole discretion, the Issuer directs the Borrower to do so; and (8) furnish certain reports, records, documents or information reasonably requested by the Issuer as well as annual audited financial statements. See "DESCRIPTION OF THE LOAN AGREEMENT—Property Management" for more information about the Issuer's right to change the Property Manager.

In addition, the Regulatory Agreement prohibits the Borrower from: (1) providing uninhabitable living accommodations to Tenants; (2) renting any portion of the Mortgaged Property on a transient basis or operating it as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park; (3) allowing any portion of the Mortgaged Property to consist of any airplane, skybox or other luxury box, facility primarily used for gambling, or store, the principal business of which is the sale of alcoholic beverages for consumption off-premises; (4) amending or changing its managing

agent or management agreement without the consent of the Issuer; (5) subject to certain exceptions, permitting the admission or withdrawal of any members whose ownership interest exceed or would exceed twenty percent (20%) of the Borrower or the Borrower's managing member without the consent of the Issuer; or (6) transferring control of the Mortgaged Property without the consent of the Issuer. The Regulatory Agreement permits certain potential transfers including transfers that would result from a REIT Transaction or from TIAA assuming control of the management of the Borrower. Additionally, certain membership interests in the Borrower and interests of entities constituting the members of the Borrower and the members of the members of the Borrower may be transferred between previously approved members or to direct or indirect wholly owned affiliates or subsidiaries of previously approved members without the consent of the Issuer.

The Mortgaged Property will be subject to the Regulatory Agreement until the latest of: (i) the first day on which no Series 2014 Bonds or other tax-exempt private-activity obligations with respect to the Mortgaged Property are still outstanding; (ii) fifteen (15) years from the date (September 15, 2011) that fifty percent (50%) of the units in the Mortgaged Property were first occupied; (iii) the date on which any assistance provided with respect to the Mortgaged Property under Section 8 of the United States Housing Act of 1937 as amended terminates; or (iv) the first day on which Real Property Tax Benefits are scheduled to expire. The requirements under the Regulatory Agreement necessary to maintain the tax-exempt status of interest on the Series 2014 Tax-Exempt Bonds would also terminate in the event of involuntary noncompliance caused by fire, condemnation, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or action of a federal agency after the date of issue of the Series 2014 Bonds or similar event which prevents the Issuer from enforcing these requirements, only if the termination of these requirements would not, in the opinion of Bond Counsel, affect the exclusion from gross income for purposes of Federal income taxation of interest on the Series 2014 Tax-Exempt Bonds.

Any event of default under the Regulatory Agreement will be an event of default under the Loan Documents. The Regulatory Agreement provides the Issuer with the following remedies upon an event of default under the Regulatory Agreement: (i) the Issuer may seek appointment of itself or a receiver to take possession of and operate the Mortgaged Property, however, this remedy is only available if the Servicer is not acting in accordance with the Servicing Standard and the Issuer has determined that a Servicer Termination Event has occurred and the Issuer has directed the Indenture Trustee to terminate the Servicer and the Servicer has been terminated; (ii) direct the Servicer in accordance with the Servicing Agreement, to declare and prosecute a foreclosure of the Mortgage, provided, however, that the Servicer will not undertake such action at the direction of the Issuer if, in the Servicer's judgment, such action at the direction of the Issuer or otherwise would violate the Servicing Standard (it being agreed that the prosecution of a foreclosure action at the direction of the Issuer will not be deemed, by itself, a violation of the Servicing Standard to the extent the event of default giving rise to the Issuer's foreclosure request arises from (1) a change in the use and occupancy of the Mortgaged Property which would cause an Adverse Tax-Exempt Bonds Event as evidenced by an Opinion of Bond Counsel or (2) the Mortgaged Property's failing to comply with Applicable Law and such failure adversely impacts the health and safety of the Mortgaged Property's occupants); and (iii) other than clauses (i) and (ii) above, the Issuer's only remedies are to seek specific performance or any injunction against any violation of the Regulatory Agreement, remove members of the Borrower, change management of the Mortgaged Property, prohibit distributions to members of the Borrower, or any other or further relief which may be appropriate or desirable in law or in equity.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS

Pledge Under the Indenture

In order to secure the payment of the principal or Redemption Price, if applicable, of, and interest on the Series 2014 Bonds, the Issuer, pursuant to the Indenture, has pledged and assigned to the Indenture Trustee, among other things, (i) all right, title and interest of the Issuer in and to the Note and the Loan Documents, including all loan payments, revenues and receipts payable or receivable thereunder, excluding, however, the Reserved Rights, which Reserved Rights may be enforced by the Issuer subject to the limitations

contained in the Loan Documents, the Servicing Agreement and the Indenture, (ii) all moneys and securities from time to time held by the Indenture Trustee under the terms of the Indenture including amounts set apart and transferred to the Revenue Fund or any special fund, and all investment earnings of any of the foregoing, subject to disbursements from the Revenue Fund or such special funds for the benefit of the Bondholders in accordance with the provisions of the Servicing Agreement and the Indenture; provided, however, there is expressly excluded from any assignment, pledge, lien or security interest granted to the Indenture Trustee, any amounts set apart and transferred to the Rebate Fund, and (iii) any and all other property of any kind conveyed, mortgaged, pledged, assigned or transferred including, without limitation, the Mortgage, the Loan Agreement and the other Loan Documents as and for additional security under the Indenture by the Issuer or by any other Person, with or without the consent of the Issuer, to the Indenture Trustee.

The Series 2014 Bonds Outstanding from time to time are special revenue obligations of the Issuer and the principal or Redemption Price of, if applicable, and interest on which are payable by the Issuer solely from the amounts to be paid under the Note and the Loan Agreement and otherwise as provided in the Indenture and in the Loan Agreement, which amounts are specifically pledged under the Indenture to the payment thereof in the manner and to the extent therein specified.

The Series 2014 Bonds are special revenue obligations of the New York City Housing Development Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York. The Series 2014 Bonds are not a debt of the State of New York or The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the Series 2014 Bonds be payable out of any funds other than those of the Corporation pledged therefor. The Corporation has no taxing power.

The Loan Agreement and the Note

Concurrently with the issuance by the Issuer of the Series 2014 Bonds pursuant to the Indenture, the Issuer will make the Loan to the Borrower from the proceeds of the Series 2014 Bonds in the principal amount of $550,000,000 pursuant to the Loan Agreement. See "DESCRIPTION OF THE LOAN AGREEMENT" herein. Pursuant to the Loan Agreement, the Borrower will be obligated to pay on each Loan Payment Date (the ninth day of each month) through and including the Maturity Date, the (a) Debt Service Payment Amount, (b) with respect to the Taxable Components, the HDC Servicing Fee and (c) with respect to the Tax-Exempt Components, the Monthly Administrative Fee. After the Anticipated Repayment Date, (i) interest on the outstanding principal balance of each Taxable Component of the Loan in excess of the applicable Component Interest Rate will accrue and be added to the Debt and will earn Excess Interest and such Excess Interest will be deferred and accrue on the unpaid principal balance of each Taxable Component at the applicable Revised Interest Rate and (ii) an amount equal to the ARD Payment Premium for each Tax-Exempt Component will be due and payable at such time as the Loan is paid in full. Each Debt Service Payment Amount, each payment of Excess Interest, each payment of ARD Payment Premium and any amounts applied to the outstanding principal amount of the Debt after the Anticipated Repayment Date will be applied as set forth under "DESCRIPTION OF THE LOAN AGREEMENT—Principal and Interest—Application of Payments" below.

On the Maturity Date the Borrower will be required to pay the outstanding principal balance of each Component of the Loan, all accrued and unpaid interest, including, without limitation, any Excess Interest, any ARD Payment Premium, and all other amounts due under the Loan Agreement and under the Note, the Mortgage and the other Loan Documents.

The obligation of the Borrower under the Loan Agreement to make such loan payments will be further evidenced by the Note payable to the order of the lender. Recourse against the Borrower under the Loan Agreement and under the Note will generally be limited to the Mortgaged Property and the related collateral held under the Loan Documents subject to certain provisions of the Loan Documents.

Simultaneous with the original issuance of the Note, and pursuant to the Indenture, the lender will pledge and assign to the Indenture Trustee, as security for the Series 2014 Bonds, all of the Issuer's right, title and interest in and the Note and the Loan Agreement, including all loan payments, revenues and receipts payable or receivable thereunder, excluding, however, the Reserved Rights which may be enforced by the Issuer, in consultation with the Master Servicer, through an action for specific performance or in certain limited circumstances, other remedial actions as described under "DESCRIPTION OF THE REGULATORY AGREEMENT" herein. See also "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS — The Loan Agreement and the Note," "DESCRIPTION OF THE LOAN AGREEMENT" and "DESCRIPTION OF THE SERVICING AGREEMENT" herein.

The Mortgage

Pursuant to the Mortgage, the Borrower will be required to grant to the lender as mortgagee, as security for the Obligations under the Note, the Loan Agreement, the Indenture and any and all other Loan and Loan Documents to secure a principal indebtedness of $550,000,000, a mortgage Lien on, pledge and security interest in, among other collateral comprising the Mortgaged Property, the Borrower's interest in the Real Property, the Mortgaged Unit, the Leases, the Rents, all Net Insurance Proceeds, all Net Condemnation Proceeds and all Accounts established pursuant to the Loan Documents.

Assignment of Mortgaged Rents

The Borrower has absolutely and unconditionally assigned to the lender all of the Borrower's right, title and interest in and to all current and future Leases and Rents; which assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of the Loan Documents, including the Mortgage, the lender granted to the Borrower a revocable license to collect, receive, use and enjoy the Rents, and the Borrower will be required to hold the Rents, or a portion thereof sufficient to discharge all current sums due on the outstanding principal amount set forth in, and evidenced by, the Loan Agreement and the Note together with all interest accrued and unpaid thereon and all other sums due to the lender in respect of the Loan under the Note, the Loan Agreement, the Mortgage or any other Loan Document (the "Debt"), for use in the payment of such sums.

Mortgage Obligations

The Mortgage secures the Debt as well as the performance of the following (the "Other Obligations"): (a) all other obligations of the Borrower contained in the Mortgage; (b) each obligation of the Borrower contained in the Loan Agreement and each other Loan Document; and (c) each obligation of the Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of each evidence of the Note, Loan Agreement or any other Loan Document. The Borrower's obligations for the payment of the Debt, and the performance of the Other Obligations, are referred to collectively herein as the "Obligations".

No Sale/Encumbrance

The Borrower is not permitted to cause or permit a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, grant of any options with respect to, or any other transfer or disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a legal or beneficial interest in the Mortgaged Property or any part thereof, the Borrower or any Restricted Party, other than in accordance with the applicable provisions of the Loan Agreement, without the prior written consent of the lender.

Mortgage Event of Default

The term "Mortgage Event of Default" as used in the Servicing Agreement (and as used in this Official Statement) has the meaning assigned to the term "Event of Default" in the Mortgage and the Loan Agreement.

Remedies

Upon the occurrence and during the continuance of any Event of Default, the lender may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against the Borrower and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the lender:

(a) declare the entire unpaid Debt to be immediately due and payable;

(b) institute proceedings, judicial or otherwise, for the complete foreclosure of the Mortgage under any applicable provision of law, in which case the Mortgaged Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(c) with or without entry, to the extent permitted and pursuant to the procedures provided by Applicable Law, institute proceedings for the partial foreclosure of the Mortgage for the portion of the Debt then due and payable, subject to the continuing Lien and security interest of the Mortgage for the balance of the Debt not then due, unimpaired and without loss of priority;

(d) sell for cash or upon credit the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Borrower therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained in the Mortgage, in the Note, the Loan Agreement or in the other Loan Documents;

(f) recover judgment on the Note either before, during or after any proceedings for the enforcement of the Mortgage or the other Loan Documents;

(g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Mortgaged Property, without notice and without regard for the adequacy of the security for the Debt and without regard to the solvency of the Borrower or any other Person liable for the payment of the Debt;

(h) the license granted to the Borrower pursuant to the Mortgage will automatically be revoked and the lender may enter into or upon the Mortgaged Property, either personally or by its agents, nominees or attorneys and dispossess the Borrower and its agents and servants therefrom, without liability for trespass, damages or otherwise, and exclude the Borrower and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and the Borrower will surrender possession of the Mortgaged Property and of such books, records and accounts to the lender upon demand, and thereupon the lender may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct the business thereat; (ii) complete any construction on the Mortgaged Property in such manner and form as the lender deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property; (iv) exercise all rights and powers of the Borrower with respect to the Mortgaged Property, whether in the name of the Borrower or otherwise,

including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict Tenants, and demand, sue for, collect and receive all Rents of the Mortgaged Property and every part thereof; (v) require the Borrower to pay monthly in advance to the lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be occupied by the Borrower; (vi) require the Borrower to vacate and surrender possession of the Mortgaged Property to the lender or to such receiver and, in default thereof, the Borrower may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Mortgaged Property to the payment of the Debt, in such order, priority and proportions as the lender deems appropriate in its sole discretion after deducting therefrom all expenses (including reasonable, out-of-pocket attorneys' fees and expenses) incurred in connection with the aforesaid operations and all amounts necessary to pay the Property Taxes, Other Charges, Insurance Premiums and other expenses in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of the lender, its counsel, agents and employees;

(i) exercise any and all rights and remedies granted to a secured party upon default under the UCC, including, without limiting the generality of the foregoing: (i) the right to take possession of the Fixtures, the Equipment, the Personal Property or any part thereof, and to take such other measures as the lender may deem necessary for the care, protection and preservation of the Fixtures, the Equipment, the Personal Property, and (ii) request the Borrower at its expense to assemble the Fixtures, the Equipment, the Personal Property and make it available to the lender at a convenient place acceptable to the lender. Any notice of sale, disposition or other intended action by the lender with respect to the Fixtures, the Equipment, the Personal Property sent to the Borrower in accordance with the provisions of the Mortgage at least ten (10) days prior to such action, will constitute commercially reasonable notice to the Borrower;

(j) apply any sums then deposited or held in escrow or otherwise by or on behalf of the lender in accordance with the terms of the Loan Agreement, the Mortgage or any other Loan Document to the payment of the following items in any order in its sole discretion: (i) Property Taxes and Other Charges; (ii) Insurance Premiums; (iii) interest on the unpaid principal balance of the Note; (iv) amortization of the unpaid principal balance of the Note; (v) all other sums payable pursuant to the Note, the Loan Agreement, the Mortgage and the other Loan Documents, including, without limitation, advances made by the lender pursuant to the terms of the Mortgage;

(k) surrender the Policies maintained pursuant to the Loan Agreement, collect the unearned insurance premiums for the Policies and apply such sums as a credit on the Debt in such priority and proportion as the lender in its discretion deems proper, and in connection therewith, the Borrower appointed the lender as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for the Borrower to collect such insurance premiums;

(l) apply the undisbursed balance of any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Debt in such order, priority and proportions as the Issuer deems appropriate in its discretion; or

(m) pursue such other remedies as the Issuer may have under Applicable Law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Mortgaged Property, the Mortgage will continue as a lien and security interest on the remaining portion of the Mortgaged Property unimpaired and without loss of priority. Notwithstanding any provisions of the Mortgage to the contrary, if any Event of Default related to the bankruptcy of the Borrower as described in the Loan Agreement occurs, the entire unpaid Debt will be automatically due and payable, without any further notice, demand or other action by the lender.

Application of Proceeds

The purchase money, proceeds and avails of any disposition of the Mortgaged Property, and or any part thereof, or any other sums collected by the lender pursuant to the Note, the Mortgage or the other Loan Documents, may be applied by the lender to the payment of the Debt in such priority and proportions as the lender in its discretion deems proper, to the extent consistent with any Legal Requirements and the terms of the Loan Agreement.

Right to Cure Defaults

Upon the occurrence and during the continuance of any Event of Default, the lender may, but without any obligation to do so and upon five (5) days written notice to the Borrower and without releasing the Borrower from any obligation under the Mortgage, make any payment or do any act required of the Borrower under the Mortgage in such manner and to such extent as the lender may deem necessary to protect the security of the Mortgage. The Issuer may enter upon the Mortgaged Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose the Mortgage or collect the Debt, and the reasonable out-of-pocket costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this paragraph, will constitute a portion of the Debt and will be due and payable to the lender upon demand. All such costs and expenses incurred by the lender in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding will bear interest at the Default Rate, for the period after notice from the lender that such cost or expense was incurred to the date of payment to the lender. All such costs and expenses incurred by the lender together with interest thereon calculated at the Default Rate will constitute a portion of the Debt and be secured by the Mortgage and the other Loan Documents and will be immediately due and payable upon demand by the lender therefor.

Actions and Proceedings

Upon five (5) days' prior written notice to the Borrower, the lender may appear in and defend any action or proceeding brought with respect to the Mortgaged Property and bring any action or proceeding, in the name and on behalf of the Borrower, which the lender, in its discretion, decides should be brought to protect its interest in the Mortgaged Property.

Recovery of Sums Required To Be Paid

Subject to the Loan Agreement, the lender may from time to time take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt is due, and without prejudice to the right of the lender thereafter to bring an action of foreclosure, or any other action, for a default or Event of Default by the Borrower existing at the time such earlier action was commenced.

Right to Release Any Portion of the Mortgaged Property

The lender may release any portion of the Mortgaged Property for such consideration as the lender may require without, as to the remainder of the Mortgaged Property, in any way impairing or affecting the lien or priority of the Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Obligations under the Mortgage have been reduced by the actual monetary consideration, if any, received by the lender for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as the lender may require without being accountable for so doing to any other lienholder. The Mortgage will thereafter continue as a lien and security interest in the remaining portion of the Mortgaged Property.

Bankruptcy

(a) Upon or at any time after the occurrence of an Event of Default, the lender may proceed in its own name or in the name of the Borrower in respect of any claim, suit, action or proceeding relating to the rejection of any Lease, including, without limitation, the right to file and prosecute, to the exclusion of the Borrower, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the lessee under such Lease under 11 U.S.C. § 101 et seq., as the same may be amended from time to time (the "Bankruptcy Code").

(b) If a petition under the Bankruptcy Code is filed by or against the Borrower, and the Borrower, as lessor under any Lease, determines to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then the Borrower is required to give the lender not less than ten (10) days' prior written notice of the date on which the Borrower will apply to the bankruptcy court for authority to reject the Lease. The lender may, but without any obligation to do so, serve upon the Borrower within such ten (10) day period a notice stating that (i) the lender demands that the Borrower assume and assign the Lease to the lender pursuant to Section 365 of the Bankruptcy Code and (ii) the lender is required to cure or provide adequate assurance of future performance under the Lease. If the lender serves upon the Borrower the notice described in the preceding sentence, the Borrower is not permitted to seek to reject the Lease and must comply with the demand provided for in clause (i) of the preceding sentence within 30 days after the notice was given, subject to the performance by the lender of the covenant provided for in clause (ii) of the preceding sentence.

Subrogation

If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Mortgaged Property, then, to the extent of the funds so used, the lender will be subrogated to all of the rights, claims, liens, titles, and interests existing against the Mortgaged Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of the lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of the Borrower's obligations under the Mortgage, the Loan Agreement, the Note and the other Loan Documents and the performance and discharge of the Other Obligations.

Maximum Debt Secured

The maximum principal amount of indebtedness which is or under any contingency may be secured at the date of execution of the Mortgage or at any time thereafter by the Mortgage is $550,000,000, plus all amounts expended by the lender or Indenture Trustee during the continuance of an event of default to preserve, protect and enforce the lien of the Mortgage or to protect the Mortgaged Property, or the value thereof, including, without limitation, all amounts in respect of insurance premiums and all real estate taxes, charges or assessments imposed by law upon said premises, or any other amount, cost or charge to which the lender may become subrogated upon payment as a result of the Borrower's failure to pay as required by the terms of the Mortgage, plus all accrued but unpaid interest on the obligations secured by the Mortgage.

Insurance Proceeds

In the event of any conflict, inconsistency or ambiguity between the provisions of the Loan Documents and the provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire, the provisions of the Loan Documents will control.

Limited Obligations

THE SERIES 2014 BONDS ARE SPECIAL REVENUE OBLIGATIONS OF THE NEW YORK CITY HOUSING DEVELOPMENT CORPORATION, A CORPORATE GOVERNMENTAL AGENCY, CONSTITUTING A PUBLIC BENEFIT CORPORATION, ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF NEW YORK. THE SERIES 2014 BONDS ARE NOT A DEBT OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE THEREON, NOR SHALL THE SERIES 2014 BONDS BE PAYABLE OUT OF ANY FUNDS OTHER THAN THOSE OF THE CORPORATION PLEDGED THEREFOR. THE CORPORATION HAS NO TAXING POWER.

DESCRIPTION OF THE LOAN AGREEMENT

The following is a summary of the principal provisions of the Loan Agreement. Except to the extent defined below, certain defined terms are used as defined in Appendix A to this Official Statement. References to the "lender" in the case of the Loan Agreement shall be deemed to refer to the Master Servicer or Special Servicer, as their respective roles require under the Servicing Agreement. This summary does not purport to be complete, and is qualified in its entirety, by reference to the Loan Agreement, the Note and the other Loan Documents.

General

The Loan from the Issuer to the Borrower will be originated on the Closing Date pursuant to the Loan Agreement and will be evidenced by the Note. The principal balance of the Loan as of the Closing Date is $550,000,000. The Loan and the Note will be secured by the Mortgage and the other Loan Documents.

The Issuer will transfer the Loan pursuant to the Indenture to the Indenture Trustee. The Series 2014 Bonds will be issued pursuant to the Indenture.

Principal and Interest

Payments of interest on the Loan will be due on the ninth day of each calendar month, beginning in December 2014 (or if such day is not a Business Day, the immediately preceding Business Day) (each, a "Loan Payment Date"). Interest on the outstanding principal balance of each Component of the Loan will accrue from and including the Closing Date through and including the last day of the Interest Accrual Period preceding the Maturity Date at the Applicable Interest Rate. Interest, the HDC Servicing Fee and the Monthly Administrative Fee will be paid in arrears. In addition, (i) with respect to the Taxable Components, the HDC Servicing Fee will accrue on the outstanding principal balance of each such Taxable Component from the Closing Date through and including the last day of the Interest Accrual Period preceding the Maturity Date, and (ii) with respect to the Tax-Exempt Components, the Monthly Administrative Fee will accrue on the outstanding principal balance of each such Tax-Exempt Component from the Closing Date through and including the last day of the Interest Accrual Period preceding the Maturity Date. If the Loan is not repaid in full on or before the Anticipated Repayment Date, then commencing with the first day of the Interest Accrual Period during which the Anticipated Repayment Date occurs, to the fullest extent permitted under Applicable Law, interest on the outstanding principal balance of each Taxable Component of the Loan will thereafter accrue interest at the Revised Interest Rate for such Component. If the Loan is repaid in full on or prior to the Anticipated Repayment Date no Excess Interest will be due and payable. The total interest accrued under the Loan will be the sum of the interest accrued on the outstanding principal balance of each of the Components at the Applicable Interest Rate. Notwithstanding anything to the contrary contained in the Loan Documents, if the Loan is repaid in full on or before a Loan Payment Date, then no interest, HDC Servicing Fee or Monthly Administrative Fee will accrue or be due and payable with respect to the Loan for the period from and including the first calendar day in the month in which such Loan Payment Date occurs to and including the date of such repayment. "Monthly Administrative Fee" means, with respect to each Loan Payment Date,

collectively, an additional interest payment due with respect to each Tax-Exempt Component calculated on the outstanding principal balance of each Tax-Exempt Component at the Monthly Administrative Fee Rate, which Monthly Administrative Fee Rate will be comprised of (i) the HDC Servicing Fee Rate, (ii) the Indenture Trustee Fee Rate, (iii) the Master Servicing Fee Rate, (iv) the Operating Advisor Fee Rate and (v) the CREFC® Intellectual Property Royalty License Fee Rate.

For purposes of accruing interest and applying principal payments on the Loan, it will consist of six (6) components (each, a "Component") having the respective original principal balances set forth in the table below. Interest will accrue on the outstanding principal balance of the Loan at a per annum rate equal to the weighted average of the Component Interest Rates set forth in the table below during the related Interest Accrual Period.

Loan Components	Component Principal Balance	Component Interest Rate
Component A	$276,900,000	3.718367%
Component B	$ 65,900,000	3.873367%
Component C	$ 3,300,000	3.940367%
Component D	$ 45,700,000	3.000%
Component E	$ 50,100,000	3.500%
Component F	$108,100,000	4.500%

The initial weighted average interest rate on the Loan is 3.812316% per annum. Interest on the outstanding principal balance of each Component of the Loan will be calculated assuming each month has 30 days and a 360-day year, except that interest due and payable for a period of less than a full month will be calculated by multiplying the actual number of days elapsed in such period by a daily rate based on a 360-day year. On each Loan Payment Date, beginning in December 2014, interest will be payable in an amount equal to the interest accrued on each Component at the applicable Component Interest Rate (with respect to the Loan, the "Debt Service Payment Amount"). Upon the occurrence and during the continuance of any Event of Default under the Loan Agreement, interest on the outstanding principal balance of each Component, overdue interest and other amounts due under the Loan will accrue interest at a rate equal to the lesser of the Maximum Legal Rate or four percent (4%) per annum (the "Default Rate").

Debt Service Payment Amount Through and Including the Maturity Date. On the Loan Payment Date occurring in December 2014, the Borrower is required to pay to the lender interest for the period from and including the Closing Date through and including the last day of November 2014, and on each Loan Payment Date thereafter through and including the Maturity Date, the Borrower is required to pay to the lender (i) the Debt Service Payment Amount, (ii) with respect to the Taxable Components, the HDC Servicing Fee and (iii) with respect to the Tax-Exempt Components, the Monthly Administrative Fee.

Payments After Anticipated Repayment Date. If the Loan is repaid on or prior to the Anticipated Repayment Date, no Excess Interest or ARD Payment Premium will be due and payable. If the Loan is not repaid in full on or before the Anticipated Repayment Date, then commencing with the first day of the Interest Accrual Period during which the Anticipated Repayment Date occurs, (i) Excess Interest on the Taxable Components will be deferred and accrue on the unpaid principal balance of each Taxable Component at the applicable Revised Interest Rate until the Loan has been paid in full or the Series 2014 Bonds have otherwise been redeemed in whole and (ii) an amount equal to the applicable ARD Payment Premium for each Tax-Exempt Component will be due and payable at such time as the Loan has been paid in full or the Series 2014 Bonds have otherwise been redeemed in whole. On each Loan Payment Date occurring after the Anticipated Repayment Date, Excess Cash will be applied first in reduction of the outstanding principal balance of each Component (excluding the portion representing deferred Excess Interest, if any) until the entire outstanding principal balance of such Component (excluding the portion representing deferred Excess Interest, if any), is

paid in full and, only after the outstanding principal balance of the Loan is paid in full, to the payment of all deferred Excess Interest and any ARD Payment Premium.

Payment on Maturity. The Borrower will pay to the lender on the Maturity Date the outstanding principal balance of each Component of the Loan, all accrued and unpaid interest, including, without limitation, any Excess Interest, any ARD Payment Premium and all other amounts due under the Loan Agreement and under the Note, the Mortgage and the other Loan Documents.

Application of Payments. Prior to the occurrence of an Event of Default, (i) each Debt Service Payment Amount made as scheduled pursuant to the Loan Agreement and the Note will be applied to each Component of the Loan to the payment of interest (exclusive of Excess Interest) computed at the applicable Component Interest Rate and in the following order: (a) first, to the payment of interest due and payable on Component A, (b) second, to the payment of interest due and payable on Component B, (c) third, to the payment of interest due and payable on Component C, (d) fourth, to the payment of interest due and payable on Component D, (e) fifth, to the payment of interest due and payable on Component E and (f) sixth, to the payment of interest due and payable on Component F and (ii) after the Anticipated Repayment Date, each monthly installment of Excess Cash made as required under the Loan Agreement shall be applied (1) first to the reduction of the principal amount of each Component (excluding the portion representing deferred Excess Interest, if any) until paid in full in the following order: (a) first, to the reduction of the outstanding principal balance of Component A (excluding the portion representing deferred Excess Interest, if any) until reduced to zero, (b) second, to the reduction of the outstanding principal balance of Component B (excluding the portion representing deferred Excess Interest, if any) until reduced to zero, (c) third, to the reduction of the outstanding principal balance of Component C (excluding the portion representing deferred Excess Interest, if any) until reduced to zero, (d) fourth, to the reduction of the outstanding principal balance of Component D until reduced to zero, (e) fifth, to the reduction of the outstanding principal balance of Component E until reduced to zero and (f) sixth, to the reduction of the outstanding principal balance of Component F until reduced to zero and (2) only after the outstanding principal balance of the Loan is paid in full, the balance to any Excess Interest or any ARD Payment Premium, as applicable, with respect to each Component of the Loan until paid in full in the following order: (a) first, to the payment of Excess Interest due and payable on Component A, (b) second, to the payment of Excess Interest due and payable on Component B, (c) third, to the payment of Excess Interest due and payable on Component C, (d) fourth, to the payment of any ARD Payment Premium then due and payable on Component D, (e) fifth, to the payment of any ARD Payment Premium due and payable on Component E and (f) sixth, to the payment of any ARD Payment Premium due and payable on Component F. Following the occurrence of an Event of Default, any payment made on the Debt is required to be applied to accrued but unpaid interest, late charges, accrued fees, the unpaid principal amount of the Debt, and any other sums due and unpaid to lender in connection with the Loan, in such manner and order as lender may elect in its sole and absolute discretion.

If the Borrower fails to pay any principal or interest payment on or before the applicable Loan Payment Date, a late fee equal to the lesser of four percent (4%) of such unpaid sum or the maximum amount permitted by applicable Legal Requirements will be payable by the Borrower.

All payments made by the Borrower under the Note or the Loan Agreement will be required to be made irrespective of, and without any deduction for, any setoff (other than as described in the Indenture), defense or counterclaims; provided, that the Borrower's payment obligations will be deemed satisfied to the extent amounts held in the Deposit Account are available for the payment thereof.

Prepayment

Except as set forth below, the Borrower is not permitted to voluntarily prepay the Loan without the consent of the lender on or prior to April 30, 2024 (the "Lockout Period"). Notwithstanding any provisions of the Loan Agreement to the contrary, at any time prior to the end of the Lockout Period, the Borrower may

prepay the Loan (inclusive of all Components) in whole, but not in part, upon the satisfaction of the following conditions:

(i) no Event of Default will have occurred and be continuing;

(ii) not less than twenty (20) (but not more than ninety (90)) days' prior written notice will be given to the lender specifying a date on which the Borrower anticipates prepaying the Loan (the "Prepayment Date"); provided, however, that Borrower may cancel or extend (by no more than thirty (30) days) such notice by providing the lender with notice of cancellation or extension not less than ten (10) days prior to the scheduled Prepayment Date, provided that the Borrower pays all of the lender's costs and expenses incurred as a result of such cancellation or extension;

(iii) all sums due under the Loan Agreement, the Note and under the other Loan Documents up to the Prepayment Date, including, without limitation, the HDC Assignment Fee (if applicable in connection with an assignment of the Loan to a new lender), all fees owed under the HDC Commitment and any additional reasonable out-of-pocket fees, costs and expenses incurred by the lender and its agents in connection with such prepayment are paid in full on or prior to the Prepayment Date;

(iv) the Prepayment Date will be a Loan Payment Date or any other Business Day; provided that the Borrower pays to the lender, together with the prepayment and any other amounts due under the Note, the Loan Agreement and the other Loan Documents interest through the end of the Interest Accrual Period in which such prepayment occurs;

(v) the Borrower pays to the lender all accrued and unpaid interest on the Loan as described in clause (iv) above, together with all other sums due under the Note, the Loan Agreement and the other Loan Documents;

(vi) the Borrower pays to the lender an amount which, when added to the outstanding principal balance of the Loan, will be sufficient to purchase Defeasance Collateral;

(vii) the Borrower delivers to the lender on or prior to the Prepayment Date a certificate in form and scope which would be satisfactory to a prudent lender from an independent certified public accountant acceptable to the lender certifying that the Defeasance Collateral will generate amounts sufficient to make all payments of principal and interest due under the Loan Agreement and the Note (including the scheduled outstanding principal balance of the Loan due on the Anticipated Repayment Date) through the end of the Lockout Period;

(viii) the lender obtains a No Downgrade Confirmation;

(ix) the Borrower delivers to the lender on or prior to the Prepayment Date one or more opinions of counsel for the Borrower in form and substance and delivered by counsel which would be satisfactory to a prudent lender stating, among other things, that the lender has a perfected first priority security interest in the Defeasance Collateral;

(x) the lender receives an opinion of counsel that the defeasance of the Series 2014 Bonds will not cause an Adverse Tax-Exempt Bonds Event; and

(xi) the Borrower pays all processing fees and actual and reasonable out-of pocket costs and expenses of the Master Servicer (or Special Servicer, as applicable) and the Indenture Trustee incurred in connection with the prepayment and defeasance of the Loan, including reasonable attorneys' fees and expenses.

If the Borrower prepays the Loan (inclusive of all Components) in whole upon satisfaction of the above conditions, the funds from such prepayment will be required to be used to purchase Defeasance Collateral and to defease the Series 2014 Bonds in accordance with the Indenture.

After the Lockout Period, and upon giving the lender at least twenty (20) (but not more than 90) days' prior written notice, the Borrower may voluntarily prepay the Loan in whole in accordance with the Loan Agreement without payment of any penalty (other than the payment of Excess Interest or ARD Payment Premiums); provided, that such restriction on prepayments will not apply to reductions in the outstanding principal balance of the Loan permitted under and made after the Anticipated Repayment Date in accordance with the terms of the Loan Agreement. In connection with any voluntary prepayment of the Loan after the Lockout Period, the Borrower is required to pay, in addition to any portion of the principal balance of the Loan being prepaid, all accrued and unpaid interest on the Loan and, if the prepayment is made on a date other than a Loan Payment Date, the amount of interest which would have accrued thereon if such prepayment was made on the next Loan Payment Date, together with Excess Interest and ARD Payment Premium, if any. If the Borrower repays the Loan on or before a Loan Payment Date, the Borrower is required to pay interest through the end of the Interest Accrual Period immediately prior to such Loan Payment Date but is not required to pay any interest for any period the Loan remains outstanding after the end of such Interest Accrual Period.

In addition to permitted voluntary prepayments, the Borrower will be required to prepay the Loan in connection with a casualty or condemnation affecting the Mortgaged Property in an amount equal to all Net Proceeds, which pursuant to the provisions of Loan Agreement are not required to be made available for Restoration, that the lender elects to retain and apply toward the reduction of the principal amount of the Debt. Any such prepayment will be held by the lender and applied on the next Loan Payment Date to each Component of the Loan in the order set forth under "DESCRIPTION OF THE LOAN AGREEMENT — Payments After Anticipated Repayment Date" above.

In the event of a principal prepayment allocated to the Loan, and so long as no Event of Default has occurred and is continuing, such principal prepayments, will be applied (1) (a) first, to the reduction of the outstanding principal balance of Component A (excluding the portion representing deferred Excess Interest, if any) until reduced to zero, (b) second, to the reduction of the outstanding principal balance of Component B (excluding the portion representing deferred Excess Interest, if any) until reduced to zero, (c) third, to the reduction of the outstanding principal balance of Component C (excluding the portion representing deferred Excess Interest, if any) until reduced to zero, (d) fourth, to the reduction of the outstanding principal balance of Component D until reduced to zero, (e) fifth, to the reduction of the outstanding principal balance of Component E until reduced to zero and (f) sixth, to the reduction of the outstanding principal balance of Component F until reduced to zero, and (2) only after the outstanding principal balance of the Loan is paid in full, the balance to any Excess Interest or any ARD Payment Premium, as applicable, with respect to each Component of the Loan until paid in full in the following order: (a) first, to the payment of Excess Interest due and payable on Component A, (b) second, to the payment of Excess Interest due and payable on Component B, (c) third, to the payment of Excess Interest due and payable on Component C, (d) fourth, to the payment of any ARD Payment Premium then due and payable on Component D, (e) fifth, to the payment of any ARD Payment Premium due and payable on Component E and (f) sixth, to the payment of any ARD Payment Premium due and payable on Component F.. Following the occurrence and during the continuance of a Mortgage Event of Default, any payment of principal made on the Loan will be applied, between the components in the lender's sole discretion.

At the request of the Borrower in connection with any full prepayment or repayment of the Loan, in accordance with the terms of the Loan Agreement and the other Loan Documents, and after the termination of the Servicing Agreement the lender is required, subject to and in accordance with the terms and conditions of the HDC Commitment, to: (i) assign the Mortgage to HDC (if HDC is not the holder of the Mortgage at the time of such prepayment or repayment) and HDC will be required to assign the Mortgage to any new lender in connection with a refinance of the Loan in accordance with the terms of assignment documents prepared by counsel to HDC, which assignment documents must comply in all respects with the Regulatory Agreement and

the HDC Commitment, (ii) deliver to or as directed by the Borrower the original executed Note and all other original executed notes (or copies thereof if no such original executed note was delivered to the lender in connection with the closing of the Loan) which may have been consolidated, amended and/or restated in connection with the closing of the Loan or, with respect to any note the original of which had been delivered and endorsed to the lender and such original has been lost, destroyed or mutilated, a then customary lost note affidavit for the benefit of the assignee lender and the title insurance company insuring the Mortgage, as assigned, in form sufficient to permit such title insurance company to insure the lien of the Mortgage as assigned to and held by the assignee without exception for any matter relating to the lost, destroyed or mutilated note, (iii) execute and deliver an allonge with respect to the Note and, to the extent endorsed to the lender, any other note(s) as described in the preceding clause (ii) above without recourse, covenant or warranty of any nature, express or implied (except as to the outstanding principal balance of the Loan and that the lender owns the Note free of any liens and encumbrances and has the authority to execute and deliver the allonge), (iv) deliver the original executed Mortgage or a certified copy of record, and (v) execute and deliver such other instruments of conveyance, assignment, termination, severance and release (including appropriate UCC-3 termination statements) in recordable form as may reasonably be requested by the Borrower to evidence such assignment and/or severance. The HDC Assignment Fee, all fees due to HDC as set forth in the HDC Commitment and all other actual costs and expenses incurred by the lender and HDC, including, without limitation, reasonable attorneys' fees, in connection with the foregoing will be paid by the Borrower.

Payments After Default Under the Series 2014 Bonds

If, after the occurrence and during the continuance of an Event of Default, the lender accelerates the Debt and the Borrower thereafter tenders payment of all or any part of the Debt, or if all or any portion of the Debt is recovered by the lender after such Event of Default, such payment will be deemed an attempt to circumvent the prohibition against prepayment set forth in the Loan Agreement and the Borrower will be required to pay to the lender, in addition to the amount of the Debt so paid or recovered, (i) the amount of interest which would have accrued thereon through the last day of the Interest Accrual Period in which payment is tendered or recovered if such payment is not made on a Loan Payment Date, and (ii) an amount equal to the greater of (A) one percent (1%) of the portion of the outstanding principal balance of the Debt tendered or recovered and (B) if, prior to the end of the Lockout Period, the entire amount of the Debt is tendered or recovered, the amount which, when added to the outstanding principal balance of the Debt, would be sufficient to purchase Defeasance Collateral.

Bond Redemption

The Loan Agreement provides and the Issuer has agreed that it will not exercise any right it has pursuant to the Indenture to optionally redeem the Series 2014 Bonds without the Borrower's prior written consent; provided, that the Issuer will not be bound by the foregoing if (a) a Mortgage Event of Default has occurred or (b) the City requires an optional redemption pursuant to Section 659 of the Private Housing Finance Law (which permits the City to require such an optional redemption in whole, upon furnishing sufficient funds therefor, on a Bond Payment Date not less than twenty (20) years after the date of issuance of the Series 2014 Bonds). In connection with any optional redemption, the Borrower has agreed that it will be obligated to pay the lender, five (5) Business Days prior to the Redemption Date, an amount equal to all Excess Interest and ARD Payment Premiums that would be payable if the Loan were to be prepaid in full on such Redemption Date.

Existence; Compliance With Applicable Laws

The Borrower is required to do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence, rights, licenses, permits and franchises and comply with all Applicable Laws applicable to it and the Mortgaged Property, including, without limitation, building and zoning codes and certificates of occupancy. The Borrower is not permitted to commit, permit or suffer to exist any act or omission in violation of Applicable Laws the effect of which will afford any Governmental Authority the right

of forfeiture as against the Mortgaged Property or any part thereof or any monies paid in performance of the Borrower's obligations under any of the Loan Documents.

However, after prior written notice to the lender, the Borrower, at its own expense, may suspend such compliance and contest by appropriate legal proceeding, conducted in good faith and with due diligence, the validity or applicability of the Applicable Laws to the Borrower and/or the Mortgaged Property; provided that (i) no Event of Default has occurred and remains uncured; (ii) such proceeding will be permitted under and be conducted in accordance with the provisions of any other instrument to which the Borrower or the Mortgaged Property is subject and will not constitute a default thereunder; (iii) neither the Mortgaged Property, any part thereof or interest therein, any of the Tenants, nor the Borrower will be affected in any material adverse way as a result of such proceeding; (iv) non-compliance with the Legal Requirements does not impose civil or criminal liability on the Borrower or the lender; (v) the Borrower has furnished the security as may be reasonably required in the proceeding, or required by the lender if no such security has been furnished in the proceeding, to ensure compliance by the Borrower with the Legal Requirements; and (vi) the Borrower furnishes such security as may be required in the proceeding, or as may be reasonably requested by the lender, to insure compliance with such Applicable Law, together with all interest and penalties payable in connection therewith. The lender may apply any such security as necessary to cause compliance with such Applicable Law at any time when, in the reasonable judgment of the lender, the validity, applicability or violation of such Applicable Law is finally established or the Mortgaged Property (or any part thereof or interest therein) will be in danger of being sold, forfeited, terminated, cancelled or lost.

Taxes and Other Charges

The Borrower is required to pay all Property Taxes and Other Charges levied or assessed or imposed against the Mortgaged Property or any part thereof as the same become due and payable. The Borrower must deliver to the lender promptly following written request receipts for payment of the Property Taxes and Other Charges at least five (5) days prior to the date on which the Property Taxes and/or Other Charges would otherwise be delinquent if not paid; provided, however, the Borrower will not be required to furnish such receipts for payment of Property Taxes in the event that such Property Taxes have been paid by the lender pursuant to the Loan Agreement.

After prior written notice to the lender, the Borrower, at the Borrower's own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any Property Taxes or Other Charges; provided that (i) no Event of Default is continuing; (ii) such proceeding will be permitted under and be conducted in accordance with the provisions of any other instrument to which the Borrower is subject and will not constitute a default thereunder and such proceeding will be conducted in accordance with all applicable Legal Requirements; (iii) neither the Mortgaged Property nor any part thereof or direct or indirect interest therein will be in danger of being sold, forfeited, terminated, canceled or lost; (iv) the Borrower must promptly upon final determination thereof pay the amount of any such Property Taxes or Other Charges, together with all costs, interest and penalties which may be payable in connection therewith; (v) such proceeding will suspend the collection of such contested Property Taxes or Other Charges from the Mortgaged Property; (vi) the Borrower has furnished such security as may be required in the proceeding, or if no such security has been furnished in the proceeding, the Borrower must furnish such reserve deposits as may be reasonably requested by the lender, to ensure the payment of any such Property Taxes or Other Charges, together with all interest and penalties thereon (unless the Borrower has paid all of the Property Taxes or Other Charges under protest); (vii) failure to pay such Property Taxes or Other Charges will not subject the Borrower or the lender to any civil or criminal liability; (viii) such contest is not reasonably expected to have and does not have a Material Adverse Effect; and (ix) the Borrower must, upon written request by the lender, give the 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 (viii) above. The lender may pay over any such cash deposit or part thereof held by the lender to the claimant entitled thereto at any time when, in the reasonable judgment of the lender, the entitlement of such claimant is established or the Mortgaged Property (or part thereof or interest therein) will

be in danger of being sold, forfeited, terminated, canceled or lost or there will be any danger of the Lien of the Mortgage being primed by any related Lien.

Financial Reporting

Certain of the information described below is the subject of information requirements of the Continuing Disclosure Agreement to be entered into between the Borrower and the Indenture Trustee, and made available by the Borrower through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System on an annual basis. See "CONTINUING DISCLOSURE."

(a) The Borrower is required to keep adequate books and records of account in accordance with GAAP (or such other method of accounting reasonably acceptable to the lender), consistently applied and will furnish to the lender:

(i) quarterly rent rolls, prepared and certified by the Borrower in the form previously provided to the lender, detailing the names of all Tenants, the portion of Improvements occupied by each Tenant, the rent and any other charges payable under each Lease, and the term of each Lease, including the commencement and expiration dates, and any other information as is reasonably required by the lender, within 45 days after the end of each calendar quarter;

(ii) quarterly, including year-to-date, and annual operating statements of the Mortgaged Property, prepared and certified by the Borrower in the form required by lender, detailing the revenues received, the expenses incurred, the net operating income before and after debt service (principal and interest) and capital expenditures and containing such other information as is necessary and sufficient to fairly represent the financial position and results of operation of the Mortgaged Property, as well as a comparison of budgeted revenues and expenses to actual revenues and expenses (together with a detailed explanation of any variance of five percent (5%) or more), within 45 days after the end of each calendar month and quarter;

(iii) (A) unaudited annual balance sheet, profit and loss statement, statement of cash flows, and statement of change in financial position of the Borrower and Sponsor, prepared and certified by the Borrower within 90 days after the close of each fiscal year of the Borrower and (B) annual audited financial statements prepared by an Acceptable Accountant within 120 days after the close of each fiscal year of the Borrower;

(iv) an Annual Budget not later than 30 days prior to the commencement of each fiscal year of the Borrower, which will be subject to the approval of the lender, along with any amendments or modifications thereto. In the event that the lender objects to a proposed Annual Budget submitted by the Borrower, the lender must advise the Borrower of such objections within fifteen (15) days after receipt thereof (and deliver to the Borrower a reasonably detailed description of such objections) and the Borrower will be required to promptly revise such Annual Budget and resubmit the same to the lender. The lender is required to advise the Borrower of any objections to such revised Annual Budget within ten (10) days after receipt thereof (and deliver to the Borrower a reasonably detailed description of such objections) and the Borrower is required to promptly revise the same in accordance with the process described in this clause (iv) until the lender approves the Annual Budget. Until such time that the lender approves a proposed Annual Budget, which approval will not be unreasonably withheld, conditioned or delayed, the most recent Annual Budget will apply; provided that, such approved Annual Budget will be adjusted to reflect (A) actual increases in Property Taxes, Insurance Premiums, utilities expenses and expenses under the Management Agreement and (B) up to five percent (5%) increases in any budgeted line items provided such increases do not exceed a five percent (5%) increase in the Annual Budget in the aggregate; and

(v) a quarterly calculation of the debt service coverage ratio for the immediately preceding two (2) calendar quarters as of the last day of such period, prepared and certified by the Borrower in the form previously provided to the lender, within 30 days of the end of the quarter; and

(vi) if the Issuer is not the lender, all HDC Reporting Requirements delivered to the lender simultaneously with the delivery thereof to the Issuer.

(b) Upon written request from the lender, the Borrower is required to promptly furnish to the lender:

(i) a property management report for the Mortgaged Property, showing the number of inquiries made and/or rental applications received from Tenants or prospective Tenants and deposits received from Tenants and any other information requested by the lender, but no more frequently than quarterly; and

(ii) an accounting of all security deposits held in connection with any Lease of any part of the Mortgaged Property, including the name and identification number of the accounts in which such security deposits are held, the name and address of the financial institutions in which such security deposits are held and the name of the Person to contact at such financial institution, along with any authority or release necessary for the lender to obtain information regarding such accounts directly from such financial institutions.

(c) The Borrower is required to furnish to the lender such other additional financial or management information as may, from time to time, be reasonably required by the lender in form and substance reasonably satisfactory to the lender (including, without limitation, any financial reports required to be delivered by any Tenant or any guarantor of any lease pursuant to the terms of such Lease or otherwise in the Borrower's possession), and is required to furnish to the lender and its agents convenient facilities for the examination and audit of any such books and records.

(d) All items requiring the certification of the Borrower will, except where the Borrower is an individual, require a certificate executed by an authorized officer of the Borrower or the general partner or managing member of the Borrower, as applicable, and will contain a statement by the Borrower as to whether there exists, to the Borrower's knowledge, an Event of Default under the Loan Documents, and if an Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same.

(e) If requested by the lender, the Borrower must provide the lender, promptly upon request, with any financial statements, financial, statistical or operating information or other information as the lender will determine necessary or appropriate (including items required (or items that would be required if the Securitization were offered publicly) pursuant to Regulation AB under the Securities Act, or the Securities Exchange Act of 1934 (the "Exchange Act"), or any amendment, modification or replacement thereto) or required by any other legal requirements, in each case, in connection with any private placement memorandum, prospectus or other disclosure documents or materials or any filing pursuant to the Exchange Act in connection with the Securitization or as may otherwise be reasonably requested by the lender.

Title to the Mortgaged Property

The Borrower is required to warrant and defend (a) the title to the Mortgaged Property and every part thereof, subject only to Liens permitted under the Loan Agreement (including Permitted Encumbrances) and (b) the validity and priority of the Lien of the Mortgage on the Mortgaged Property, subject to the Liens permitted under the Loan Agreement (including Permitted Encumbrances), in each case against the claims of all Persons whomsoever. The Borrower is required to reimburse the lender for any losses, costs, damages or expenses (including reasonable attorneys' fees and expenses) incurred by the lender if an interest in the Mortgaged Property, other than as permitted under the Loan Agreement, is claimed by another Person (except to the extent the same is insured against under the Title Insurance Policy).

Costs of Enforcement

In the event (a) that the Mortgage is foreclosed in whole or in part, (b) of the bankruptcy, insolvency, rehabilitation or other similar proceeding in respect of the Borrower or any of its constituent Persons or an assignment by the Borrower or any of its constituent Persons for the benefit of its creditor or (c) lender exercises any of its other remedies under the Loan Agreement or the other Loan Documents, the Borrower, its successors or assigns, will be chargeable with and must pay all costs of collection and defense, including reasonable attorneys' fees and expenses, incurred by the lender or the Borrower in connection therewith and in connection with any appellate proceeding or post judgment action involved therein, together with all required service or use taxes.

Leasing Matters

(a) All Leases will be written on the standard form of lease previously approved by the lender with customary market provisions agreed to in the ordinary course in similar retail residential buildings and, with respect to residential Leases will comply with the Rent Stabilization Regulations and 421-a Regulations for residential units similar to the units at the Mortgaged Property in the Borough of Manhattan. Upon request, the Borrower is required to furnish the lender with executed copies of all Leases. Other than customary market provisions agreed to in the ordinary course in similar residential buildings and any provisions required pursuant to any Rent Stabilization Regulations or 421-a Regulations, no material changes may be made to the lender-approved standard form of lease without the prior written consent of the lender, such consent not to be unreasonably withheld, conditioned or delayed.

(b) The Borrower (i) is required to use commercially reasonable efforts to observe and perform all the obligations imposed upon the landlord under the Leases and is required to use commercially reasonable efforts to not do or permit to be done anything to impair the value of the Leases as security for the Debt; (ii) is required to use commercially reasonable efforts to enforce all of the terms, covenants and conditions contained in the Leases upon the part of the Tenant thereunder to be observed or performed, short of termination thereof; provided, however, with respect to multifamily residential property, a residential Lease may be terminated in the event of a default by the Tenant thereunder; and (iii) is not permitted to execute any other assignment of the landlord's interest in the Leases or the Rents.

Property Management

(a) The Borrower is required to (i) diligently perform and observe all of the material terms, covenants and conditions required to be performed and observed by it under the Management Agreement, the Leasing Agreement and the Amenities Management Agreement and do all things necessary to preserve and to keep unimpaired its material rights thereunder; (ii) promptly notify the lender of any default beyond applicable notice and cure periods under the Management Agreement, the Leasing Agreement and the Amenities Management Agreement of which it is aware; (iii) promptly deliver to the lender a copy of any notice of default or other material notice received by the Borrower under the Management Agreement, the Leasing Agreement and the Amenities Management Agreement; (iv) promptly give notice to the lender of any notice or information that the Borrower receives which indicates that the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable, is terminating the Management Agreement, the Leasing Agreement or the Amenities Management Agreement or that the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable, is otherwise discontinuing its management of the Mortgaged Property; and (v) promptly enforce the performance and observance of all of the covenants required to be performed and observed by the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable, under the Management Agreement, the Leasing Agreement and the Amenities Management Agreement.

(b) If at any time, (i) the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable, becomes insolvent or a debtor in a bankruptcy proceeding; (ii) a monetary Event of

Default or material non-monetary Event of Default has occurred and is continuing; (iii) a monetary or material non-monetary default has occurred and is continuing under the Management Agreement, the Leasing Agreement or the Amenities Management Agreement, or (iv) the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable, has engaged in gross negligence, fraud, willful misconduct or misappropriation of funds, the Borrower is required to, at the request of the lender, terminate the Management Agreement, the Leasing Agreement or the Amenities Management Agreement upon 30 days' prior notice to the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable, and replace the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable, with a Qualified Manager on terms and conditions satisfactory to the lender, it being understood and agreed that the management fee for such replacement manager will not exceed then prevailing market rates.

(c) In addition to the foregoing, in the event that the lender, in the lender's reasonable discretion, at any time prior to the termination of the Assignment of Management Agreement, the Assignment of Leasing Agreement or the Assignment of Amenities Management Agreement, as applicable, determines that the Mortgaged Property is not being managed in accordance with generally accepted management practices for projects similarly situated, the lender may deliver written notice thereof to the Borrower and the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable, which notice will specify with particularity the grounds for the lender's determination. If the lender reasonably determines that the conditions specified in the lender's notice are not remedied to the lender's reasonable satisfaction by the Borrower or the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable within 30 days from the date of such notice or that the Borrower or the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable, have failed to diligently undertake correcting such conditions within such 30 day period, the lender may direct the Borrower to terminate the Management Agreement, the Leasing Agreement or the Amenities Management Agreement and to replace the Property Manager, the Leasing Agent or the Amenities Property Manager, as applicable, with a Qualified Manager on terms and conditions satisfactory to the lender, it being understood and agreed that the management fee for such replacement manager will not exceed then prevailing market rates.

(d) The Borrower is not permitted to, without the prior written consent of the lender (which consent will not be unreasonably withheld, conditioned or delayed) and in accordance with the terms and conditions of the Regulatory Agreement: (i) surrender, terminate or cancel, or consent to the surrender, termination or cancellation of, the Management Agreement, the Leasing Agreement or the Amenities Management Agreement or replace the Property Manager, the Amenities Property Manager or the Leasing Agent or enter into any other management agreement with respect to the Mortgaged Property; (ii) consent to the assignment by the Property Manager, the Amenities Property Manager or the Leasing Agent, as applicable, of its interest under the Management Agreement, the Leasing Agreement or the Amenities Management Agreement except to a Qualified Manager; (iii) reduce or consent to the reduction of the term of the Management Agreement, the Leasing Agreement or the Amenities Management Agreement; (iv) increase or consent to the increase of the amount of any charges under the Management Agreement, the Leasing Agreement or the Amenities Management Agreement; or (v) otherwise modify, change, supplement, alter or amend, or waive or release any of the terms and conditions under, the Management Agreement, the Leasing Agreement or the Amenities Management Agreement in any material respect. In the event that the Borrower replaces the Property Manager, the Amenities Property Manager or the Leasing Agent, as applicable, at any time during the term of Loan pursuant to the Loan Agreement, such replacement manager will be deemed to be a Qualified Manager.

Liens

Except as expressly permitted pursuant to the Loan Agreement, the Borrower is not permitted to, without the prior written consent of the lender, create, incur, assume or suffer to exist any Lien (other than Permitted Encumbrances) on any portion of the Mortgaged Property. Notwithstanding the above, after prior written notice to the lender, the Borrower, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in

whole or in part of any Lien imposed on the Mortgaged Property; provided that (i) no Event of Default is continuing; (ii) such proceeding will be permitted under and be conducted in accordance with the provisions of any other instrument to which the Borrower is subject and will not constitute a default thereunder and such proceeding will be conducted in accordance with all applicable Legal Requirements; (iii) neither the Mortgaged Property nor any part thereof or direct or indirect interest therein will be in danger of being sold, forfeited, terminated, canceled or lost; (iv) the Borrower is required to promptly upon final determination thereof pay the amount of any such Lien, together with all costs, interest and penalties which may be payable in connection therewith; (v) such proceeding will suspend the collection of such contested Lien against the Mortgaged Property; (vi) to insure the payment of such Lien, the Borrower is required to furnish such security as may be required in the proceeding, or if no such security has been furnished in the proceeding, the Borrower will furnish such reserve deposits as may be reasonably requested by the lender, to ensure the payment of any such Lien, together with all interest and penalties thereon (unless the Borrower has paid the amount of the Lien under protest); (vii) failure to pay such Lien will not subject the Borrower or the lender to any civil or criminal liability; (viii) such contest is not reasonably expected to have and does not have a Material Adverse Effect; and (ix) the Borrower is required to, upon written request by the lender, give the 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 (viii) above. The lender may pay over any such cash deposit or part thereof held by lender to the claimant entitled thereto at any time when, in the reasonable judgment of the lender, the entitlement of such claimant is established or the Mortgaged Property (or part thereof or interest therein) will be in danger of being sold, forfeited, terminated, canceled or lost or there shall be any danger of the Lien of the Mortgage being primed by any related Lien.

Alterations

The lender's prior written approval will be required in connection with any alterations to any Improvements, exclusive of alterations to Tenant spaces required under any Lease existing on the Closing Date or any Lease entered into in accordance with the terms of the Loan Agreement and alterations undertaken as part of a Restoration in accordance with the terms of the Loan Agreement, (a) that are reasonably expected to have or does have a Material Adverse Effect on the Mortgaged Property, (b) that are structural in nature or have an adverse effect on any utility or HVAC system contained in the Improvements or the exterior of any building constituting a part of any Improvements or (c) that, together with any other alterations undertaken at the same time (including any related alterations, improvements or replacements), are reasonably anticipated to have a cost in excess of the Alteration Threshold. If the total unpaid amounts incurred and to be incurred with respect to such alterations to the Improvements will at any time exceed the Alteration Threshold, the Borrower is required to promptly deliver to the lender as security for the payment of such amounts and as additional security for the Borrower's obligations under the Loan Documents any of the following: (i) cash, (ii) direct non-callable obligations of the United States of America or other obligations which are "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act, to the extent acceptable to the applicable Rating Agencies, or (iii) a letter of credit acceptable to the lender in its sole and absolute discretion. Such security will be in an amount equal to the excess of the total unpaid amounts incurred and to be incurred with respect to such alterations to the Improvements over the Alteration Threshold.

Tax Covenants

Pursuant to the Loan Agreement, the Borrower is required (i) to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Series 2014 Tax-Exempt Bonds from gross income for federal income tax purposes, (ii) to comply with the provisions of the Tax Certificate as a source of guidance for complying with the Code, and (iii) not to take any action or fail to take any action with respect to the Series 2014 Tax-Exempt Bonds which would cause such Series 2014 Tax-Exempt Bonds to be "arbitrage bonds", within the meaning of Section 148 of the Code and the regulations promulgated thereunder, as amended from time to time. In furtherance of the covenant contained in the preceding sentence, the Borrower agrees to pay any amount, for rebate to the United States under Section 148 of the Code in connection with the Series 2014 Tax-Exempt Bonds if such amount is not otherwise available in the funds and accounts established

under the Indenture, as well as any costs incurred by the Issuer in calculating such amount or complying with Section 148 of the Code. In addition, the Borrower is required to pay to the Issuer any third party costs, expenses and fees of the Issuer incurred in connection with an audit or review of the Bonds and/or the related financing by the Internal Revenue Service.

Rent Stabilization Regulations and 421-a Regulations

The Borrower is required to comply with each applicable requirement of the Rent Stabilization Regulations and 421-a Regulations.

Special Purpose Entity Covenants

Until the Debt has been paid in full, the Borrower represented, covenanted and warranted that it has not and will not:

(i) engage in any business or activity other than the ownership, operation and maintenance of the Mortgaged Property, and activities incidental thereto;

(ii) acquire or own any assets other than (A) the Mortgaged Property, and (B) such incidental personal property as may be necessary for the ownership and operation of the Mortgaged Property;

(iii) merge into or consolidate with any person, or dissolve, terminate, liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure;

(iv) (A) fail to observe all organizational formalities necessary to maintain its separate existence, or fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the applicable legal requirements of the jurisdiction of its organization or formation, or (B) amend, modify, terminate or fail to comply with the provisions of its organizational documents, in each case without the prior written consent of the lender (which consent may be conditioned upon the receipt of a No Downgrade Confirmation);

(v) own any subsidiary, or make any investment in, any person;

(vi) commingle its assets with the assets of any other person, or permit any Affiliate or constituent party independent access to its bank accounts;

(vii) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the Debt and Permitted Debt;

(viii) fail to maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other person; except that the Borrower's financial position, assets, liabilities, net worth and operating results may be included in the consolidated financial statements of an Affiliate, provided that (A) appropriate notation is required to be made on such consolidated financial statements to indicate the separate identity of the Borrower from such Affiliate and that the Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other person, and (B) the Borrower's assets, liabilities and net worth are also required to be listed on the Borrower's own separate balance sheet;

(ix) except for capital contributions or capital distributions permitted under the terms and conditions of the Borrower's organizational documents and properly reflected on its books and records, enter into any transaction, contract or agreement with any Affiliate, general partner, member, shareholder, principal or guarantor of the obligations of the Borrower, or any Affiliate of the foregoing, except upon terms and

conditions that are intrinsically fair, commercially reasonable and substantially similar to those that would be available on an arm's length basis with unaffiliated third parties;

(x) maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(xi) assume or guaranty the debts of any other Person, hold itself out to be responsible for the debts of any other Person, or otherwise pledge its assets to secure the obligations of any other Person or hold out its credit or assets as being available to satisfy the obligations of any other Person;

(xii) make any loans or advances to any Person, or own any stock or securities of, any Person, or buy or hold evidence of indebtedness issued by any other Person;

(xiii) fail to (A) file its own tax returns separate from those of any other Person, except to the extent that the Borrower is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable legal requirements, and (B) pay any taxes required to be paid under applicable legal requirements; provided, however, that the Borrower will not have any obligation to reimburse its equityholders or their Affiliates for any taxes that such equityholders or their Affiliates may incur as a result of any profits or losses of the Borrower;

(xiv) fail to (A) hold itself out to the public as a legal entity separate and distinct from any other Person, (B) conduct its business solely in its own name or (C) correct any known misunderstanding regarding its separate identity;

(xv) fail to intend 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, however, that the foregoing will not require the Borrower's members, partners or shareholders to make additional capital contributions to the Borrower;

(xvi) without the unanimous written consent of all of its partners or members, as applicable, and the written consent of all directors or managers of the Borrower, as applicable, including, without limitation, each Independent Manager, take any Material Action;

(xvii) fail to fairly and reasonably allocate shared expenses (including, without limitation, shared office space and services performed by an employee of an Affiliate) among the Persons sharing such expenses;

(xviii) fail to intend to remain solvent or pay its own liabilities (including, without limitation, salaries of its own employees) only from its own funds; provided, however, that the foregoing will not require the Borrower's members, partners or shareholders to make additional capital contributions to the Borrower;

(xix) acquire obligations or securities of its partners, members, shareholders or other affiliates, as applicable;

(xx) violate or cause to be violated the assumptions made with respect to the Borrower and its principals in the Non-Consolidation Opinion or any New Non-Consolidation Opinion;

(xxi) fail to maintain a sufficient number of employees in light of its contemplated business operations;

(xxii) fail to maintain and use separate stationery, invoices and checks bearing its own name;

(xxiii) have any of its obligations guaranteed by an Affiliate; or

(xxiv) identify itself as a department or division of any other Person.

In the event the Borrower is a single member limited liability company formed under the Chapter 18 of Title 6 of the Delaware Code (as applicable, the "Company"), the limited liability company agreement of the Company (the "LLC Agreement") is required to provide that (A) upon the occurrence of any event that causes the sole member of the Company ("Member") to cease to be the member of the Company (other than (1) upon an assignment by Member of all of its limited liability company interest in the Company and the admission of the transferee in accordance with the Loan Documents and the LLC Agreement, or (2) the resignation of Member and the admission of an additional member of the Company in accordance with the terms of the Loan Documents and the LLC Agreement), the personal representative of Member is required to, within 90 days, agree in writing to continue the existence of the Company and to the admission of such personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that caused the Member to cease to be a member of the person acting as Independent Manager of the Company and executing the LLC Agreement ("Special Member") is required to, without any action of any other person and simultaneously with the Member ceasing to be the member of the Company, automatically be admitted to the Company and is required to continue the existence of the Company without dissolution, and (B) Special Member may not resign from the Company or transfer its rights as Special Member unless (1) a successor Special Member has been admitted to the Company as Special Member in accordance with the requirements of Chapter 18 of Title 6 of the Delaware Code and (2) after giving effect to such resignation, such successor Special Member has also accepted its appointment as an Independent Manager.

The organizational documents of the Borrower are required to provide an express acknowledgment that the lender is an intended third party beneficiary of the "special purpose" provisions of such organizational documents.

"Permitted Debt" means (i) trade and operational indebtedness incurred in the ordinary course of business with trade creditors, provided such indebtedness is (a) unsecured, (b) not evidenced by a note, (c) on commercially reasonable terms and conditions, and (d) due not more than 60 days past the date incurred and paid on or prior to such date, and/or (ii) financing leases and purchase money indebtedness incurred in the ordinary course of business relating to personal property on commercially reasonable terms and conditions; provided, however, the aggregate amount of the indebtedness described in clauses (i) and (ii) may not exceed at any time two percent (2%) of the outstanding principal amount of the Note.

"Material Action" means, as to any Person to file any insolvency, or reorganization case or proceeding, to institute proceedings to have such Person be adjudicated bankrupt or insolvent, to institute proceedings under any applicable insolvency law, to seek any relief under any law relating to relief from debts or the protection of debtors, to consent to the filing or institution of bankruptcy or insolvency proceedings against such Person, to file a petition seeking, or consent to, reorganization or relief with respect to such Person under any applicable federal or state law relating to bankruptcy or insolvency, to seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official of or for such Person or a substantial part of its property, to make any assignment for the benefit of creditors of such Person, to admit in writing such Person's inability to pay its debts generally as they become due (unless such admission is true), or to take limited liability company action in furtherance of any of the foregoing.

The above representation, warranty and covenant will survive for so long as any amount remains payable to the lender under the Loan Agreement, or any other Loan Document.

Additional Representations

The Borrower has represented that it (i) is and always has been duly formed, validly existing, and in good standing in the state of its existence and in all other jurisdictions where it is qualified to do business; (ii) has no judgments or liens of any nature against it or its property except for tax liens not yet due, Permitted

Encumbrances and liens for indebtedness that were repaid in full with proceeds of the Loan; (iii) is in compliance with all laws, regulations, and orders applicable to it in all material respects and, except as otherwise disclosed herein, has received all permits necessary for it to operate; (iv) has paid all taxes when due and payable; (v) has never owned any real property other than the Mortgaged Property that is the subject of the current transaction and personal property necessary or incidental to its ownership or operation of the Mortgaged Property and has never engaged in any business other than the ownership and operation of the Mortgaged Property; (vi) has no material contingent or actual obligations not related to the Mortgaged Property; and (vii) has complied with the separateness covenants set forth in the "DESCRIPTION OF THE LOAN AGREEMENT—Special Purpose Entity Covenants" above, since its date of formation in all material respects.

Independent Managers

(a) The organizational documents of the Borrower are required to provide that at all times there will be, and the Borrower will cause there to be, at least two (2) duly appointed non-members who are each an Independent Manager.

(b) The organizational documents of the Borrower are required to provide that neither the Member, nor any other Person will and the Borrower will not, without the unanimous written consent of the Member and Independent Managers, (i) file any insolvency, or reorganization case or proceeding, institute proceedings to have the Borrower or be adjudicated bankrupt or insolvent, institute proceedings under any applicable insolvency law, seek any relief under any law relating to relief from debts or the protection of debtors, (ii) consent to the filing or institution of bankruptcy or insolvency proceedings against the Borrower, (iii) file a petition seeking, or consent to, reorganization or relief with respect to the Borrower under any applicable federal or state law relating to bankruptcy or insolvency, (iv) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official of or for the Borrower or a substantial part of the Borrower's property, (v) make any assignment for the benefit of creditors of the Borrower, (vi) admit in writing the Borrower's inability to pay its debts generally as they become due (unless such admission is true), or (vii) take action in furtherance of any of the foregoing.

(c) No Independent Manager may be removed or replaced other than as a result of an Independent Manager Event and unless the lender receives five (5) Business Days' prior written notice of (i) any proposed removal of an Independent Manager together with a statement as to the reasons for such removal and (ii) the identity of the proposed replacement Independent Manager, together with a certification from the Borrower that such replacement satisfies the requirements set forth in the organizational documents of the Borrower for an Independent Manager; provided, however, no resignation or removal of an Independent Manager shall be effective until a successor Independent Manager is appointed and has accepted his or her appointment.

Prohibited Transfers

The Borrower is not permitted to, without the prior written consent of the lender and the Issuer (if the Issuer is not the lender), cause or permit a Transfer of the Mortgaged Property or any part thereof or any legal or beneficial interest therein nor permit a Transfer of an interest in any Restricted Party, nor otherwise permit a dissolution of a Restricted Party, other than (i) pursuant to Leases of space in the Improvements to Tenants in accordance with the provisions of the Loan Agreement and the Regulatory Agreement, (ii) as expressly permitted under the Regulatory Agreement and not otherwise expressly prohibited by the Loan Agreement, or (iii) Permitted Transfers (with the exception of clauses (i) through (iii), a "Prohibited Transfer").

A Prohibited Transfer includes but is not limited to, (i) an installment sales agreement wherein the Borrower agrees to sell the Mortgaged Property or any part thereof for a price to be paid in installments; (ii) an agreement by the Borrower leasing all or a substantial part of the Mortgaged Property for other than 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 a Restricted Party is a corporation, any merger, consolidation or Transfer of such corporation's stock or the creation or issuance of new stock in one or a series of transactions; (iv) if a Restricted Party is a limited, general or limited liability partnership or joint venture, any merger or consolidation or the change, removal, resignation or addition of a general partner or the Transfer of the partnership interest of any general or limited partner or any profits or proceeds relating to such partnership interests or the creation or issuance of new partnership interests; (v) if a Restricted Party is a limited liability company, any merger or consolidation or the change, removal, resignation or addition of a managing member or non-member manager (or if no managing member, any member) or the Transfer of the membership interest of any member or any profits or proceeds relating to such membership interest or the creation or issuance of new membership interests; (vi) if a Restricted Party is a trust or nominee trust, any merger, consolidation or the Transfer of the legal or beneficial interest in such Restricted Party or the creation or issuance of new legal or beneficial interests; (vii) the removal or the resignation of the Property Manager (including, without limitation, an Affiliated Manager) other than in accordance with the Loan Agreement or (viii) any Transfer prohibited by the Regulatory Agreement.

Permitted Transfers

Notwithstanding anything contained in the Loan Documents to the contrary, the following Transfers of legal or beneficial equity interests will not be deemed to be a Prohibited Transfer and will not require the consent of the lender or compliance with the provisions of the Loan Agreement (each, a "Permitted Transfer"); provided that in each case, the Issuer has consented to such transaction if such consent is required pursuant to the Regulatory Agreement:

(a) a Transfer (but not the pledge (except as expressly set forth in clause (d) below)) by devise or descent or by operation of law upon the death or as a result of the legal incapacity of a natural person of such Person's interest in a Restricted Party to the person or persons lawfully entitled thereto; provided that the Borrower delivers written notice to the lender as soon as practicable thereafter and that such Restricted Party is promptly reconstituted, if applicable, following the death or incapacity of such person;

(b) a Transfer (but not the pledge (except as expressly set forth in clause (d) below)) made in good faith for estate planning purposes of an individual's interests in any Restricted Party to the spouse or any lineal descendant of such individual, or to a trust for the benefit of any one or more of such individual, spouse or lineal descendant; provided that such Restricted Party is reconstituted, if required, following such Transfer;

(c) the Transfer (but not the pledge (except as expressly set forth in clause (d) below)) of not more than forty-nine percent (49%) of the interests in the Borrower, provided, that either TIAA , National Real Estate Advisors or Forest City still controls the Borrower upon the consummation of such Transfer;

(d) the pledge of indirect ownership interests in the Borrower by a Restricted Party that has substantial assets other than its indirect ownership interest in the Mortgaged Property (a "Restricted Pledge Party"), provided that such pledge directly or indirectly secures indebtedness that is also directly or indirectly secured by such Restricted Pledge Party's substantial assets other than its indirect ownership interests in the Mortgaged Property (including, without limitation, any pledge of INDURE's interest in Mezz LLC that is secured by a corporate facility also secured by substantially all of the assets of INDURE;

(e) the Transfer (but not the pledge (except as expressly set forth in clause (d) above)) of interests among any entity owned and Controlled by TIAA, National Real Estate Advisors or Forest City;

(f) a Transfer (but not the pledge (except as expressly set forth in clause (d) above)) between any entity comprising a Sponsor as of the Closing Date;

(g) any Transfer (but not the pledge (except as expressly set forth in clause (d) above)) of interests in Forest City or any other Restricted Party (other than a direct interest in the Borrower) to the extent the same are publicly traded on any nationally recognized stock exchange;

(h) any merger of Forest City or any other Restricted Party with or into another entity; or

(i) a REIT Transaction.

With respect to any Permitted Transfer, (i) after giving effect to such transfer, one or more Sponsors will own not less than fifty-one percent (51%) of the direct or indirect equity interests in, and Control, the Borrower, (ii) following such Transfer, the Borrower is required to continue to satisfy the special purpose entity requirements set forth in the Loan Agreement, (iii) as a condition to each Permitted Transfer, (A) the Borrower is required to continue to comply with certain representations, warranties and covenants contained in the Loan Agreement (and upon request of the lender, deliver to the lender a statement signed by an authorized officer of the Borrower which certifies to such compliance, (B) to the extent any transferee will own twenty percent (20%) or more of the direct or indirect ownership interests in the Borrower immediately following such transfer (provided that such transferee owned less than twenty percent (20%) of the direct or indirect ownership interests in the Borrower as of the Closing Date), the Borrower is required to give the lender at least 30 days' prior written notice of such Transfer and the lender may request and the Borrower is required to deliver, at the Borrower's sole cost and expense, customary searches (including without limitation credit, judgment, lien, litigation, bankruptcy, criminal and watch list) the results of which will be reasonably acceptable to the lender with respect to such transferee, (C) if such Transfer will cause any transferee, together with its Affiliates, to acquire direct or indirect equity interests in the Borrower or aggregating to more than forty-nine percent (49%), or to increase its equity interests in the Borrower from an amount that is less than forty-nine percent (49%) to an amount that is greater than forty-nine percent (49%), the Borrower is required to deliver a New Non-Consolidation Opinion addressing such Transfer and (D) except with respect to clause (a) or (g), no Event of Default will be continuing. Upon request from the lender, the Borrower is required to promptly deliver to the lender an updated organizational chart reflecting each such Transfer. All reasonable out-of-pocket costs and expenses incurred by the lender in connection with its review of any of the foregoing Transfers are required to be paid by the Borrower whether or not any such Transfer is consummated.

Assumption

Following the date which is six (6) months from the Closing Date, a Transfer of the Mortgaged Property in its entirety or one hundred percent (100%) of the ownership interests in the Borrower to, and the assumption of the Loan by, any Person (a "Transferee") will be permitted with the prior consent of the lender and the Issuer (if the Issuer is no longer the lender); provided that each of the following terms and conditions are satisfied:

(a) no Event of Default will be continuing at the time the notice in clause (b) below is received by the lender or at the time of the Transfer;

(b) the Borrower (i) delivers written notice to the lender of the terms of such proposed Transfer not less than 30 days' before the date on which such Transfer is scheduled to close and, concurrently therewith, all such information concerning the proposed Transfer and Transferee as the lender may reasonably require in evaluating an initial extension of credit, which information will include, without limitation, a fully executed copy of the purchase and sale agreement and all amendments and assignments thereof, as well as the sources and uses of funds or closing or settlement statement relating to the Transfer and (ii) pays to the lender a non-refundable processing fee in the amount of (i) 0.25% of the outstanding principal balance of the Loan for the first Transfer and (ii) 0.50% of the outstanding principal balance of the Loan for any subsequent Transfer. The lender may approve or disapprove the proposed Transfer based on its (or the Master Servicer on behalf of the lender) then current underwriting and credit requirements for similar loans secured by similar properties which loans are sold in the secondary market, such approval not to be unreasonably withheld, conditioned or delayed.

In determining whether to give or withhold its approval of the proposed Transfer, the lender will consider the experience and track record of Transferee and its principals in owning and operating facilities similar to the Mortgaged Property, the financial strength of Transferee and its principals, the general business standing of Transferee and its principals and Transferee's and its principals' relationships and experience with contractors, vendors, Tenants, lenders and other business entities; provided, however, that, notwithstanding the lender's agreement to consider the foregoing factors in determining whether to give or withhold such approval, such approval will be given or withheld based on what the lender determines to be commercially reasonable and, if given, may be given subject to such conditions as the lender may deem reasonably appropriate;

(c) the Borrower has paid to the lender, concurrently with the closing of such proposed Transfer, all out of pocket costs and expenses, including reasonable attorneys' fees and disbursements and Rating Agency fees, incurred by the lender in connection with the proposed Transfer (which will be paid whether or not the proposed Transfer actually occurs);

(d) Transferee assumes and agrees to pay the Debt as and when due and will assume all other obligations of the Borrower under the Loan Documents and, prior to or concurrently with the closing of such Transfer, Transferee and its constituent partners, members or shareholders as the lender may require, execute, without any cost or expense to the lender, such documents and agreements as the lender may reasonably require to evidence and effectuate said assumption;

(e) the Borrower and Transferee, without any cost to the lender, furnish any information reasonably requested by the lender for the preparation of, and will authorize the lender to file, new financing statements and financing statement amendments and other documents to the fullest extent permitted by applicable Legal Requirements, and execute any additional documents reasonably requested by the lender;

(f) the Borrower delivers to the lender, without any cost or expense to the lender, such endorsements to the lender's Title Insurance Policy insuring that fee simple or leasehold title to the Mortgaged Property, as applicable, is vested in Transferee (subject to Permitted Encumbrances), hazard insurance endorsements or certificates and other similar materials as the lender may deem reasonably necessary at the time of the transfer, all in form and substance acceptable to the lender in the lender's reasonable discretion;

(g) Transferee furnishes to the lender, all documents evidencing Transferee's organization and good standing, and the qualification of the signers to execute the assumption of the Debt, which documents will include certified copies of all documents relating to the organization and formation of Transferee and of the entities, if any, which are partners or members of Transferee. Transferee and such constituent partners, members or shareholders of Transferee (as the case may be), as the lender may require, will be required to comply with the covenants set forth in the Loan Agreement;

(h) Transferee assumes the obligations of the Borrower under any Management Agreement or provide a new management agreement with a new manager which meets with the requirements of the Loan Agreement and assigns to the lender as additional security such new management agreement pursuant to an assignment and subordination of management agreement, in form and substance reasonably satisfactory to the lender;

(i) Transferee assumes the obligations of the Borrower under any Deposit Account Control Agreement or provides a new deposit account control agreement with a new Deposit Bank in form and substance reasonably satisfactory to the lender;

(j) Transferee furnishes to the lender, if required by the lender, a New Non-Consolidation Opinion, and an opinion of counsel satisfactory to the lender and its counsel (A) that Transferee's formation documents provide for the matters described in clause (g) above, (B) that the assumption of the Debt has been duly authorized, executed and delivered, and that the assumption agreement and the other Loan Documents are valid, binding and enforceable against Transferee in accordance with their terms, (C) that Transferee and any

entity which is a controlling stockholder, member or general partner of Transferee, have been duly organized, and are in existence and good standing, and (D) with respect to such other matters as the lender may reasonably request;

(k) if required by the lender, the lender receives a No Downgrade Confirmation; and

(l) the Borrower's obligations under the purchase and sale agreement pursuant to which the Transfer is proposed to occur are expressly subject to the satisfaction of the terms and conditions of the Loan Agreement.

The consent of the lender with respect to a Transfer of the Mortgaged Property in its entirety to, and the assumption of the Loan by, a Transferee will not be construed to be a waiver of the right of the lender to consent to any subsequent Transfer of the Mortgaged Property. Upon such Transfer of the Mortgaged Property pursuant to the Loan Agreement, the Borrower will be relieved of all liability under the Loan Documents for acts, events, conditions, or circumstances occurring or arising after the date of such transfer, except to the extent that such acts, events, conditions, or circumstances are the proximate result of acts, events, conditions, or circumstances that existed prior to the date of such transfer, whether or not discovered prior or subsequent to the date of such transfer.

Cash Management

The Borrower has granted to the lender a first priority security interest in a lockbox account maintained by Capital One Bank, N.A. with respect to the Mortgaged Property which account shall be the Deposit Account. The Borrower and the Property Manager are required to cause all rents and receipts payable from persons that maintain open accounts with the Borrower or the Property Manager or with whom the Borrower or the Property Manager does business on an accounts receivable basis with respect to the Mortgaged Property to be deposited directly into the Deposit Account on each Business Day. During a Cash Sweep Period, all amounts on deposit in the Deposit Account (other than a reasonable minimum balance and certain reasonable fees) will be transferred to a cash management account (the "Cash Management Account") maintained by Wells Fargo Bank, National Association (in such capacity, the "Agent") on each Business Day.

On each Business Day, all funds on deposit (less the required minimum account balance of $5,000) in the Cash Management Account are to be applied in the following order of priority during a Cash Sweep Period: (i) to pay any amounts required by the Loan Agreement to be deposited into the Tax and Insurance Reserve Fund; (ii) to pay the monthly debt service payment due on the next occurring Loan Payment Date, to the mortgage debt service subaccount; (iii) to pay any interest due and payable at the Default Rate (less amounts already paid pursuant to clause (ii) above), late payment charges and other amounts then due under the Loan Documents with respect to the Loan debt (other than the payment of any outstanding principal balance on the Maturity Date, whether such Maturity Date is the scheduled maturity date or an earlier date due to an acceleration of the Loan and without taking into account any accrued interest), to the mortgage debt service subaccount; (iv) to pay any amounts required by the Loan Agreement to be deposited into the Replacement Reserve Fund; (v) payments for operating expenses (including without limitation, management fees) for the applicable period, to the operating expense subaccount; (vi) payments for approved extraordinary operating expenses for the applicable period, to the operating expense subaccount, (vii) all remaining amounts (A) on or prior to the Anticipated Repayment Date, to the excess cash subaccount, or (B) following the Anticipated Repayment Date, to the debt service subaccount.

"Cash Sweep Period" means the earlier of (i) the Anticipated Repayment Date, (ii) the period commencing upon the occurrence of an Event of Default (after taking into account all cure periods and ending upon a cure of the Event of Default which is accepted or waived in writing by the lender which gave rise to the Cash Sweep Period prior to the lender exercising any of its rights to accelerate the Loan, move to appoint a receiver or commence a foreclosure action or (iii) the period commencing on the first day of the calendar month following the month during which the lender notifies the Borrower of its determination that the Debt

Service Coverage Ratio is less than 1.10 to 1.00 for two (2) consecutive calendar quarters, and ending on the last day of the calendar month during which the lender notifies the Borrower of its determination that the Debt Service Coverage Ratio equals or exceeds 1.15 to 1.00 for two (2) consecutive calendar quarters.

Reserve Funds

General

The Borrower will be required to establish the following reserve funds, each as described more particularly below: (i) a Replacement Reserve Fund and (ii) a Tax and Insurance Escrow Fund (collectively, the "Reserve Funds").

Funds on deposit in the Reserve Funds will be required to be invested in certain permitted investments specified in the Loan Agreement, which are determined and directed by the lender or its Servicer. As long as no Mortgage Event of Default has occurred and is continuing, earnings or interest on the Replacement Reserve Funds will accrue for the benefit of the Borrower. During the occurrence and continuance of a Mortgage Event of Default, the lender may, at its election, retain any interest on Reserve Funds for its own account.

The Reserve Funds will be subject to the exclusive dominion and control of the lender. The Borrower will have no right of withdrawal from the Reserve Funds or any other right or power with respect to the Reserve Funds except as expressly provided in the Loan Agreement.

As long as no Mortgage Event of Default has occurred and is continuing, the lender will be required to make disbursements from the Reserve Funds in accordance with the Loan Agreement and the Cash Management Agreement. If a Mortgage Event of Default occurs, the Borrower will immediately lose all of its rights to receive disbursements from the Reserve Funds until the Mortgage Event of Default is cured or the Loan is paid in full. Upon the occurrence of a Mortgage Event of Default, the lender may exercise any or all of its rights and remedies as a secured party, pledgee and lienholder, including, without limitation: (i) repayment of the Loan; (ii) reimbursement of the lender for all losses, fees, costs and expenses suffered or incurred by the lender as a result of such Mortgage Event of Default; (iii) payment of any amount expended in exercising any or all rights and remedies available to the lender at law or in equity or under any of the other Loan Documents; (iv) payment of any item from any of the Reserve Funds as required or permitted by the Loan Agreement; or (v) any other purpose permitted by applicable law. No such application of funds will cure or be deemed to cure any Mortgage Event of Default.

The Reserve Funds will not constitute escrow or trust funds and may be commingled in one or more Eligible Accounts with other funds controlled by the lender or Servicer.

Replacement Reserve Fund

On an ongoing basis throughout the term of the Loan, the Borrower is required to make capital repairs, replacements and improvements necessary to keep the Mortgaged Property in good order and repair and in a good marketable condition or prevent deterioration of the Mortgaged Property (collectively, the "Replacements"). The Borrower is be required to complete all Replacements in a good and workmanlike manner as soon as commercially reasonable after commencing to make each such Replacement.

The Borrower is required to establish on the Closing Date an Eligible Account with the lender or the lender's agent to fund the Replacements (the "Replacement Reserve Fund") into which the Borrower is required to deposit $18,729.17 (the "Replacement Reserve Monthly Deposit") into the Replacement Reserve Account on each Loan Payment Date. Upon written request from the Borrower and satisfaction of the requirements set forth in the Loan Agreement, the lender will be required to disburse to the Borrower the Replacement Reserve Funds to the extent necessary to pay for or reimburse the Borrower for the actual costs of any approved Replacements.

Tax and Insurance Escrow Fund

The Borrower is required to establish on the Closing Date an Eligible Account with the lender or the lender's agent sufficient to discharge the Borrower's obligations for the payment of Taxes and Insurance Premiums into which the Borrower is required to deposit on the Closing Date an amount not less than $210,686.34. The Borrower is also required to deposit on each Loan Payment Date, to the extent amounts sufficient for such purpose are not then on deposit therein, (a) one twelfth of the Property Taxes that the lender estimates will be payable during the next ensuing twelve (12) months or such higher amount necessary to accumulate with the lender sufficient funds to pay all such Property Taxes prior to the earlier of (i) the date that the same will become delinquent and (ii) the date that additional charges or interest will accrue due to the non-payment thereof, and (b) except to the extent the lender has waived in writing the insurance escrow because the required insurance is maintained under a blanket insurance policy acceptable to the lender in accordance with the Loan Agreement one twelfth of the Insurance Premiums that the lender estimates will be payable during the next ensuing twelve (12) months for the renewal of the coverage afforded by the policies upon the expiration thereof or such higher amount necessary to accumulate with the lender sufficient funds to pay all such Insurance Premiums at least 30 days prior to the expiration of the Policies (said amounts in clauses (a) and (b) above hereinafter called the "Tax and Insurance Reserve Funds"). If the amount of the Tax and Insurance Reserve Funds exceeds the amounts due for Property Taxes and insurance premiums, the lender is required to return any excess to the Borrower or credit such excess against future payments of Tax and Insurance Reserve Funds. If at any time the lender reasonably determines that the Tax and Insurance Reserve Funds are not or will not be sufficient to pay Property Taxes and insurance premiums by the dates set forth in clauses (a) and (b) above, the lender will notify the Borrower of such determination and the Borrower will be required to pay to the lender any amount necessary to make up the deficiency within ten (10) days after notice from the lender to the Borrower requesting payment thereof.

Insurance

The Borrower is required to obtain and maintain, or cause to be obtained and maintained, at all times insurance for the Borrower and the Mortgaged Property providing at least the following coverages:

(i) insurance with respect to the Improvements and the Personal Property providing coverage for losses sustained by fire and other risks and hazards covered by a standard extended coverage insurance policy providing "special" form coverage (A) in an amount equal to not less than one hundred percent (100%) of the full insurable value written on a replacement cost basis, which for purposes of the Loan Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with no deduction for depreciation; (B) containing either an agreed amount endorsement with respect to the Improvements and Personal Property or a waiver of all co-insurance provisions; (C) providing for no "all other perils" deductible in excess of the greater of $100,000 or five percent (5%) of underwritten net cash flow as determined by the Issuer for all such insurance coverage, excluding named windstorm which may have a deductible of up to five percent (5%) of the total insurable value; (D) insuring against at least those risks and hazards that are commonly insured against under a "special causes of loss" form of policy, as the same exists on the Closing Date (including, without limitation, windstorm and "named storm" coverage), together with any increase in the scope of coverage provided under such form after the Closing Date; (E) with loss payable to the Issuer; and (F) if any of the Improvements or the use of the Mortgaged Property at any time constitute legal non-conforming structures or uses, providing coverage for contingent liability from Operation of Building Laws, Demolition Costs and Increased Cost of Construction Endorsements and containing an "Ordinance or Law Coverage" or "Enforcement" endorsement;

(ii) commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Mortgaged Property (including "dram shop" or other liquor liability coverage if alcoholic beverages are dispensed at the Mortgaged Property), with such insurance (A) to be on the so-called "occurrence" form with a general aggregate limit of not less than $2,000,000 and a per occurrence limit of not less than $1,000,000 including a self-insured retention per

occurrence not to exceed $500,000; (B) to continue at not less than the aforesaid limit until required to be changed by the lender in writing by reason of changed economic conditions making such protection inadequate; (C) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations; (3) independent contractors; and (4) contractual liability covering, to the maximum extent permitted by law, the Borrower's obligation to indemnify the lender as required under the Loan Agreement; and (D) naming the lender as additional insured;

(iii) loss of rents or business interruption insurance, as applicable, (A) with loss payable to the lender; (B) covering all risks required to be covered by the insurance provided for in clause (i) above and clauses (iv) through (vii) below; and (C) which provides that after the physical loss to the Improvements and Personal Property occurs, the loss of rents or income, as applicable, will be insured until completion of Restoration or the expiration of 24 months, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period; and (D) which contains an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and Personal 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 twelve (12) months from the date that the Mortgaged Property is repaired or replaced and operations are resumed, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period. The amount of such loss of rents or business interruption insurance, as applicable, will be at least once each year based on the lender's reasonable estimate of the net operating income from the Mortgaged Property for the succeeding period of coverage as described above. All proceeds payable to the lender pursuant to this clause (iii) will be held by the lender and will be applied to the obligations secured by the Loan Documents and payable under the Loan Agreement and under the Note; provided, however, that the Borrower will not be relieved of its obligations to pay the obligations secured by the Loan Documents on the respective dates of payment provided for in the Note, the Loan Agreement and the other Loan Documents except to the extent such amounts are actually paid out of the proceeds of such loss of rents or business interruption insurance, as applicable;

(iv) if any portion of the Improvements is currently or at any time in the future located in a "special flood hazard area" designated by the Federal Emergency Management Agency, flood hazard insurance covering building and contents 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, together with such "excess flood" insurance naming the lender as loss payee in such amount and with such deductible as the lender may reasonably require;

(v) if the Mortgaged Property is located in an area with a high degree of seismic risk as determined by the lender, and the probable maximum loss ("PML") as determined by the lender in the event of an earthquake would exceed 20% of the full replacement cost of the Improvements, earthquake insurance in form and substance satisfactory to the lender in an amount not less than one hundred percent (100%) of the PML or such additional amount as may be required by the lender; with such PML being based on a 475-year return period, exposure period of 50 years and a 10% probability of exceedance; provided that such earthquake insurance shall be on terms consistent with the special causes of loss form described in clause (i) above;

(vi) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements, and only if the Mortgaged Property coverage form does not otherwise apply, (A) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the commercial general liability insurance policy; and (B) the insurance provided for in section (i) above written in a so-called Builder's Risk Completed Value form (1) on a non-reporting basis, (2) against "special causes of loss" insured against pursuant to subsection (i) above, (3) including permission to occupy the Mortgaged Property, and (4) with an agreed amount endorsement waiving co-insurance provisions;

(vii) comprehensive boiler and machinery insurance, if applicable, in amounts as may be reasonably required by the lender on terms consistent with the commercial property insurance policy required under clause (i) above;

(viii) workers' compensation, subject to the statutory limits of the State, and employer's liability insurance in respect of any work or operations on or about the Mortgaged Property, or in connection with the Mortgaged Property or its operation (if applicable);

(ix) excess liability insurance in an amount as may be required by the lender on terms consistent with the commercial general liability insurance required under clause (ii) above;

(x) the insurance is required to cover perils of terrorism and acts of terrorism and the Borrower must maintain insurance for loss resulting from perils and acts of terrorism on terms (including amounts) consistent with those required in the Loan Agreement at all times during the term of the Loan. Notwithstanding the foregoing, whether or not the Terrorism Risk Insurance Act of 2002, as extended and modified by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (as the same may be further modified, amended, or extended, "TRIPRA") or subsequent statute, extension, or reauthorization is in effect, the Borrower is required to carry terrorism insurance throughout the term of the Loan as required by the preceding sentence; provided, however, if TRIPRA (or such subsequent statute, extension or reauthorization) is not in effect the Borrower will not be required to pay annual premiums in excess of the TC Cap (defined below) in order to obtain the terrorism coverage (but the Borrower shall be obligated to purchase the maximum amount of terrorism coverage available with funds equal to the TC Cap). As used above, "TC Cap" means an amount equal to two (2) times the premium for a separate "Special Form" or "All Risks" policy or equivalent policy insuring only the Mortgaged Property on a stand-alone basis at the time that any terrorism coverage is excluded from any Policy, as such amount shall be adjusted annually by the CPI; and

(xi) such additional insurance policies and coverage, and in such amounts, (A) as may be required pursuant to any and all agreements, declarations, covenants, and/or other arrangements to which the Borrower is a party or to which the Borrower or the Mortgaged Property is subject, including, without limitation, any declarations of covenants, conditions and restrictions or similar covenants and/or restrictions affecting the Mortgaged Property, franchise agreements, licenses or leases, and (B) as the lender from time to time may reasonably request against such other insurable hazards (including, but not limited to, sinkhole, mine subsidence, mold, spores or fungus) which at the time are commonly insured against for property similar to the Mortgaged Property located in or around the region in which the Mortgaged Property is located.

All insurance is required to be obtained under valid and enforceable policies (collectively, the "Policies" or in the singular, the "Policy") meeting the requirements of the Loan Agreement and be acceptable to the Issuer as to amounts, forms, deductibles, loss payees and insureds. The Policies are required to be issued by financially sound and responsible insurance companies authorized and admitted to do business in the State and having a financial strength rating of at least "A" and a financial size category of at least "VIII" from Alfred M. Best Company, Inc. and a claims paying ability and financial strength rating of at least "A" by S&P (and the equivalent ratings for Moody's and Fitch to the extent they rate the insurance company and rate the Series 2014 Bonds) or such other ratings approved by the Issuer. Notwithstanding the preceding sentence, if the applicable insurance to be provided is to be issued by a group of insurance companies, then it will be sufficient that (1) at least seventy-five percent (75%) of the coverage (if there are four (4) or fewer insurance companies issuing the Policies) or (2) at least sixty percent (60%) of the coverage (if there are five (5) or more insurance companies issuing the Policies) may be provided by insurance companies having a claims paying ability rating of not less than "A" by S&P (and the equivalent ratings for Moody's and Fitch to the extent they rate the insurance company and rate the Series 2014 Bonds), with no insurer rated below "BBB" by S&P (and the equivalent ratings for Moody's and Fitch to the extent they rate the insurance company and rate the Series 2014 Bonds); provided, however, that notwithstanding the foregoing ratings requirements, prior to the policy year commencing November 1, 2015, the following insurers are permitted up to the amounts and in the layer locations provided by such insurers as of the Closing Date: Surplus Lines Insurance Company, Landmark

American Insurance Company, Ironshare Specialty Insurance Company and Maxum Casualty Insurance Company. To the extent such Policies are not available as of the Closing Date, the Borrower is required to deliver to the lender prior to the Closing Date an Acord 28 or similar certificate of insurance evidencing the required coverages and amounts and, upon request of the lender as soon as available after the Closing Date, certified copies of all Policies. Not less than ten (10) days prior to the expiration dates of any insurance coverage in place with respect to the Mortgaged Property, the Borrower is required to deliver to the lender an Acord 28 or similar certificate, accompanied by evidence satisfactory to the lender of payment of the premiums due in connection therewith (the "Insurance Premiums"), and, as soon as available thereafter, certified copies of all renewal Policies.

Any Policy may be in the form of a blanket insurance policy; provided that such policy provides the same protection as would a separate Policy insuring only the Mortgaged Property in compliance with the provisions of the Loan Agreement; provided, however, any blanket insurance policy that does not specifically allocate to the Mortgaged Property the amount of coverage from time to time required hereunder will be subject to the lender's reasonable approval after taking into account, among other things, the amount, location, number, type and size of properties covered by such blanket insurance policy.

All Policies will (i) other than the coverage referenced in clause (viii) above, name the lender and the Indenture Trustee as the additional insured and loss payee, as its interests may appear, and (ii) other than the coverage referenced in clauses (ii), (viii) and (ix) above, contain a standard non-contributory mortgagee clause in favor of the Servicer providing that the loss thereunder be payable to the Servicer on behalf of the Issuer. All liability insurance Policies under this paragraph (regardless of whether HDC is the Issuer) will name the Issuer as an additional insured and loss payee.

All Policies will 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 Issuer is concerned;

(ii) the Policies may not be canceled without at least thirty (30) days' (or in the case of non-payment of Insurance Premiums, ten (10) days') prior written notice to the lender and any other party named therein as an additional insured, loss payee and/or Borrower;

(iii) the issuers thereof are required to give written notice to the lender and any other party named therein as an additional insured, loss payee and/or Borrower if the Policies have not been renewed thirty (30) days prior to its expiration; and

(iv) the lender will not be liable for any Insurance Premiums thereon or subject to any assessments thereunder.

If at any time the lender is not in receipt of written evidence that all insurance required hereunder is in full force and effect, the lender will have the right, upon notice to the Borrower, to take such action as the lender deems necessary to protect its interest in the Mortgaged Property, including, without limitation, obtaining such insurance coverage as the lender in its reasonable discretion deems appropriate. All premiums incurred by the lender in connection with such action or in obtaining such insurance and keeping it in effect will be paid by the Borrower to the lender within ten (10) days of demand and, until paid, will be secured by the Mortgage and will bear interest at the Default Rate.

Events of Default

The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) if any portion of the Debt is not paid on or prior to the date the same is due or if the entire Debt is not paid on or before the Maturity Date; provided that no other Event of Default has occurred and is continuing, any default under this clause (a) resulting from the lender or any servicer failing to cause funds in the Cash Management Account to be applied to make such payment under circumstances where all conditions to such application of funds in the Cash Management Account set forth in the Loan Documents have been satisfied shall not constitute an Event of Default under the Loan Agreement;

(b) except as otherwise expressly provided in the Loan Documents, if any of the Property Taxes or Other Charges are not paid when the same are due and payable, unless there is sufficient money in the Tax and Insurance Reserve Account for payment of amounts then due and payable;

(c) if (i) the Policies are not kept in full force and effect, (ii) the Acord 28 (or similar) certificate is not delivered to the lender in accordance with the Loan Agreement or (iii) certified copies of the Policies are not delivered to the lender upon request, provided such copies are available;

(d) if (i) the Borrower breaches in any material respect any covenant with respect to itself contained in the Loan Agreement, including covenants relating to the Borrower's status as a special purpose entity or (ii) a Prohibited Transfer occurs;

(e) if any representation or warranty of, or with respect to, the Borrower, Sponsor, or any member, general partner, principal or beneficial owner of any of the foregoing, made in the Loan Agreement, in any other Loan Document, or in any certificate, report, financial statement or other instrument or document furnished to the lender at the time of the closing of the Loan or during the term of the Loan was false or misleading in any material respect when made;

(f) if any of the assumptions contained in the Non-Consolidation Opinion or in any New Non-Consolidation Opinion, is or becomes untrue in any material respect;

(g) if (i) the Borrower, or any managing member or general partner of the Borrower commences any case, proceeding or other action (A) under any Creditors' Rights Laws, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower, any managing member or general partner of the Borrower makes a general assignment for the benefit of its creditors; or (ii) if any case, proceeding or other action of a nature referred to in clause (i) above is commenced against the Borrower, any managing member or general partner of the Borrower which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) if any case, proceeding or other action is commenced against the Borrower, any managing member or general partner of the Borrower seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of any order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Borrower, any managing member or general partner of the Borrower takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower, any managing member or general partner of the Borrower is unable to, or admits in writing its inability to, pay its debts as they become due;

(h) if the Borrower is in default beyond applicable notice and grace periods under any other mortgage, deed of trust, deed to secure debt or other security agreement covering any part of the Mortgaged Property, whether it be superior or junior in lien to the Mortgage;

(i) if the Mortgaged Property becomes subject to any mechanic's, materialman's or other Lien other than a Lien for any Property Taxes or Other Charges not then due and payable and the Lien will remain

undischarged of record (by payment, bonding or otherwise) for a period of 30 days, unless being contested in accordance with the terms of the Loan Agreement;

(j) if any federal tax lien is filed against the Borrower, any member or general partner of the Borrower or the Mortgaged Property and same is not discharged of record (by payment, bonding or otherwise) within 30 days after same is filed;

(k) if final judgment for the payment of money that is not covered by insurance in excess of $1,000,000 is rendered against the Borrower and the Borrower does not bond over the same, discharge the same or cause it to be discharged within 60 days from the entry thereof, or does not appeal therefrom or from the order, decree or process upon which or pursuant to which said judgment was granted, based or entered, and secure a stay of execution pending such appeal;

(l) if the Borrower is in default beyond applicable notice and grace periods under the Regulatory Agreement;

(m) if the Borrower breaches in any material respect any covenant contained in the Loan Agreement with respect to deposits and withdrawals and such breach continues for two (2) Business Days after written notice from the lender; or

(n) if the Borrower continues to be in default under any other term, covenant or condition of the Loan Agreement or any of the Loan Documents not covered in the foregoing clauses, for more than twenty (20) days after written notice from the lender in the case of any default which can be cured by the payment of a sum of money or for 30 days after notice from the lender in the case of any other default, provided that if such default (other than any default which can be cured by the payment of a sum of money) cannot reasonably be cured within such 30 day period and the Borrower has commenced to cure such default within such 30 day period and thereafter diligently and expeditiously proceeds to cure the same, such 30 day period will be extended for so long as it will require the Borrower in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of 120 days.

Remedies

Upon the occurrence of an Event of Default (other than an Event of Default described in clause (g) above with respect to the Borrower only) and at any time thereafter the lender may, in addition to any other rights or remedies available to it pursuant to the Loan Agreement and the other Loan Documents or at law or in equity, take such action, without notice or demand, that the lender deems advisable to protect and enforce its rights against the Borrower and in the Mortgaged Property, including, without limitation, declaring the Debt to be immediately due and payable, and the lender may enforce or avail itself of any or all rights or remedies provided in the Loan Documents against the Borrower and the Mortgaged Property, including, without limitation, all rights or remedies available at law or in equity. Upon any Event of Default described in clause (g) above (with respect to the Borrower only), the Debt and all other obligations of the Borrower under the Loan Agreement and under the other Loan Documents will immediately and automatically become due and payable, without notice or demand, and the Borrower waived any such notice or demand, anything contained in the Loan Agreement or in any other Loan Document to the contrary notwithstanding.

Upon the occurrence of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to the lender against the Borrower under the Loan Agreement or any of the other Loan Documents executed and delivered by, or applicable to, the Borrower or at law or in equity may be exercised by the lender at any time and from time to time, whether or not all or any of the Debt is declared due and payable, and whether or not the lender has commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents with respect to the Mortgaged Property. Any such actions taken by the lender will be cumulative and concurrent and may be pursued independently, singularly, successively, together or otherwise, at such time and in such order as the lender has

determined in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of the lender permitted by law, equity or contract or as set forth in the Loan Agreement or in the other Loan Documents.

Environmental Covenants

The Borrower covenanted and agreed that: (a) all uses and operations on or of the Mortgaged Property, whether by the Borrower or any other person, will be in compliance in all material respects with all environmental laws and permits issued pursuant thereto (to the extent such permits are required by environmental laws); (b) the Borrower is not permitted to cause, and is required to use commercially reasonable efforts to ensure that no other person causes, any Releases of Hazardous Materials in, on, under or from the Mortgaged Property; (c) the Borrower is not permitted to place and is required to use commercially reasonable efforts to ensure that no other person places any Hazardous Materials in, on, or under the Mortgaged Property, except those that are both (i) in compliance with all environmental laws and with permits issued pursuant thereto, if and to the extent required, and (ii) (A) in amounts not in excess of that necessary to operate the Mortgaged Property for the purposes set forth in the Environmental Indemnity or (B) fully disclosed to and approved by the lender in writing or (C) with respect to mold, not in a condition, location, or of a type which may pose a risk to human health or safety or the environment or which may result in damage to or would adversely affect or impair the value or marketability of the Mortgaged Property; (d) the Borrower is required to keep the Mortgaged Property free and clear of all environmental liens; (e) the Borrower is required to, at its sole cost and expense, fully and expeditiously cooperate in all activities related to any operations and maintenance program (to the extent recommended by any environmental report), including but not limited to providing all relevant information; (f) if the lender reasonably believes that any condition has occurred in, on, under or from the Mortgaged Property in violation of applicable environmental laws, or that the Mortgaged Property is not in compliance in all material respects with applicable environmental laws, or that any requirement of the Environmental Indemnity has been violated by the Borrower, then in any such case, the Borrower will, at its sole cost and expense, perform any environmental site assessment or other investigation of environmental conditions in connection with the Mortgaged Property, pursuant to any reasonable written request of the lender, upon the lender's reasonable belief that the Mortgaged Property is not in full compliance with all environmental laws, and share with the lender the reports and other results thereof, and the lender and other Indemnified Parties may rely on such reports and other results thereof; (g) the Borrower is required to keep the Mortgaged Property free of mold; (h) the Borrower is required to, at its sole cost and expense, comply with all reasonable written requests of the lender to (i) reasonably effectuate remediation of any Hazardous Materials in, on, under or from the Mortgaged Property; and (ii) comply in all material respects with any environmental law; (i) the Borrower is not permitted to allow any Tenant or other user of the Mortgaged Property to violate any environmental law; and (j) the Borrower is required to promptly notify the lender in writing after it obtains knowledge of (i) any Release or threatened Release of Hazardous Materials in, on, under, from or migrating towards the Mortgaged Property; (ii) any material non-compliance with any environmental laws related in any way to the Mortgaged Property; (iii) any actual or potential imposition of an environmental lien against the Mortgaged Property; (iv) any required or proposed remediation of environmental conditions relating to the Mortgaged Property; and (v) any written notice or other written communication of which the Borrower becomes aware from any source whatsoever (including but not limited to a governmental authority) relating in any way to Hazardous Materials in, on or under the Mortgaged Property.

"Hazardous Materials" means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil, flammable explosives and other materials, radioactive materials (excluding radioactive materials in smoke detectors), polychlorinated biphenyls, lead, asbestos or asbestos containing materials in any form that is or could become friable, mold, hazardous waste, toxic or hazardous substances or other related materials whether in the form of a chemical, element, compound, solution, mixture or otherwise including, but not limited to, those materials defined as "hazardous substances," "extremely hazardous substances," "hazardous chemicals," "hazardous materials," "toxic substances," "solid waste," "toxic chemicals," "air pollutants," "toxic pollutants," "hazardous wastes," "extremely hazardous waste," or

"restricted hazardous waste" by any environmental law or regulated by any environmental law in any manner whatsoever, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in properties similar to the Property for the purposes of cleaning or other maintenance or operations and otherwise in compliance with all Environmental Laws.

"Release" includes, but is not limited to, any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Materials in violation of environmental laws.

The Borrower is required, at its sole cost and expense, to protect, defend, indemnify, release and hold the Indemnified Parties harmless from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties to the extent arising out of or in any way relating to any one or more of the following: (a) any presence of any Hazardous Materials in, on, above, or under the Mortgaged Property; (b) any past, present or threatened Release of any Hazardous Materials in, on, above, under or from the Mortgaged Property; (c) any activity by the Borrower, any person affiliated with the Borrower, and any Tenant or other user of the Mortgaged Property in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Mortgaged Property of any Hazardous Materials at any time located in, under, on or above the Mortgaged Property, or any actual or proposed remediation of any Hazardous Materials at any time located in, under, on or above the Mortgaged Property, whether or not such remediation is voluntary or pursuant to court or administrative order, including but not limited to, any removal, remedial or corrective action; (d) any past, present or threatened non-compliance or violations of any environmental law (or permits issued pursuant to any environmental law) in connection with the Mortgaged Property or operations thereon, including but not limited to, any failure by the Borrower, any person affiliated with the Borrower, and any Tenant or other user of the Mortgaged Property to comply with any order of any governmental authority in connection with any environmental law; (e) the imposition, recording or filing or the threatened imposition, recording or filing of any environmental lien encumbering the Mortgaged Property; (f) any acts of the Borrower, any person affiliated with the Borrower, and any Tenant or other user of the Mortgaged Property in (i) arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of any Hazardous Materials at any facility or incineration vessel containing any such or similar Hazardous Materials or (ii) accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Materials which causes the incurrence of costs for remediation; and (g) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to the Environmental Indemnity or the Loan Documents relating to Hazardous Materials and/or compliance with environmental laws, in each case, with respect to the Mortgaged Property.

"Losses" means any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, fines, penalties, charges, fees, judgments, awards, amounts actually paid in settlement of whatever kind or nature (including but not limited to reasonable legal fees and other costs of defense). The term "Losses" specifically excludes special, punitive, exemplary and consequential damages and any indemnified liability arising out of the gross negligence, illegal acts, fraud or willful misconduct of any Indemnified Party.

Indemnification

The Borrower is required to indemnify, defend and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (b) any use, nonuse or condition in, on or about the Mortgaged Property or any part thereof or on the

adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (c) performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof; (d) any failure of the Mortgaged Property to be in compliance with any Legal Requirements; (e) any and all claims and demands whatsoever which may be asserted against the lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease; (f) the holding or investing of the Reserve Accounts or the Cash Management Account or the performance of the Required Work or Additional Required Repairs; or (g) the payment of any commission, charge or brokerage fee to anyone which may be payable in connection with the funding of the Loan (collectively, the "Indemnified Liabilities"); provided, however, that the Borrower will not have any obligation to the lender under the Loan Agreement to the extent that such Indemnified Liabilities arise from the gross negligence, illegal acts, fraud or willful misconduct of the lender. To the extent that the undertaking to indemnify, defend and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, the Borrower is required to pay the maximum portion that it is permitted to pay and satisfy under applicable Legal Requirements to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnified Parties.

In addition to the foregoing, Borrower is required to indemnify the Issuer as provided in the HDC Commitment.

The Borrower is required to pay and, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to, any tax on or with respect to the making and/or recording of the Mortgage, the Note or any of the other Loan Documents, but excluding any income, franchise or other similar taxes.

Exculpation

(a) Except as otherwise provided in the Loan Agreement or in the other Loan Documents, the lender is not permitted to enforce the liability and obligation of Borrower to perform and observe the obligations contained in the Loan Agreement or in the other Loan Documents by any action or proceeding wherein a money judgment will be sought against (i) the Borrower (except as set forth in this "Exculpation" Section and the Environmental Indemnity), (ii) any Affiliate of Borrower, (iii) any Person owning, directly or indirectly, any legal or beneficial interest in Borrower or any Affiliate of Borrower or (iv) any direct or indirect partner, member, principal, director, officer, advisor, shareholder, Affiliate or director of any Persons described in clauses (i) through (iv) above (collectively, subject to the exceptions in clauses (i) and (ii) above, the "Exculpated Parties"), except that the lender may bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable the lender to enforce and realize upon the Loan Agreement, the Note, the Mortgage and the other Loan Documents, and the interest in the Mortgaged Property, the Rents and any other collateral given to the lender created by the Loan Agreement, the Note, the Mortgage and the other Loan Documents; provided, however, that any judgment in any such action or proceeding will be enforceable against the Borrower, only to the extent of the Borrower's interest in the Mortgaged Property, in the Rents and in any other collateral given to the lender. The lender, by accepting the Loan Agreement, the Note, the Mortgage and the other Loan Documents, agreed that it will not, except as otherwise provided in in the Loan Agreement, sue for, seek or demand any deficiency judgment against any Exculpated Party in any such action or proceeding, under or by reason of or under or in connection with the Loan Agreement, the Note, the Mortgage or the other Loan Documents. The provisions of this "Exculpation" Section do not, however, (A) constitute a waiver, release or impairment of any obligation evidenced or secured by the Loan Agreement, the Note, the Mortgage or the other Loan Documents; (B) impair the right of the lender to name the Borrower as a party defendant in any action or suit for judicial foreclosure and sale under the Loan Agreement and the Mortgage; (C) affect the validity or enforceability of any indemnity (including, without limitation, those contained in the Loan Agreement and the Environmental Indemnity), guaranty, master lease or similar instrument made in connection with the Loan Agreement, the Note, the Mortgage and the other Loan Documents; (D) impair the right of the lender to obtain the appointment of a receiver; (E)

impair the enforcement of the assignment of leases provisions contained in the Mortgage; or (F) impair the right of the lender to obtain a deficiency judgment or other judgment on the Note against the Borrower if necessary to obtain any Insurance Proceeds or Awards to which the lender would otherwise be entitled under the Loan Agreement; provided, however, the lender may only enforce such judgment to the extent of the Insurance Proceeds and/or Awards.

Notwithstanding the provisions of this section to the contrary, the Borrower (but not any Exculpated Parties) will be personally liable to the lender for Losses due to:

(i) fraud or intentional misrepresentation by the Borrower or any Affiliate of the Borrower in connection with the Loan;

(ii) the willful misconduct of the Borrower or any Affiliate of the Borrower in connection with the Loan;

(iii) the material breach of any representation, warranty, covenant or indemnification provision in the Environmental Indemnity or in any Loan Document concerning environmental laws, hazardous substances and asbestos and any indemnification of the lender with respect thereto in any such other document;

(iv) the misapplication, misappropriation or conversion by the Borrower or any Affiliate of the Borrower of (A) any insurance proceeds paid by reason of any loss, damage or destruction to the Mortgaged Property, (B) any Awards or other amounts received in connection with the Condemnation of all or a portion of the Mortgaged Property, (C) any Rents following an Event of Default or (D) any Tenant security deposits or Rents collected in advance;

(v) any act of arson by the Borrower or any Affiliate of the Borrower;

(vi) failure to pay Taxes, charges for labor or materials, or other charges that can create Liens on any portion of the Mortgaged Property and/or the failure to pay Insurance Premiums in accordance with the terms of the Loan Agreement, in each case to the extent there is sufficient cash flow actually made available to Borrower from the operation of the Mortgaged Property to pay such charges and Borrower fails to apply such cash flow to such payments;

(vii) any security deposits, advance deposits or any other deposits collected with respect to the Mortgaged Property which are not delivered to the lender upon a foreclosure of the Mortgaged Property or action in lieu thereof, except to the extent any such security deposits were applied in accordance with the terms and conditions of any of the Leases prior to the occurrence of the Event of Default that gave rise to such foreclosure or action in lieu thereof or otherwise applied with the lender's approval;

(viii) the Borrower's indemnification of the lender relating to (A) any untrue statement or omission of any material fact with respect to the Borrower's indemnification obligations set forth in the Indemnification Agreement, and/or (B) any transfer taxes incurred following an exercise of the lender's remedies;

(ix) any litigation or other legal proceeding related to the Debt filed by the Borrower or any Affiliate of the Borrower in bad faith that delays, opposes, impedes, obstructs, hinders, enjoins or otherwise interferes with or frustrates the efforts of the lender to exercise any rights and remedies available to the lender;

(x) actual physical waste to the Mortgaged Property caused by the intentional acts or omissions of the Borrower or any Affiliate of the Borrower or the removal or disposal of any portion of the Mortgaged Property after an Event of Default in violation of the Loan Documents; or

(xi) the Borrower incurs any indebtedness other than the Debt and Permitted Debt without the prior written consent of the lender or except as permitted in the Loan Agreement.

Notwithstanding the foregoing, the agreement of the lender not to pursue recourse liability as set forth above will become null and void and will be of no further force and effect and the Debt shall be fully recourse to the Borrower (but not to any Exculpated Parties) in the event (i) of a breach by the Borrower of any of the covenants set forth in the Loan Agreement with respect to the Borrower and the Borrower's status as a special purpose entity that is cited as a factor in a court's decision that results in a substantive consolidation (other than a substantive consolidation petitioned for or joined in by the lender) of the Borrower with any other Person in a proceeding under any Creditors' Rights Laws , (ii) of the occurrence of a Prohibited Transfer, (iii) the Mortgaged Property or any part thereof will become an asset in a bankruptcy or insolvency proceeding initiated by Borrower, (iv) the Borrower, Sponsor or any Affiliate, officer, director, or representative which Controls, directly or indirectly, the Borrower or Sponsor files, or joins in the filing of, an involuntary petition against the Borrower under any Creditors' Rights Laws, or solicits or causes to be solicited petitioning creditors for the filing of any involuntary petition against the Borrower from any Person under any Creditors' Rights Laws; (v) the Borrower files an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, by any other Person under any Creditors' Rights Laws, or solicits or causes to be solicited petitioning creditors for any involuntary petition from any Person; or (vi) any Affiliate or representative which Controls the Borrower consents to or acquiesces in or joins in an application for the appointment of a custodian, receiver, trustee, or examiner for the Borrower or any portion of the Mortgaged Property.

Nothing in the Loan Agreement will be deemed to be a waiver of any right which the lender may have under Section 506(a), 506(b), 1111(b) or any other provision of the Bankruptcy Code to file a claim for the full amount of the indebtedness secured by the Mortgage or to require that all collateral continues to secure all of the indebtedness owing to Lender in accordance with the Loan Agreement, the Note, the Mortgage or the other Loan Documents.

Expenses

The Borrower is required to pay or, if the Borrower fails to pay, to reimburse, the lender, any servicer, operating advisor, trustee or certificate administrator upon receipt of written notice from the lender for all fees due under the HDC Commitment, reasonable costs and expenses (including reasonable, actual attorneys' fees and disbursements) reasonably incurred by the lender in accordance with the Loan Agreement (all of which shall be deemed part of the Debt) in connection with (a) the preparation, negotiation, execution and delivery of the Loan Agreement and the other Loan Documents and the consummation of the transactions contemplated thereby and all the costs of furnishing all opinions by counsel for the Borrower (including without limitation any opinions requested by the lender as to any legal matters arising under the Loan Agreement or the other Loan Documents with respect to the Mortgaged Property); (b) the lender's customary surveillance and actions to monitor the Borrower's ongoing performance of and compliance with the Borrower's respective agreements and covenants contained in the Loan Agreement and the other Loan Documents on its part to be performed or complied with after the Closing Date, including, without limitation, confirming compliance with environmental and insurance requirements; (c) following a request by the Borrower, the lender's ongoing performance and compliance with all agreements and conditions contained in the Loan Agreement and the other Loan Documents on its part to be performed or complied with after the Closing Date; (d) any prepayment, release of the Mortgaged Property, assumption or modification of the Loan; (e) the negotiation, preparation, execution, delivery and administration of any consents, amendments, waivers or other modifications to the Loan Agreement and the other Loan Documents and any other documents or matters requested by the Borrower or the lender; (f) securing the Borrower's compliance with any requests made pursuant to the provisions of the Loan Agreement; (g) without duplication of costs and expenses incurred pursuant to clause (a) above, the filing and recording fees and expenses, title insurance and reasonable fees and expenses of counsel for providing to the Issuer all required legal opinions, and other similar expenses incurred in creating and perfecting the Lien in favor of the Issuer pursuant to the Loan Agreement and the other Loan Documents; (h) enforcing or preserving any rights, in response to third party claims or the prosecuting or defending of any action or proceeding or other litigation, in each case against, under or affecting the Borrower, the Loan Agreement, the other Loan Documents, the Mortgaged Property, or any other security given for the

Loan; (i) any breach of the Loan Documents by the Borrower or any Affiliate of the Borrower; (j) the preservation or protection of the collateral (including, without limitation, taxes and insurance, property inspections and appraisals, legal fees and litigation expenses) following or resulting from an Event of Default under the Loan Documents; and (k) enforcing any obligations of or collecting any payments due from the Borrower under the Loan Agreement, the other Loan Documents or with respect to the Mortgaged 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 gross negligence, illegal acts, fraud or willful misconduct of the lender.

Usury Laws

The Loan Agreement and the Note are expressly limited so that at no time will the Borrower be obligated or required to pay interest on the principal balance of the Loan in excess of the Maximum Legal Rate (as defined below). If, by the terms of the Loan Agreement, the Note or the other Loan Documents, the Borrower is at any time required or obligated to pay interest on the principal balance due on the Loan at a rate in excess of the Maximum Legal Rate, the Applicable Interest Rate or the Default Rate, as the case may be, will be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate will be deemed to have been payments in reduction of principal and not on account of the interest due under the Loan Agreement. All sums paid or agreed to be paid to the lender for the use, forbearance, or detention of the sums due under the Loan, will, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

"Maximum Legal Rate" means a rate which could subject the lender or the Issuer to either civil or criminal liability as a result of being in excess of 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 in the other Loan Documents, under the laws of such state or states whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Loan.

CERTAIN RISK FACTORS

Prospective purchasers of the Series 2014 Bonds should carefully consider the following risks before making an investment decision. In particular, payments on the Series 2014 Bonds will depend on payments received on, and other recoveries with respect to, the Loan. Therefore, potential investors should carefully consider the risk factors relating to the Loan and the Mortgaged Property.

The risks and uncertainties described below are not the only ones relating to the purchase and ownership of the Series 2014 Bonds. Additional risks and uncertainties not presently known, or that are currently believed to be immaterial may also impair the payment of the Series 2014 Bonds. If any of the following events or circumstances identified as risks or other factors or events that are not anticipated actually occur or materialize, a Bondholder's investment could be materially and adversely affected. This Official Statement 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 Official Statement. This section should be read in conjunction with the rest of this Official Statement, including the Appendices hereto.

The Series 2014 Bonds May Not Be a Suitable Investment for You

The Series 2014 Bonds are not suitable investments for all investors. In particular, purchasers of any Series 2014 Bonds should understand and be able to bear the prepayment, credit, liquidity and market risks

associated with those Series 2014 Bonds. For those reasons and for the reasons set forth in these "Certain Risk Factors", the yield to maturity and the aggregate amount and timing of payments on the Series 2014 Bonds will be subject to material variability from period to period and give rise to the potential for significant loss over the life of the Series 2014 Bonds. The interaction of the foregoing factors and their effects are impossible to predict and are likely to change from time to time. As a result, an investment in the Series 2014 Bonds involves substantial risks and uncertainties and should be considered only by sophisticated investors with substantial investment experience with similar types of securities and who have conducted appropriate due diligence on the Loan and the Series 2014 Bonds.

Combination or "Layering" of Multiple Risks May Significantly Increase Risk of Loss

Although the various risks discussed in this Official Statement are generally described separately, investors 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 may be significantly increased.

A Volatile Economy, Credit Crisis and Downturn in the Real Estate Market Have in Recent Years Adversely Affected and May Adversely Affect in the Future the Value of CMBS

In recent years, the real estate and securitization markets, including the market for commercial mortgage-backed securities ("CMBS"), as well as global financial markets and the economy generally, experienced significant dislocations, illiquidity and volatility. Declining real estate values, coupled with diminished availability of leverage and/or refinancings for commercial real estate resulted in increased delinquencies and defaults on commercial mortgage loans. In addition, the downturn in the general economy affected the financial strength of many commercial real estate tenants and resulted in increased rent delinquencies and decreased occupancy.

Any future economic downturn may lead to decreased occupancy, decreased rents or other declines in income from, or the value of, commercial and/or residential real estate, which would likely have an adverse effect on the value and/or liquidity of securities that are backed by loans secured by such commercial and/or residential real estate. No assurance can be made that the market for securities such as the Series 2014 Bonds will not be adversely impacted by these factors. Even if the market is not affected by these factors, the Mortgaged Property and therefore, the Loan and the Series 2014 Bonds, may nevertheless decline in value. Any future economic downturn may adversely affect the financial resources of the Borrower under the Loan and may result in the inability of the Borrower to make principal and interest payments on, or refinance, the outstanding debt when due or to sell the Mortgaged Property for an amount sufficient to pay off the outstanding debt when due or at the Anticipated Repayment Date of the Loan. In the event of default by the Borrower under the Loan, the Series 2014 Bonds may suffer a partial or total loss with respect to the Loan. Any delinquency or loss on the Mortgaged Property would have an adverse effect on the payments of principal and interest received by holders of the Series 2014 Bonds.

Even if the Loan is performing as anticipated, the value of the Series 2014 Bonds in the secondary market may nevertheless decline as a result of a deterioration in general market conditions for other asset backed securities, municipal securities or structured products.

As a result of all of these factors, no assurance can be made that a dislocation in the commercial, residential or securities markets will not re-occur.

A Volatile Economy and Credit Crisis May Increase Loan Defaults and Affect the Value and Liquidity of the Series 2014 Bonds

The global economy recently experienced a significant recession, as well as a severe, ongoing disruption in the credit markets, including the general absence of investor demand for and purchases of asset-backed securities and structured financial products. Downward price pressures and increasing defaults and

foreclosures in residential real estate or other conditions that severely depressed the overall economy and contributed to the credit crisis also led to increased vacancies, decreased rents or other declines in income from, or the value of, commercial real estate.

Additionally, decreases in the value of commercial properties and the tightening by commercial real estate lenders of underwriting standards prevented many commercial mortgage borrowers from refinancing their mortgages. These circumstances increased delinquency and default rates of securitized commercial mortgage loans. In addition, the declines in commercial real estate values resulted in reduced borrower equity, hindering many borrowers' ability to refinance in an environment of increasingly restrictive lending standards and giving them less incentive to cure delinquencies and avoid foreclosure. Higher loan-to-value ratios are likely to result in lower recoveries on foreclosure, and an increase in loss severities above those that would have been realized had commercial property values remained the same or continued to increase. Defaults, delinquencies and losses further decreased property values, thereby resulting in additional defaults by commercial mortgage borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of mortgage-backed securities. The Mortgaged Property and, therefore, the Series 2014 Bonds, may decline in value. Any future economic downturn may adversely affect the financial resources of the Borrower under the Loan and may result in the inability of the Borrower to make principal and interest payments on the Loan or to make repayment at maturity. In the event of default by the Borrower under the Loan, the Bondholders would likely suffer a loss on their investment.

In addition, the global financial markets recently experienced increased volatility due to uncertainty surrounding the level and sustainability of the sovereign debt of various countries. Much of this uncertainty related to certain countries that participate in the European Monetary Union and whose sovereign debt is generally denominated in euros, the common currency shared by members of that union. In addition, some economists, observers and market participants have expressed concerns regarding the sustainability of the monetary union and the common currency in their current form. Concerns regarding sovereign debt may spread to other countries at any time. Furthermore, many state and local governments in the United States have experienced, and may continue to experience, severe budgetary constraints. Market volatility or disruption could result if a state were to default on its debt, or a significant local government were to default on its debt or seek relief from its debt in bankruptcy 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 real estate.

Moreover, other types of events, domestic or international, may affect general economic conditions and financial markets, such as wars, revolts, insurrections, armed conflicts, energy supply or price disruptions, terrorism, political crises, natural disasters and man-made disasters. No predictions can be made about such matters or their effect on the value or performance of the Series 2014 Bonds.

Investors should consider that general conditions in the municipal markets may already affect the performance of the Series 2014 Bonds, and general conditions in the commercial real estate and mortgage markets may adversely affect the performance of the Loan and accordingly the performance of the Series 2014 Bonds. In addition, in connection with all the circumstances described above, Bondholders should be aware in particular that:

- such circumstances may result in substantial delinquencies and defaults on the Loan and adversely affect the amount of liquidation proceeds that would be realized in the event of foreclosures and liquidations;

- a default of the Loan will result in rapid declines in the value of the Series 2014 Bonds;

- notwithstanding that the Loan was recently underwritten and originated, the value of the Mortgaged Property may have declined since the Loan was originated and may decline following the issuance of the Series 2014 Bonds and such declines may be substantial and occur in a relatively short period

following the issuance of the Series 2014 Bonds; and such decline may or may not occur for reasons largely unrelated to the circumstances of the Mortgaged Property;

- holders of the Series 2014 Bonds may be unable to sell the Series 2014 Bonds or may be able to do so only at a substantial discount from the original purchase price; this may be the case for reasons unrelated to the then current performance of the Series 2014 Bonds or the Loan; and this may be the case within a relatively short period following the issuance of the Series 2014 Bonds;

- if the Loan defaults, then the yield on the Series 2014 Bonds may be substantially reduced notwithstanding that liquidation proceeds may be sufficient to result in the repayment of the principal of and accrued interest on the Series 2014 Bonds; an earlier than anticipated repayment of principal (even in the absence of losses) in the event of a default on the Loan in advance of the Anticipated Repayment Date would tend to shorten the weighted average period during which interest is earned on the Series 2014 Bonds; and a later than anticipated repayment of principal (even in the absence of losses) in the event of a failure to repay the Loan on the Anticipated Repayment Date would tend to delay the receipt of principal and the interest may be insufficient compensation for that delay;

- if the Loan becomes a Defaulted Loan, even if liquidation proceeds received on the defaulted Loan would be sufficient to cover the principal and accrued interest on the Loan, the Series 2014 Bonds may experience losses in the form of Special Servicing Fees, Workout Fees or Liquidation Fees, Advance Interest and other expenses, and Bondholders may bear losses as a result, and a Bondholder's yield may be adversely affected by such losses;

- if the Loan becomes a Defaulted Loan, 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; and this may be especially true particularly if Affiliates of the Borrower have substantial debts other than the Loan; and

- even if a Bondholder intends to hold the Series 2014 Bonds, depending on the circumstances, such Bondholder may be required to report declines in the value of the Series 2014 Bonds, and/or record losses, on its 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 it may have entered into that are backed by or make reference to such Series 2014 Bonds, in each case as if such Series 2014 Bonds were to be sold immediately.

- the Borrower may not be able to refinance the Loan and the Series 2014 Bonds, respectively, on or after the Anticipated Repayment Date.

In connection with all the circumstances described above, the risks we described elsewhere under "CERTAIN RISK FACTORS" are heightened substantially, and investors should review and carefully consider such risk factors in light of such circumstances.

The Series 2014 Bonds Are Limited Obligations

The Series 2014 Bonds, when issued, will not represent an interest in, or obligation of, the Master Servicer, the Special Servicer, the Indenture Trustee, the Operating Advisor or any of their respective affiliates or any other person. The primary asset backing the Series 2014 Bonds will be the Loan, and the primary security and source of payment for the Loan will be the Mortgaged Property and the other collateral described in the Loan Documents and in this Official Statement. Payments on the Series 2014 Bonds are expected to be derived from payments made by the Borrower on the Loan. No assurance can be made that the cash flow from the Mortgaged Property and the proceeds of any sale or refinancing of the Mortgaged Property will be sufficient to pay the principal of, and interest on, the Loan or to pay in full the amounts of interest and principal to which the holders of each Class of Series 2014 Bonds are entitled.

Losses Could Result in Failure to Recover Initial Investment

Investors should consider the risk that losses on the Loan could result in the failure to fully recover one's initial investment. To the extent net liquidation proceeds realized in connection with the liquidation of the Loan or the Mortgaged Property are not sufficient to pay the Loan in full, the remaining balance of the Class F Bonds, the Class E Bonds, the Class D Bonds, the Class C Bonds, the Class B Bonds and the Class A Bonds, in that order, will be written to zero on the final Bond Payment Date. No representation is made as to the frequency of delinquencies, defaults and/or liquidations that may occur with respect to the Loan, or the magnitude of any losses that may occur with respect to the Loan.

The Borrower Is a Single Purpose Entity With Limited Assets

The Borrower is limited in its purpose primarily to owning and operating the Mortgaged Property and acting as a borrower under the Loan Agreement. Upon the occurrence of a Mortgage Event of Default, recourse may generally be had only against the assets of the single purpose Borrower, which assets generally will be limited to the Mortgaged Property and related assets pledged to secure the Loan. Consequently, Bondholders will only be able to look to (i) the revenues from the operation of the Mortgaged Property and (ii) proceeds from the refinancing or sale of the Mortgaged Property for payment of amounts due on the Loan, including the Liquidation Proceeds of the Mortgaged Property in a foreclosure sale following a Mortgage Event of Default. Since revenues from the Mortgaged Property generally will serve as the primary source for monthly payments due on the Loan, if revenue from the Mortgaged Property is reduced or if expenses incurred in the operation of the Mortgaged Property 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 Mortgaged Property and pay the Loan could be impaired by an adverse change in the value of the Mortgaged Property. The Borrower is a "recycled" single purpose entity and represented in the Loan Agreement that it has not engaged in any other activities or incurred any other debt other than the ownership, operation, financing, leasing, redevelopment and maintenance of the Mortgaged Property and debt permitted by the existing Loan Documents and the Indenture. No assurance can be made that the Borrower has complied or will comply with these special purpose requirements, and even if all or most of such restrictions have been complied with by the Borrower, no assurance can be made that the Borrower will not become subject to voluntary or involuntary bankruptcy proceedings or that a bankruptcy proceeding involving the Mortgaged Property, the Loan and/or the Borrower or any of its affiliates will not have an adverse effect on the performance or value of the Series 2014 Bonds.

Commercial Lending Is Dependent Upon Net Operating Income

The Loan is secured by an income-producing commercial property. Commercial lending is generally thought to expose a lender to greater risk than residential one-to-four family lending because it typically involves larger mortgage loans to a single borrower or group of related borrowers.

The repayment of a commercial loan is typically dependent upon the ability of the related mortgaged property to produce cash flow through the collection of rents. Even the liquidation value of a commercial property is determined, in substantial part, by the capitalization of the property's ability to produce cash flow. However, net operating income can be volatile and may be insufficient to cover debt service on a mortgage loan at any given time.

The net operating income and property value of a property may be adversely affected by a large number of factors, some of which relate to the Mortgaged Property itself, such as:

- the age, design, quality and construction of the property;
- perceptions regarding the safety, convenience, services and attractiveness of the property;

- the characteristics of the neighborhood where the mortgaged property is located;
- the proximity and attractiveness of competing properties;
- the adequacy of the property's management and maintenance;
- increases in interest rates, real estate taxes and other operating expenses (including costs of energy) at the property and in relation to competing properties;
- an increase in the capital expenditures needed to maintain the property or make improvements;
- changes or continued weakness in a specific industry segment that is important to the success of the property;
- competitive conditions which may affect the ability of a borrower to obtain or maintain full occupancy of a property;
- an increase in vacancy rates;
- a decline in rental rates as leases are renewed or entered into with new tenants; and
- whether the related property is readily convertible to alternative uses.

Other factors are more general in nature, such as:

- national, regional or local economic conditions, including economic and industry slowdowns and unemployment rates;
- local real estate conditions, such as an oversupply of units similar to the units at the related property;
- demographic factors;
- prospective tenant tastes and preferences;
- zoning laws or other governmental rules and policies (including environmental restrictions);
- retroactive changes in building or similar codes that require modifications to the related property;
- dependence upon a concentration of tenants working for a particular business or industry;
- inflation or general currency fluctuation; and
- civil disorder, acts of war or of terrorists, acts of God, such as floods or earthquakes, and other factors beyond the control of a borrower.

The volatility of net operating income will be influenced by many of the foregoing factors, as well as by:

- the number of tenants at the property and the duration of their respective leases;
- the creditworthiness of tenants, a decline in the financial condition of tenants or tenant defaults;

- rent subsidies and rent control and Rent Stabilization Regulations;

- the rate at which new rentals occur; and

- the property's "operating leverage" which is generally the percentage of total property expenses in relation to revenue, the ratio of fixed operating expenses to those that vary with revenues, and the level of capital expenditures required to maintain the property and to retain or replace tenants.

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

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

Multifamily Properties Have Special Risks

The Mortgaged Property consists of the top 71 floors, comprising 899 residential units, of a 76-story building in New York City, as more specifically described herein.

A large number of factors may adversely affect the value and successful operation of a multifamily property, including:

- the number of competing properties and residential developments in the local market;

- the physical attributes of the apartment building such as its age, condition, design, appearance, access to transportation and construction quality;

- the types of services or amenities that the property provides, particularly in relation to competing properties;

- the property's reputation;

- the generally short terms of residential leases and the need for continued reletting;

- rent concessions and one to two year leases, which may impact cash flow at the property;

- applicable state and local regulations designed to protect tenants in connection with evictions and rent increases, including rent control and Rent Stabilization Regulations;

- the tenant mix, such as the tenant population being predominantly students or being heavily dependent on workers from a particular business or industry or personnel from or workers related to a local military base;

- restrictions on the age of tenants who may reside at the property;

- local closings of large employers;

- the location of the property, for example, a change in the neighborhood over time or increased crime in the neighborhood;

- the level of mortgage interest rates, which may encourage tenants to purchase rather than lease housing;

- the quality of property management;

- the ability of management to provide adequate maintenance and insurance;

- adverse local, regional or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels;

- the financial condition of the owner of the property;

- government agency rights to approve the conveyance of the property that could potential interfere with the foreclosure or execution of a deed-in-lieu of foreclosure of such property; and

- national, state or local politics.

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

421-a Regulations

The Borrower obtained a twenty (20) year phased exemption from real estate taxes for the Mortgaged Property in accordance with the 421-a Regulations, which exemption currently requires that all residential apartments in the Mortgaged Property be subject to rent regulation for the term of the twenty (20) year phased exemption in accordance with the Rent Stabilization Regulations. The failure of the Borrower to comply with the 421-a Regulations could result in the loss of the phased exemption, thereby significantly increasing real estate taxes due and decreasing amounts available to make the required payments under the Loan Documents and have a material and adverse impact on the performance of the Mortgaged Property and the Series 2014 Bonds. In addition, starting in the tax year which commences on July 1, 2023, and every two (2) years thereafter, the exempted amount of real estate taxes will decrease by twenty percent (20%), which will increase real estate taxes by a like amount and decrease amounts available to make required payments under the Loan Documents. The twenty (20) year phased exemption will terminate on June 30, 2031.

Rent Stabilization Regulations

Under the Rent Stabilization Regulations, which apply to each residential rental unit in the Mortgaged Property during the term of the 421-a real estate tax benefits and thereafter with respect to a Tenant who resides in a unit and whose lease does not include the 421-a Lease Rider, the amount that the Borrower can increase rents on Tenants (including Tenants under new and renewal leases) is limited by law, and may be below non-regulated market increases. The increases include, but are not limited to, increases promulgated by the New York City Rent Guidelines Board and surcharges permitted after July 1, 2023 as a result of the phasing out of the real estate tax exemption under the 421-a Regulations. Additionally, the Rent Stabilization Regulations requires landlords to provide required services to tenants and to offer tenants renewal leases, and limits the grounds on which a tenant may be evicted. The law also permits tenants to file relevant complaints

with DHCR. DHCR is empowered to reduce rents and levy civil penalties against the property owner in cases of violations, reduce rents if services are not maintained, and, in cases of rent overcharge, DHCR may assess penalties of interest or treble damages payable to the tenant if such overcharge is found to be willful. The application of the Rent Stabilization Regulations to the Mortgaged Property and the rights of DHCR to reduce rents and impose civil penalties on the Borrower could have a material and adverse impact on the performance of the Mortgaged Property and the Series 2014 Bonds. The Rent Stabilization Regulations may be amended from time to time.

The Exercise by the Issuer of Its Reserved Rights and Its Rights Under the Regulatory Agreement May Adversely Affect the Security for the Series 2014 Bonds

Pursuant to the terms of the Loan Agreement, the Issuer (or the Indenture Trustee on its behalf in consultation with the Master Servicer) will reserve the right, among others, to receive indemnification from the Borrower for certain liabilities, to receive payment or reimbursement of certain fees and expenses, to receive notices and to enforce notice and reporting requirements, to inspect and audit the books, records and premises of the Borrower and of the Mortgaged Property, to collect reasonable attorneys' fees and related expenses, to specifically enforce the Borrower's covenant to comply with Applicable Law (including the Act and the rules and regulations of the Issuer, if any), to enforce its rights pursuant to the Regulatory Agreement (including but not limited to its rights to approve or reject the selection of the Property Manager and any transfers of ownership interests in respect of the Mortgaged Property), to consent to any assignment of the Loan and to receive its assignment fee in connection therewith, to enforce its rights under insurance policies insuring the Mortgaged Property, to give or withhold consent to amendments, changes, modifications and alterations relating to the Reserved Rights. While the exercise by the Issuer of its Reserved Rights will be limited to specific performance or in certain limited circumstances, other remedial actions as described under "DESCRIPTION OF THE REGULATORY AGREEMENT" herein, any attempt by the Issuer to compel compliance may have an adverse impact on the Borrower, the Mortgaged Property, the Loan and the Series 2014 Bonds.

Payment of the HDC Fees, Servicer Fees and Indenture Trustee Fees Rank Prior to Payments to the Bondholders

Pursuant to the Servicing Agreement, any servicing advances made by the Servicers and any fees owing to the Servicers, the Issuer and the Indenture Trustee will have a claim to the loan payments superior to that of the Indenture Trustee relative to the Series 2014 Bonds. The rights of the Servicers to compensation or fees is subordinate to the rights of the Issuer with respect to assumptions.

The Successful Operation of a Multifamily Property Depends on Tenants

Repayment of the Loan will be affected by the expiration of leases and the ability of the Borrower and the Property Manager to renew the leases or to relet the space corresponding to such leases on comparable terms. The owner of a multifamily property typically uses lease or rental payments for the following purposes:

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

Factors that may adversely affect the ability of the Mortgaged Property to generate net operating income from lease and rental payments include:

- an increase in vacancy rates, which may result from tenants deciding not to renew an existing lease;

- an increase in tenant payment defaults;
- a decline in rental rates as leases are entered into, renewed or extended at lower rates;
- an increase in the capital expenditures needed to maintain the Mortgaged Property or to make improvements; and
- an increase in operating expenses.

The operations at or the value of the Mortgaged Property will be adversely affected if the Borrower or Property Manager is unable to renew leases or relet space on comparable terms when existing leases expire and/or become defaulted. Even if vacated space is successfully relet, the costs associated with reletting can be substantial and could reduce cash flow from the Mortgaged Property. Moreover, if a Tenant at the Mortgaged Property defaults in its lease obligations, the Borrower may incur substantial costs and experience significant delays associated with enforcing its rights and protecting its investment, including costs incurred in renovating and reletting the Mortgaged Property. No assurance can be made that the foregoing circumstances will not adversely impact operations at or the value of the Mortgaged Property.

Furthermore, no assurance can be made that (1) leases that expire can be renewed, (2) the space covered by leases that expire or are terminated can be re-leased in a timely manner at comparable rents or on comparable terms or (3) the Borrower will have the cash or be able to obtain the financing to fund any required Tenant improvements. Income from and the market value of the Mortgaged Property would be adversely affected if vacant space in the Mortgaged Property could not be leased for a significant period of time, if Tenants were unable to meet their lease obligations or if, for any other reason, rental payments could not be collected.

Property Value May Be Adversely Affected Even When There Is No Change in Net Operating Income

Various factors may adversely affect the Mortgaged Property's value without affecting its current net operating income. These factors include, among others:

- changes in the supply of competitive rental housing units within the Mortgaged Property's market;
- changes in governmental regulations, fiscal policy, zoning or tax laws;
- potential environmental legislation or liabilities or other legal liabilities;
- convertibility of a Mortgaged Property to an alternative use;
- restrictive covenants; and
- the availability of financing.

Underwritten Net Cash Flow May Not Represent Future Net Cash Flow

As described under "DESCRIPTION OF THE MORTGAGED PROPERTY", underwritten net cash flow means cash flow as adjusted based on a number of assumptions and projections. As a result, underwritten net cash flows, by their nature, are speculative. In the event of the inaccuracy or failure of any assumptions or projections used in connection with the calculation of underwritten net cash flow, the actual net cash flow could be materially lower than the underwritten net cash flow presented in this Official Statement, and this would change other numerical information presented in this Official Statement based on or derived from the underwritten net cash flow, such as the debt service coverage ratios presented in this Official Statement. No representation is made that the underwritten net cash flow set forth in this Official Statement as of the Closing

Date or any other date represents future net cash flows. Investors should review these assumptions and make their own determination of the appropriate assumptions to be used in determining underwritten net cash flow.

In addition, the underwritten debt service coverage ratios set forth in this Official Statement for the Loan and the Mortgaged Property vary, and may vary substantially, from the debt service coverage ratios for the Loan and the Mortgaged Property as calculated pursuant to the definition of such ratios as set forth in the Loan Documents. See "DESCRIPTION OF THE MORTGAGED PROPERTY" for a description of the calculation of the underwritten net cash flow in this Official Statement.

Maintaining the Mortgaged Property in Good Condition May Be Costly

The Borrower may be required to expend a substantial amount to maintain, renovate or refurbish the Mortgaged Property. Failure to do so may materially impair the Mortgaged Property's ability to generate cash flow. The effects of poor construction quality will increase over time in the form of increased maintenance and capital improvements. Even superior construction will deteriorate over time if management does not schedule and perform adequate maintenance in a timely fashion. No assurance can be made that the Mortgaged Property will generate sufficient cash flow to cover the increased costs of maintenance and capital improvements in addition to paying debt service on the Loan.

While the Borrower has not indicated that it has any plans to redevelop or renovate the Mortgaged Property, it may do so in the future. The existence of construction or renovation at or near the Mortgaged Property may make the Mortgaged Property less attractive to Tenants, and accordingly could have a negative effect on net operating income. Additionally, construction or renovation may block access to the Mortgaged Property or portions of the Mortgaged Property or otherwise create disturbance to the Mortgaged Property. These factors could have a negative effect on net operating income. Failure to complete any improvements may have a material adverse effect on the cash flow at the Mortgaged Property and the ability of the Borrower to meet its payment obligations under the Loan Documents.

No assurance can be made that any redevelopment or renovation will be completed, that such redevelopment or renovation will be completed in the time frame contemplated, or that, when and if redevelopment or renovation is completed, such redevelopment or renovation will improve the operations at, or increase the value of, the Mortgaged Property. Failure of any of the foregoing to occur could have a material negative impact on the Mortgaged Property, which could affect the ability of the Borrower to repay the Loan.

Risks Related to Condominium Regimes

The Mortgaged Property consists of one condominium unit in a four unit condominium containing 896 residential rental units and approximately 1,200 leasable square feet of retail space in the base of the building. The Condominium contains three additional condominium units that are not part of the Mortgaged Property: (i) the Care Center Unit, (ii) the Garage Unit and (iii) the School Unit. The four condominium units are contained in one 76-story building.

Due to the nature of condominiums, a default on the part of the Borrower would not allow the Special Servicer the same flexibility in realizing on the collateral as is generally available with respect to commercial properties that are not condominiums. The rights of other unit owners, the documents governing the management of the condominium units and the state and local laws applicable to condominium units must be considered. Consequently, servicing and realizing upon the collateral described above could subject the holders of the Series 2014 Bonds to a greater delay, expense and risk than with respect to a mortgage loan secured by a commercial property that is not a condominium. In addition, in the case of condominiums, a board of managers generally has discretion to make decisions affecting the condominium.

Increased Operating Expenses Can Adversely Affect the Availability of Mortgaged Property Revenues Sufficient for Timely Payment of the Loan

As with any business venture of this size and nature, the operation of the Mortgaged Property could be affected by many factors, including the breakdown or failure of equipment or processes, fuel and energy costs, the interference with proper operations by governmental controls and requirements, labor disputes, catastrophic events including fires, explosions, earthquakes and droughts, changes in law, failure to obtain necessary permits or to meet permit conditions, or similar events. The failure or inability to obtain and maintain proper insurance for such contingencies may impair the ability of the Borrower to fund the necessary repairs or other remediations necessary to assure proper continued operations at the Mortgaged Property. The occurrence of such events could jeopardize the current leasing or future leasing of the Mortgaged Property and thereby materially impair the availability of gross revenues from operations at the Mortgaged Property sufficient for the timely payment of the Loan.

Payment of the Loan Will Be Dependent on the Tenants of a Single Building

Payments to the Bondholders will be entirely dependent on the performance of the Loan, which will be entirely dependent on the performance of the Mortgaged Property. As such, the Series 2014 Bonds will be a significantly non-diversified investment. The Series 2014 Bonds will only be entitled to amounts collected or advanced with respect to the Loan. There will be no other source of payments on the Series 2014 Bonds.

Certain Tenants at the Mortgaged Property may not be paying full rent, due to rent abatement or credit. No assurance can be made that the rate of occupancy at the Mortgaged Property will remain at the current levels or that the net operating income contributed by the Mortgaged Property will remain at its current or past levels.

The Performance of the Mortgaged Property Is Dependent on the Property Manager and the Leasing Agent

Income realized from operations at the Mortgaged Property and the value of the Mortgaged Property may be affected by management decisions relating to the Mortgaged Property, which in turn may be affected by events or circumstances impacting the Property Manager, its financial condition or results of operation. As described under "DESCRIPTION OF THE MANAGEMENT AGREEMENT AND THE PROPERTY MANAGER", the day-to-day management of the Mortgaged Property, renewals of leases and collections are currently performed by the Property Manager. Leasing functions are performed by the Leasing Agent as described under "DESCRIPTION OF THE LEASING AGREEMENT AND THE LEASING AGENT." Although the Property Manager is experienced in managing the Mortgaged Property, no assurance can be made that it will continue to act as Property Manager or that it will manage the Mortgaged Property successfully.

If the Loan is in default or undergoing special servicing, the affiliation of the Property Manager and the Borrower could disrupt the management of the Mortgaged Property, which may adversely affect cash flow. However, the Loan Documents permit the lender to terminate the Management Agreement upon the Property Manager becoming insolvent or a debtor in a bankruptcy proceeding or upon a default under the Management Agreement (after applicable notice and cure periods).

The successful operation of a real estate project depends upon the property manager's performance and viability. A property manager is responsible for:

- responding to changes in the local market;
- planning and implementing the rental structure;

- operating the property and providing building services;
- managing operating expenses; and
- assuring that maintenance and capital improvements are carried out in a timely fashion.

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

No representation or warranty is made as to the skills of any present or future managers. Additionally, no assurance can be made that the Property Manager will at all times be in a financial condition to fulfill its management responsibilities. Further, certain individuals involved in the management or general business development at the Mortgaged Property may engage in unlawful activities or otherwise exhibit poor business judgment that may adversely affect operations and ultimately cash flow at the Mortgaged Property.

Condominium Ownership Could Adversely Affect Payments on the Series 2014 Bonds

The Mortgage Loan is secured by first mortgage liens on a Condominium unit. The management and operation of the Condominium is generally controlled by a Condominium board representing the owners of the individual Condominium units, subject to the terms of the Condominium declaration and by-laws. All of the Condominium units are not owned by the Borrower. Generally, the consent of a majority of the board members of the Condominium board is required for certain actions requiring board approval, although certain extraordinary actions require the consent of all unit owners. Although the Borrower has a majority representation on the Condominium board and, therefore, controls the actions of the Condominium board, the Borrower may not have the same flexibility in taking actions relating to the common elements appurtenant to the Mortgaged Property as would be the case if the Mortgaged Property were not a Condominium unit.

Notwithstanding the insurance and casualty provisions of the Loan Documents, in certain circumstances the Condominium declaration would control the decision to repair the Mortgaged Property, and if not repaired, the allocation of casualty and condemnation proceeds to the Condominium unit owners.

Each unit owner is responsible for maintenance of its respective unit and retains essential operational control over its unit. Each unit owner is required to pay its pro rata share of common expenses. The Condominium board generally has the right to assess individual unit owners for their share of expenses related to the operation and maintenance of the common elements. Although the Condominium board may obtain a lien against any unit owner for common expenses that are not paid, such liens are often subordinate to the lien of the mortgage in favor of a mortgagee with respect to the unit, and such lien would be extinguished if the mortgagee takes possession pursuant to a foreclosure.

Due to the nature of the Condominium arrangement, the lender under the Loan may not have the same discretion in realizing on the Mortgaged Property upon an event of default under the Loan would be the case with respect to loans that are not secured by condominium units. Consequently, servicing and realizing Mortgaged Property could subject the lender under the Loan to added delay, expense and risk than servicing and realizing upon collateral for other loans that are not secured by condominium units.

Terrorist Attacks and United States Military Action Could Adversely Affect the Mortgaged Property's Revenues

On September 11, 2001, the United States was subjected to multiple terrorist attacks, resulting in the loss of many lives and massive property damage and destruction in New York City, the Washington, D.C. area and Pennsylvania. Subsequently a number of thwarted planned attacks in New York City have been reported. The possibility of such attacks could (i) lead to damage to the Mortgaged Property if any such attacks occur, (ii) result in higher costs for insurance premiums, which could adversely affect the cash flow at the Mortgaged

Property and (iii) impact residential leasing patterns which could adversely impact rent. As a result, the ability of the Mortgaged Property to generate cash flow may be adversely affected. It is impossible to predict whether, or the extent to which, future terrorist activities may occur in the United States.

It is uncertain what effects any future terrorist activities in the United States or abroad and/or any consequent actions on the part of the United States government and others, including military action, could have on general economic conditions, real estate markets, particular business segments and/or insurance costs and the availability of insurance coverage for terrorist acts. Among other things, reduced investor confidence could result in substantial volatility in securities markets and a decline in real estate-related investments. In addition, reduced consumer confidence, as well as a heightened concern for personal safety, could result in a material decline in personal spending and travel.

Terrorism Insurance for the Borrower May Be Unavailable or Insufficient

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

On December 26, 2007, the Terrorism Insurance Program was extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 through December 31, 2014 ("TRIPRA").

The Terrorism Insurance Program is administered by the Secretary of the Treasury and, through December 31, 2014, will provide some financial assistance from the United States government to insurers in the event of another terrorist attack that results in an insurance claim. The program applies to any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion. The Terrorism Insurance Program does not cover nuclear, biological, chemical and radiological attacks.

In July 2014, the U.S. Senate approved a bill that would, among other things, extend the Terrorism Insurance Program until December 31, 2021. The House of Representatives has its own version of the bill which has not yet been approved by the House of Representatives. The current version of the bill that is under consideration by the House of Representatives would, among other things, extend the Terrorism Insurance Program until December 31, 2019. Any final legislation, if passed into law, may be significantly different from the Terrorism Risk Insurance Program Reauthorization Act of 2007. Moreover, no assurance can be given that subsequent terrorism insurance legislation will be passed upon expiration of the Terrorism Risk Insurance Program Reauthorization Act of 2007, or that any subsequent terrorism insurance legislation that is passed into law will not have an adverse impact on the Loan or the performance of the Series 2014 Bonds.

In addition, no compensation will be paid under the Terrorism Insurance Program unless the aggregate industry losses relating to such act of terrorism exceed $100 million. As a result, unless the Borrower obtains separate coverage for events that do not meet that threshold, such events would not be covered.

The Treasury Department has established procedures for the Terrorism Insurance Program under which the federal share of compensation will be equal to 85% of the portion of insured losses that exceeds an

applicable insurer deductible required to be paid during each program year (which insurer deductible was fixed by the Terrorism Risk Insurance Program Reauthorization Act of 2007 at 20% of an insurer's direct earned premium for any program year). The United States government share in the aggregate in any program year may not exceed $100 billion (and the insurers will be liable for any amount that exceeds this cap).

Through December 2014, insurance carriers are required under the program to provide terrorism coverage in their basic policies providing "special" form coverage.

Because the Terrorism Insurance Program is a temporary program, no assurance can be made that it will create any long-term changes in the availability and cost of such insurance. Moreover, no assurance can be made that subsequent terrorism insurance legislation will be passed upon TRIPRA's expiration.

If TRIPRA is not extended or renewed upon its expiration in 2014, premiums for terrorism insurance coverage will likely increase and/or the terms of such insurance may be materially amended to increase stated exclusions or to otherwise effectively decrease the scope of coverage available (perhaps to the point where it is effectively not available). In addition, to the extent that any policies contain "sunset clauses" (i.e., clauses that void terrorism coverage if the federal insurance backstop program is not renewed), then such policies may cease to provide terrorism insurance upon the expiration of TRIPRA. No assurance can be made that such temporary program will create any long term changes in the availability and cost of such insurance.

The Borrower will be required under the Loan Documents to obtain and maintain coverage against loss or damage by terrorist acts as described under "DESCRIPTION OF THE LOAN AGREEMENT—Insurance".

The Mortgaged Property is insured for terrorism coverage provided by Lexington Insurance Company, Hiscox Ltd., Chaucer Marine, Brit Global Specialty. Axis Specialty Europe SE, and Lancashire Insurance Company (UK) Ltc. (the "Terrorism Insurance Providers"), although the specific Terrorism Insurance Providers are subject to change at the end of 2014 pursuant to the terms of the Loan Documents. No assurance can be made that the Terrorism Insurance Providers will have sufficient resources to pay out under its policy covering acts of terrorism at the Mortgaged Property. Although the Terrorism Insurance Providers will have the benefit of an 85% backstop provided by the United States government under TRIPRA (which expires December 31, 2014) and reinsurance of the remainder, no assurance can be made that captive insurance companies will continue to be covered under TRIPRA or that the Terrorism Insurance Providers would have sufficient resources to make payments under any policy covering acts of terrorism. See "DESCRIPTION OF THE LOAN AGREEMENT—Insurance".

Insurance May Not Be Available or Adequate

Although the Mortgaged Property is required to be insured against certain risks, there is a possibility of casualty loss with respect to the Mortgaged Property for which insurance proceeds may not be adequate or which may result from risks not covered by insurance. No assurance can be made that, in the future, the Borrower will comply with or be able to comply with requirements to maintain adequate insurance with respect to the Mortgaged Property, and any uninsured loss could have a material adverse impact on the amount available to make payments on the Loan and/or the value of the Mortgaged Property, and consequently, an adverse impact on the Series 2014 Bonds. As with all real estate, if reconstruction (for example, following fire or other casualty) or any major repair, restoration 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, restoration or improvement. As a result, the amount realized with respect to the Mortgaged Property, and the amount available to make payments on the Loan, and consequently, the Series 2014 Bonds could be reduced. In addition, no assurance can be made 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.

Although the Mortgaged Property is insured at levels consistent with the insurance carried by owners and developers of multifamily properties in New York, no assurance can be made that any loss incurred will be of a type covered by such insurance and will not exceed the limits of such insurance.

In the event of a casualty when the Borrower is not required to rebuild or cannot rebuild, no assurance can be made that the insurance required with respect to the Mortgaged Property will be sufficient to pay the Loan in full and there is no "gap" insurance required under such Loan to cover any difference. Therefore, a casualty that occurs near the Anticipated Repayment Date may result in an extension of the Loan if the Master Servicer, in accordance with the Servicing Standard determined that such extension was in the best interest of Bondholders.

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 Mortgaged Property. In addition, the Borrower is relying on the creditworthiness of the insurers providing insurance with respect to the Mortgaged Property. The Loan Agreement will require that the insurance policies be issued by insurers that have a financial strength rating of at least "A" by A.M. Best and a financial size category of at least "VIII" by A.M. Best and a claims paying ability and financial strength rating of at least "A" by Standard & Poor's Rating Services (and the equivalent ratings for Moody's, and Fitch to the extent each such rating agency rates the insurance company and is rating the Series 2014 Bonds). See "DESCRIPTION OF THE LOAN AGREEMENT—Insurance". Notwithstanding the preceding sentence, if the applicable insurance is to be issued by a group of insurance companies, then it will be sufficient that (1) at least seventy-five percent (75%) of the coverage (if there are four (4) or fewer insurance companies issuing the insurance policies) or (2) at least sixty percent (60%) of the coverage (if there are five (5) or more insurance companies issuing the insurance policies) may be provided by insurance companies having a claims paying ability rating of "A" or better by Standard & Poor's Rating Services or "A2" by Moody's Investors Service, Inc. (provided that, in either instance, at least ninety percent (90%) of the coverage is provided by insurance companies having a claims paying ability rating of "BBB" or better by S&P or "Baa2" by Moody's Investors Service, Inc. and one hundred percent (100%) of the coverage is provided by insurance companies having a claims paying ability rating of "BBB-" or better by S&P or "Baa3" or better by Moody's Investors Service, Inc.)

The Borrower has purchased, or will have purchased by the Closing Date, property coverage from insurers with ratings that meet the above described requirements. No assurance can be made that any such insurer will remain solvent or be able to satisfy its obligations under an insurance policy.

The Borrower May Be Subject to Environmental Liabilities

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. For all of these reasons, the presence of, or potential for contamination by, hazardous or toxic substances at, on, under, adjacent to, or in the Mortgaged Property could materially adversely affect the value of the Mortgaged Property and the ability of the Borrower to make payments on the Loan.

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

secured 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 foreclosure 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. Although CERCLA was amended in an attempt to clarify the activities in which a lender may engage without becoming subject to liability under CERCLA and one other similar federal law, such legislation has not been extensively interpreted by the courts and in any event has no applicability to other federal or state environmental laws except in those instances where specifically incorporated in those other laws.

The Mortgaged Property has been subject to a "Phase I" ESA dated June 27, 2014 performed by Property Solutions Inc. in connection with the origination of the Loan. The ESA was intended to evaluate the environmental condition of the Mortgaged Property by identifying the presence or likely presence of hazardous materials on the property and identifying conditions that indicate an existing release, a past release, or a material threat of a release of hazardous materials into structures on the Mortgaged Property or into the ground, groundwater or surface of the Mortgaged Property. The ESA included inspection of the Mortgaged Property and adjacent properties and a review of publicly available general information, historical information and environmental records related to the Mortgaged Property. The ESA generally did not include sampling or analysis of soil, groundwater or other environmental media or subsurface investigations. No assurance can be made that the ESA completely and accurately identified and characterized all environmental conditions and risks relating to the Mortgaged Property. In addition, no assurance can be made that any environmental indemnity, insurance or reserve amounts will be sufficient to remediate the environmental conditions or that operation and maintenance plans will be put in place and/or followed. Additionally, no assurance can be made that actions of Tenants at the Mortgaged Property will not adversely affect the environmental condition of the Mortgaged Property. See the CD-ROM attached to this Official Statement for a copy of the ESA.

The Servicing Agreement will provide that neither the Master Servicer nor the Special Servicer may, on behalf of the Indenture Trustee, obtain title to the Mortgaged Property by foreclosure, deed-in-lieu of foreclosure or otherwise, or take any other action with respect to the Mortgaged Property, if, as a result of any such action, any mortgagee could, in the judgment of the Special Servicer in accordance with the Servicing Standard, exercised in accordance with the Servicing Standard, be considered to hold title to, to be a "mortgagee-in-possession" of, or to be an "owner" or "operator" of the Mortgaged Property within the meaning of CERCLA or any comparable law, unless (i) the Special Servicer has previously determined in accordance with the Servicing Standard, based on an ESA (and any additional environmental testing that the Special Servicer deems necessary and prudent) of the Mortgaged Property conducted by an independent person who regularly conducts ESAs and performed during the twelve (12) month period preceding any such acquisition of title or other action, that the Mortgaged Property is in compliance with applicable environmental laws and regulations and there are no circumstances or conditions present at the Mortgaged Property relating to the use, management or disposal of any dangerous, toxic or hazardous pollutants, chemicals, wastes, or substances for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any applicable environmental laws and regulations; or (ii) if the determination in clause (i) cannot be made, the Special Servicer has previously determined in accordance with the Servicing Standard that it would maximize the recovery to the holders of the Loan, on a net present value basis to acquire title to or possession of the Mortgaged Property, with the consent of the Indenture Trustee, and to take such remedial, corrective and/or other further actions as are necessary to bring the Mortgaged Property into compliance with applicable environmental laws and regulations. The procedure required by the Servicing Agreement may delay or adversely affect the Special Servicer's ability to foreclose on the Mortgaged Property. Moreover, any such environmental assessment may not reveal all potential environmental liabilities to which the Mortgaged Property may be subject. No assurance can be made that the requirements of the Servicing Agreement, even if fully observed, will in fact insulate the Borrower from liability for environmental conditions. See "DESCRIPTION OF THE SERVICING AGREEMENT".

Risks of Anticipated Repayment Date Loans

The Loan will provide that, if on or after the Anticipated Repayment Date, the Borrower has not prepaid the Loan in full, any Taxable Component outstanding after that date will accrue interest at an increased interest rate equal to the applicable Revised Interest Rate, which is higher than the applicable Component Interest Rate, and an ARD Payment Premium will be required to be paid in connection with the repayment of principal of any Tax-Exempt Component outstanding after that date. The Anticipated Repayment Date for the Loan will be approximately ten (10) years after the Closing Date. After the Anticipated Repayment Date, the Loan will further require that all cash flow available from the Mortgaged Property after payment of the debt service payments under the Loan, the funding of reserves and certain approved operating expenses with respect to the Mortgaged Property will be applied toward the payment of principal on the Loan until the principal balance has been reduced to zero. Although these provisions may create an incentive for the Borrower to repay the Loan in full on the Anticipated Repayment Date, a substantial payment would be required and the Borrower has no obligation to do so. While interest at the applicable Component Interest Rate will continue to accrue and be payable on a current basis on each Component after the Anticipated Repayment Date, the payment of Excess Interest on the Taxable Components and the payment of any ARD Payment Premiums on the Tax-Exempt Components would be deferred and will be required to be paid only after the outstanding principal balance of the entire Loan has been paid in full. In addition, the payment of any Excess Interest or ARD Payment Premium could be waived at that time by the Master Servicer or Special Servicer.

The Borrower May Not Be Able to Repay the Loan at the Anticipated Repayment Date or the Maturity Date

The Loan will not require any payments of principal on the Loan prior to the Anticipated Repayment Date. As a result, the ability of the Borrower to repay the Loan on the Anticipated Repayment Date will largely depend upon its ability either to refinance the Loan or to sell, to the extent permitted under the Loan Documents, the Mortgaged Property at a price sufficient to permit such repayment.

The ability of the Borrower to accomplish either of these goals 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 commercial real estate projects, which fluctuate over time;
- the prevailing interest rates;
- the net operating income generated by the Mortgaged Property;
- the fair market value of the Mortgaged Property;
- the equity of the Borrower in the Mortgaged Property;
- the financial condition of the Borrower;
- the operating history and occupancy level of the Mortgaged Property;
- tax laws; and
- prevailing regional and national economic conditions.

Whether or not losses are ultimately sustained, if the Loan is not repaid on the Anticipated Repayment Date the weighted average life of the Series 2014 Bonds may be longer than otherwise anticipated.

The credit crisis and economic downturn resulted in tightened lending standards and a reduction in capital available to refinance commercial mortgage loans. These factors decreased the availability of refinancing for commercial mortgage loans. No assurance can be made that the Borrower will be able to generate sufficient cash from the sale or refinancing of the Mortgaged Property to pay the outstanding principal balance on the Anticipated Repayment Date or Maturity Date of the Loan.

Subordination

On each Bond Payment Date, payments of interest and principal will be made to Bondholders in the manner and in the priorities set forth under "DESCRIPTION OF THE SERIES 2014 BONDS" and DESCRIPTION OF THE SERVICING AGREEMENT—Allocation of Available Distribution Amount". In addition, Realized Losses and Appraisal Reduction Amounts will be allocated first, to the Class F Bonds, then to the Class E Bonds, then to the Class D Bonds, then to the Class C Bonds, then to the Class B Bonds and finally to the Class A Bonds. As a result of the subordination of the Class F Bonds, the Class E Bonds, the Class D Bonds, the Class C Bonds and the Class B Bonds, any shortfalls in respect of the Loan will be borne first by the Class F Bonds, then to the Class E Bonds, then to the Class D Bonds, then to the Class C Bonds, then to the Class B Bonds and finally to the Class A Bonds. As a result, each Class of Series 2014 Bonds will be more sensitive to delinquencies and losses on the Loan than the Class or Classes of Series 2014 Bonds with an earlier alphabetical designation and under certain circumstances purchasers of such Series 2014 Bonds may not recover their initial investment.

The Prospective Performance of the Loan Should Be Evaluated Separately From the Performance of Similar Mortgage Loans

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

The Borrower's Obligations Under the Loan Can Be Transferred to a Third Party

Pursuant to the Loan Agreement, the Borrower has the right, subject to the satisfaction of certain conditions, to transfer the Mortgaged Property to a qualified transferee that would assume the obligations of the Borrower under the Loan. The value of the Mortgaged Property may be strongly affected by the management skills, quality and judgment of its owner. No assurance can be made that the management skills, quality or judgment of any qualified transferee and its equityholders will be equivalent to that of the Borrower and its equity holders and that the value of the Mortgaged Property will be maintained at the same level by any qualified successor borrower. See "DESCRIPTION OF THE LOAN AGREEMENT—Permitted Transfers".

Additional Indebtedness Supported by the Mortgaged Property's Net Cash Flow Could Adversely Impact the Series 2014 Bonds

Any additional debt secured by the Mortgaged Property will reduce the equity interest of the Borrower in the Mortgaged Property. In addition, secured senior debt or pari passu debt encumbering the Mortgaged Property may increase the difficulty of refinancing the Loan at maturity and the possibility that reduced cash

flow could result in deferred maintenance. Thus, although prohibited by the terms of the Loan Documents, it may not be evident that the Borrower has incurred any such prohibited subordinate second lien debt until the Loan otherwise defaults.

The Loan Documents and organizational documents of the Borrower generally do not prohibit the Borrower from incurring additional indebtedness if incurred in the ordinary course of business and not secured by a lien on the Mortgaged Property. However, the amount of any such additional indebtedness is generally limited no more than two percent (2%) of the outstanding principal amount of the Note. A default by the Borrower on such additional indebtedness could impair the Borrower's financial condition and result in the bankruptcy or insolvency of the Borrower, which would cause a delay in the foreclosure by the lender on the Mortgaged Property. No investigations, searches or inquiries to determine the existence or status of any subordinate secured financing with respect to the Mortgaged Property will have been made and no assurance can be made that the Borrower will have complied with the restrictions on indebtedness in the related Loan Documents.

Limitations on Enforcement Remedies May Adversely Affect Realization of the Security for the Loan

New York law may interfere with the ability of the Master Servicer or the Special Servicer, as applicable, to accelerate the Loan upon the occurrence of an event of default, and of the Master Servicer or the Special Servicer, as applicable, on behalf of the Indenture Trustee, to enforce the Mortgage and the other collateral agreements. New York law 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. In New York, an action on the debt and an action to foreclose generally cannot be prosecuted simultaneously. In some instances, if a suit on the debt has commenced, a foreclosure may be initiated, but only if a judgment was not obtained at the time the foreclosure action started. If a judgment on the debt has been obtained, however, a foreclosure action will be barred unless the judgment has been returned wholly or partially unsatisfied. Foreclosure of the Mortgage would be an expensive and lengthy process and could lead to an indefinite delay in recovery of amounts owed under the Loan. See "Description of the Loan Agreement." The liquidation value of the Mortgaged Property may be adversely affected by the federal income tax requirements for qualification as "foreclosure property" and by risks generally incident to interests in real property. No assurance can be made that the Master Servicer or the Special Servicer, as applicable, would recover all amounts owed under the Loan upon a foreclosure and subsequent sale of the Mortgaged Property.

The Loan Documents contain a debt-acceleration clause which permits the Master Servicer or the Special Servicer, as applicable, to accelerate the indebtedness evidenced thereby upon a monetary or nonmonetary default of the Borrower. 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.

Enforcement of the Loan Documents May Be Limited by Applicable Law

If a Mortgage Event of Default occurs under any of the Loan Documents, the practical realization of any rights upon any default will depend on the exercise of various remedies specified in the Loan Documents, and will be subject to the limitations placed on those rights under Applicable Laws. For example, the enforcement of any remedies granted under the Loan Documents may be affected by the following matters:

- federal bankruptcy laws;

- rights of third parties in cash, securities and instruments not in the possession of the Indenture Trustee or the Master Servicer or the Special Servicer, including accounts and general intangibles converted for cash;

- rights arising in favor of the United States of America or any agency or instrumentality of the United States of America;

- present or future prohibitions against assignments in any federal statutes or regulations;

- constructive trusts, equitable liens, or other rights or defenses imposed or conferred by any state or federal court in the exercise of its equitable jurisdiction;

- with respect to certain remedies, the necessity for judicial action which is often subject to judicial discretion and delay;

- claims that might obtain priority if New York UCC continuation statements are not filed in accordance with Applicable Laws;

- rights to proceeds of any collateral which may be impaired if appropriate action is not taken to continue the perfection of a security interest in such proceeds as required by the New York UCC;

- statutory liens;

- present or future prohibitions on the enforceability of "due-on-sale" or "due-on-encumbrance" clauses in any federal statutes or regulations or by any state or federal court; and

- present or future changes in the limitations, or exceptions from, on the permissible amounts to be charged to borrowers for late charges, additional interest charges and prepayment charges, whether such prepayment is voluntary or involuntary.

As a result of the foregoing considerations, among others, the ability to realize upon the Mortgage and other Loan Documents may be limited by Applicable Laws. The actions of the Indenture Trustee, the Master Servicer or the Special Servicer may also, in certain circumstances, subject them to liability as a "mortgagee-in-possession" or result in the equitable subordination of their claims to the claims of other creditors of the Borrower. The Indenture Trustee, the Master Servicer or the Special Servicer may take these laws into consideration in deciding which remedy to choose following a default by the Borrower. The various legal opinions to be delivered concurrently with the issuance of the Series 2014 Bonds will be qualified as to the enforceability of the remedies provided under the Loan and Loan Documents, including as a result of limitations imposed by bankruptcy, reorganization, insolvency, fraudulent conveyance, or other similar laws affecting the rights of creditors generally and by general principles of equity and public policy considerations. If any of such limitations are imposed, they may adversely affect the ability of the Indenture Trustee, the Master Servicer or the Special Servicer to enforce their claims and rights against the Borrower and the remainder of the Mortgaged Property. Consequently, if a Mortgage Event of Default occurs, it is uncertain that the Indenture Trustee, the Master Servicer or the Special Servicer could successfully obtain an adequate remedy at law or in equity. Furthermore, no assurance can be made that the exercise of any such remedies will provide sufficient funds to pay the Series 2014 Bonds all amounts to which they are entitled.

The Enforceability of Assignments of Leases Is Subject to Procedural Requirements Under New York Law

The Loan will be secured by an assignment of leases and rents with respect to the Mortgaged Property. This assignment is contained in the Mortgage pursuant to which the Borrower will assign its right, title and interest under the leases of the Mortgaged Property and the income derived from the Mortgaged Property as further security for the Loan, while retaining a license, subject to the cash management provisions of the Indenture and the Servicing Agreement, to collect rents so long as no Mortgage Event of Default has occurred and is continuing. In the event of a Mortgage Event of Default, following notice from the Master Servicer or the Special Servicer, as applicable, such license will terminate and the Master Servicer or the

Special Servicer, as applicable, will be entitled to collect rents from the Mortgaged Property on behalf of the Indenture Trustee and the holders of the Loan until all Mortgage Events of Default then existing are cured or waived. Such assignments may not be perfected in New York prior to actual possession by the lender of the cash flow from the Mortgaged Property. Notwithstanding the language of the assignment, however, New York law may require that the lender take possession of the Mortgaged Property and obtain judicial appointment of a receiver before becoming entitled to collect the rents. Such requirements could delay the ability of the Master Servicer or the Special Servicer, as applicable, to collect rents from the Mortgaged Property during the existence of a Mortgage Event of Default.

Bondholder Lack of Control Over the Administration of the Loan Can Adversely Impact the Series 2014 Bonds

Bondholders will not have the right to make decisions with respect to the administration of the Loan. These decisions will be generally made, subject to the express terms of the Indenture and the Servicing Agreement, by the Master Servicer, the Special Servicer and the Indenture Trustee. Any decision made by any of those parties in respect of the administration of the Loan in accordance with the terms of the Indenture and the Servicing Agreement, even if it determines that decision to be in the best interests of Bondholders, may be contrary to the decision that an individual Bondholder would have made and may negatively affect such Bondholder's interests.

The Operating Advisor, for the benefit of the Indenture Trustee, will have the right to consult with the Special Servicer with respect to certain major decisions under the Servicing Agreement. However, the Special Servicer will not be required to follow any recommendation or advice provided by the Operating Advisor.

In certain limited circumstances, Bondholders will have the right to vote on matters affecting the Series 2014 Bonds. Voting is based on the outstanding Principal Balance of the Series 2014 Bonds as a whole or by Class, but in certain cases as reduced by the allocation of Appraisal Reduction Amounts and Realized Losses. In other words, even if the outstanding Principal Balance of a Bondholder's Series 2014 Bonds has not in fact been reduced, such Bondholder's entitlement to vote may be reduced by the Appraisal Reduction Amounts and Realized Losses allocated to such Series 2014 Bonds. These limitations on voting resulting from Appraisal Reduction Amounts and Realized Losses could adversely affect such Bondholder's ability to protect its interests with respect to matters voted on by Bondholders. See "DESCRIPTION OF THE SERVICING AGREEMENT—Appraisal Reductions and Realized Losses", "—Servicer Termination Events" and "—Limitation on Rights of the Indenture Trustee and the Holders of the Series 2014 Bonds".

Risks Relating to Interest on Advances and Special Servicing Compensation

As described in this Official Statement, the Master Servicer and/or the Indenture Trustee, as applicable, will be entitled to receive interest on unreimbursed Advances at the prime rate" as published in *The Wall Street Journal*. See "DESCRIPTION OF THE SERVICING AGREEMENT—Advances". This interest will generally accrue from the date on which the related Advance is made or the related expense is incurred to the date of reimbursement. In addition, under certain circumstances, including delinquencies in the payment of principal and/or interest, the Loan will be specially serviced and the Special Servicer is entitled to compensation for special servicing activities. The right to receive interest on Advances or special servicing compensation is generally senior to the rights of Bondholders to receive payments on the Series 2014 Bonds. The payment of interest on Advances and the payment of compensation to the Special Servicer may lead to shortfalls in amounts otherwise payable on the Series 2014 Bonds that would not otherwise have resulted without the accrual of such interest.

Payment of the HDC Fees, Servicer Fees and Indenture Trustee Fees Rank Prior to Payments to the Bondholders

Pursuant to the Servicing Agreement, any servicing advances made by the Servicers and any fees owing to the Servicers, the Issuer and the Indenture Trustee will have a claim to the payments made on the Loan pursuant to the Loan Agreement superior to that of the Indenture Trustee relative to the Series 2014 Bonds.

Tax and Other Restrictions Relating to the Series 2014 Tax-Exempt Bonds and Other Considerations May Limit the Ability to Modify the Loan

The Servicing Agreement will generally prohibit the Master Servicer and the Special Servicer from modifying, waiving or amending any term of the Loan if such action would adversely affect the exclusion of interest on the Series 2014 Tax-Exempt Bonds from gross income for federal income tax purposes, and will generally require that an opinion of counsel be delivered to the effect that no such adverse effect would result from any action or failure to take any action contemplated in the Servicing Agreement. Since the tax-exempt status of the Series 2014 Tax-Exempt Bonds could be jeopardized by any modification to the Loan that defers interest to a material extent (generally, a deferral of interest on the Series 2014 Tax-Exempt Bonds more than five (5) years beyond the original due date of the first interest payment that is deferred), this opinion requirement could limit the ability of the Special Servicer to modify the Loan after a Mortgage Event of Default. Additionally, neither the Master Servicer nor the Special Servicer will be permitted to (i) make any modification to the terms of the Loan that would have the effect of permanently extinguishing principal or interest (other than Default Interest) (other than as a result of liquidation proceeds being insufficient to pay any of such amounts) on any Loan or (ii) extend the Stated Maturity Date of the Loan beyond the date that is five (5) years prior to the Rated Final Date). See "DESCRIPTION OF THE SERVICING AGREEMENT—Modification of the Loan Documents".

These restrictions could adversely affect the Special Servicer's ability to successfully work-out the Loan, or otherwise return the Loan to performing status, if a Mortgage Event of Default occurs, which could adversely affect the value or performance of the Series 2014 Bonds.

"No Downgrade Confirmations" May Be Considered Not to Apply

Several provisions in the Loan Documents, the Indenture and the Servicing Agreement require that, prior to certain actions being taken, the Person proposing to take the actions must obtain a No Downgrade Confirmation. However, "No Downgrade Confirmation", as so defined, allows any Rating Agency asked for a No Downgrade Confirmation to waive the requirement (or not respond to a request for a No Downgrade Confirmation), with such waiver (or such inaction) being, under the Loan Documents, considered not to apply with respect to such Rating Agency (as if such requirement did not exist). No assurance can be made that any action proposed to be taken as to which a No Downgrade Confirmation is required will in fact be reviewed by a Rating Agency and evaluated for its impact on the then current ratings on the Series 2014 Bonds with the result that the No Downgrade Confirmation was considered not to apply.

Bankruptcy of the Borrower May Delay Foreclosure Proceedings and Other Remedies

The bankruptcy of the Borrower could interfere with and delay the ability of the Master Servicer or the Special Servicer, as applicable, to obtain payments on the Loan, to realize on the Mortgaged Property and/or enforce a deficiency judgment against the Borrower.

Although the organizational documents of the Borrower contain provisions designed to mitigate the risk of a bankruptcy filing by the Borrower, this risk cannot be eliminated. For example, the Borrower's organizational documents prohibit the Borrower from (i) engaging in activities other than those which relate to the ownership, operation, management and financing of the Mortgaged Property, (ii) incurring additional

indebtedness other than indebtedness permitted under the Loan Documents relating to the activities set forth in clause (i) above, and (iii) creating or allowing any encumbrance on the Mortgaged Property, other than the Mortgage and any other encumbrances permitted under the Loan Agreement. The organizational documents also contain requirements that there be two independent managers whose vote is required before the Borrower files a bankruptcy or insolvency petition or otherwise institutes insolvency proceedings. The independent managers are required to be selected from nationally-recognized companies or service providers who provide independent manager services as part of their business. See "THE BORROWER".

Although the requirement of having independent managers is designed to mitigate the risk of a voluntary bankruptcy filing by a solvent Borrower, the independent managers may determine in the exercise of their fiduciary duties to the Borrower that a bankruptcy filing is an appropriate course of action to be taken by the Borrower. Such determination might take into account the interests and financial condition of the Borrower's direct or indirect parents or affiliates in addition to the interests and financial condition of the Borrower, such that the financial distress of the parent entities or affiliates of the Borrower might increase the likelihood of a bankruptcy filing by the Borrower. In any event, no assurance can be made that the Borrower will not file for bankruptcy protection, that creditors of the Borrower will not initiate a bankruptcy or similar proceeding against the Borrower or that, if initiated, a bankruptcy case of the Borrower would be dismissed. For more information regarding the parent entities of the Borrower that may also become the subject of bankruptcy or other insolvency proceedings, see "THE BORROWER".

In the bankruptcy case of *In Re General Growth Properties, Inc.*, for example, notwithstanding that the subsidiaries were special purpose entities with independent managers, 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 had argued that the 21 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 1 to 4 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.

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 Borrower 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 Borrower may become subject to the bankruptcy case of an affiliate, the automatic stay applicable to such bankrupt affiliate may be extended to the Borrower, and the rights of creditors of the Borrower may become impaired.

At origination of the Loan, 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 Borrower, to order substantive consolidation of the assets and liabilities of the Borrower with those of such parent entities. These opinions will be based on numerous assumptions regarding future actions of the Borrower and its affiliates. No assurance can be made that in the event of the bankruptcy of any of the parent entities of the Borrower, the assets of the Borrower would not be treated as part of the bankruptcy estates of such parent entities. In addition, in the event of the institution of voluntary or involuntary bankruptcy proceedings involving the Borrower and certain of its affiliates, no assurance can be made that a court would not consolidate the respective bankruptcy proceedings as an administrative matter.

Litigation May Adversely Affect the Borrower's Ability to Meet its Obligations Under the Loan Documents

There are pending and, from time to time, there may be additional pending or threatened legal proceedings against the Borrower, the Property Manager and their affiliates arising out of the ordinary course of business of the Borrower, Property Manager and affiliates. Certain of such legal proceedings of a type commonly associated with the ordinary course of operating a multifamily building such as the Mortgaged Property are typically covered by liability insurance maintained by the Borrower. However, certain types of litigation may not be covered by insurance. No assurance can be made that any insurance maintained by the Borrower will be adequate to cover litigation expenses, that litigation will not arise otherwise than from the ordinary course of the Borrower's business, or that any litigation, however arising, will not have a material adverse effect on the Borrower's ability to make its debt service payments on the Loan or on the value of the Mortgaged Property and, in turn, a material adverse effect on the Series 2014 Bonds.

No assurance can be made that other litigation involving affiliates of the Borrower or the Property Manager will not arise, or that such litigation would not have an adverse effect on the Mortgaged Property or on the ability of the Borrower or the Property Manager to perform their respective obligations under the Loan Documents.

Limitations of Appraisals and Inspections

Commercial lenders typically require appraisals and property condition reports when originating mortgage loans. Commercial lenders evaluate such reports when analyzing risks of default and calculating anticipated loan-to-value ratios and debt service coverage ratios.

In connection with the origination of the Loan, CBRE, Inc. prepared an MAI Appraisal, dated July 21, 2014, with a valuation date of June 16, 2014, with respect to the Mortgaged Property. The Appraisal stated that it was conducted in conformance with (a) the Financial Institutions, Reform, Recovery and Enforcement Act of 1989 and (b) the Uniform Standards of Professional Appraisal Practices. The appraisal stated an "as-is" value of $1,100,000,000. No assurance can be made that the value of the Mortgaged Property during the term of the Loan will equal or exceed such Appraised Value. In general, appraisals represent the analysis and opinion of qualified appraisers and are not guarantees of present or future value. A qualified appraiser may reach a different conclusion as to the value of a particular commercial property than the conclusion that would be reached if a different appraiser were appraising the property. Moreover, appraisals seek to establish the amount a typically motivated buyer would pay a typically motivated seller. Such amount could be significantly higher than the amount obtained from the sale of the Mortgaged Property under a distress or liquidation sale. Information regarding the Appraised Value of the Mortgaged Property is presented in this Official Statement for illustrative purposes only and is not intended to be a representation as to the past, present or future market values of the Mortgaged Property. Certain of the descriptions of the Mortgaged Property set forth under "DESCRIPTION OF THE MORTGAGED PROPERTY" and certain other portions of this Official Statement, refer to certain statements or conclusions set forth in the Appraisal. Such statements and conclusions are subject to the complete appraisal report, including the assumptions, qualifications and

conditions set forth in the Appraisal. See the CD-ROM attached to this Official Statement for a copy of the Appraisal.

Lenders typically conduct inspections of properties which are to serve as collateral in connection with the underwriting of mortgage loans. A property condition assessment, dated June 27, 2014, was prepared by Property Solutions Inc., an independent third-party engineer, in connection with the origination of the Loan. The inspection was performed in order to review easily accessible property components and systems, including architectural, structural, mechanical, plumbing and electrical systems, and to identify significant defects, deficiencies, deferred maintenance and material building code violations associated with the Mortgaged Property. The property condition assessment noted that the Mortgaged Property was in "excellent overall condition with no significant or measurable defects noted or reported". The property condition assessment did not identify any material deferred maintenance or other recommended capital improvements with respect to the Mortgaged Property. No assurance can be made that all conditions requiring repair or replacement have been identified in the inspection. See the CD-ROM attached to this Official Statement for a copy of the Property Condition Report.

Potential Conflicts of Interest of the Principals of the Borrower and the Property Manager

Affiliates of the Borrower and its members currently own, lease and manage and in the future may develop or acquire, additional properties and lease space in other properties in the same market areas where the Mortgaged Property is located. The Property Manager also manages and may in the future manage competing properties on behalf of certain affiliates of the Borrower and other third parties. Such other properties, similar to other third-party owned real estate, may compete with the Mortgaged Property for existing and potential tenants. None of the Borrower, the Property Manager, nor any of the affiliates or employees of the Borrower or the Property Manager will have any duty to favor the leasing of space in the Mortgaged Property over the leasing of space in other properties, one or more of which may be adjacent to, or near the Mortgaged Property. No assurance can be made that the activities of any entity owned or controlled by the Principals of the Borrower and/or the Property Manager and its affiliates with respect to such other properties will not adversely impact the performance of the Mortgaged Property owned by the Borrower.

Potential Conflicts of Interest of the Underwriters and Their Affiliates

The activities and interests of the Underwriters and their affiliates (collectively, the "Underwriter Entities") will not align with, and may in fact be directly contrary to, those of Bondholders. The Underwriter Entities are each part of separate global, investment banking, securities and investment management firms that provide 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, they actively make markets in and trade financial instruments for their own account and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. The Underwriter 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 Underwriter Entities take positions, or expect to take positions, include loans similar to the Loan, securities and instruments similar to the Series 2014 Bonds and other securities and instruments. Market making is an activity where the Underwriter 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. Any short positions taken by the Underwriter Entities and/or their clients through marketing or otherwise will increase in value if the related securities or other instruments decrease in value, while positions taken by the Underwriter Entities and/or their clients in credit derivative or other derivative transactions with other parties, pursuant to which the Underwriter Entities and/or their clients sell or buy credit protection with respect to one or more Classes of the Series 2014 Bonds, may increase in value if the Series 2014 Bonds default, are expected to default, or decrease in value. The Underwriter Entities and their 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 Series 2014 Bonds or the Bondholders. Additionally, none of the Underwriter Entities will have any obligation to disclose any of these securities or derivatives transactions to a Bondholder. As a result, Bondholders should expect that the Underwriter Entities will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the Series 2014 Bonds.

As a result of the Underwriter Entities' various financial market activities, including acting as a research provider, investment advisor, market maker or principal investor, Bondholders should expect that personnel in various businesses throughout the Underwriter 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 Series 2014 Bonds.

If any of the Underwriter Entities becomes a holder of any of the Series 2014 Bonds, through market-making activity or otherwise, any actions that they take in their capacity as a Bondholder, including voting, providing consents or otherwise will not necessarily be aligned with the interests of other holders of the same Class or other Class of Series 2014 Bonds. To the extent a Underwriter Entity makes a market in the Series 2014 Bonds (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Series 2014 Bonds. The price at which a Underwriter Entity may be willing to purchase Series 2014 Bonds, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Series 2014 Bonds and significantly lower than the price at which it may be willing to sell Series 2014 Bonds.

In addition, the Underwriter Entities will have no obligation to monitor the performance of the Series 2014 Bonds or the actions of the Master Servicer, the Special Servicer or the Indenture Trustee and will have no authority to advise the Master Servicer, the Special Servicer or the Indenture Trustee or to direct their actions.

Furthermore, the Underwriter Entities expect that a completed offering will enhance its ability to assist clients and counterparties in the transaction or in related transactions (including assisting clients in additional purchases and sales of the Series 2014 Bonds and hedging transactions). The Underwriter Entities expect to derive fees and other revenues from these transactions. In addition, participating in a successful offering and providing related services to clients may enhance the Underwriter Entities' relationships with various parties, facilitate additional business development, and enable them to obtain additional business and generate additional revenue.

In addition, the Underwriter Entities may have ongoing relationships with, render services to, and engage in transactions with the Borrower, the Sponsor and their respective affiliates, which relationships and transactions may create conflicts of interest between the Underwriter Entities, on the one hand, and the Bondholders, on the other hand.

Each of the foregoing relationships should be considered carefully by prospective investors.

Potential Conflicts of Interest of the Master Servicer and the Special Servicer

The Servicing Agreement will provide that the Loan is required to be administered in accordance with the Servicing Standard without regard to ownership of any Series 2014 Bond by the Master Servicer or Special Servicer or any of their respective affiliates. See "DESCRIPTION OF THE SERVICING AGREEMENT—Responsibilities of the Master Servicer and the Special Servicer".

Notwithstanding the foregoing, the Master 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 Series 2014 Bonds, especially if the Master Servicer, the Special Servicer or any of their respective affiliates holds

Series 2014 Bonds, or has financial interests in or other financial dealings with the Borrower or the Sponsor. Each of these relationships may create a conflict of interest. For instance, if the Special Servicer or its affiliate holds Series 2014 Bonds, the Special Servicer might seek to reduce the potential for losses allocable to those Series 2014 Bond from the Loan by deferring acceleration in hope of maximizing future proceeds. However, that action could result in less proceeds to the Series 2014 Bonds than would be realized if earlier action had been taken.

Each of the Master Servicer and the Special Servicer services and is expected to continue to service, in the ordinary course of its business, existing and new mortgage loans for third parties, including portfolios of mortgage loans similar to the Loan. The real properties securing these other mortgage loans may be in the same market as, and compete with, the Mortgaged Property securing the Loan. Consequently, personnel of the Master Servicer or Special Servicer, as applicable, may perform services with respect to the Loan at the same time as they are performing services on behalf of other persons with respect to other mortgage loans secured by properties that compete with the Mortgaged Property. This may pose inherent conflicts for the Master Servicer or the Special Servicer.

In addition, the Master Servicer and the Special Servicer may service and/or administer other mortgaged-backed loans, and accordingly, may have interests that conflict with the interests of the Bondholders. The Servicing Agreement requires that the Loan be administered in accordance with the Servicing Standard.

Potential Conflicts of Interest of the Operating Advisor

Trimont Real Estate Advisors, Inc. has been appointed as the Operating Advisor. See "THE OPERATING ADVISOR". In the normal course of conducting its business, Trimont and its affiliates have rendered services to, performed surveillance of, and negotiated with, numerous parties engaged in activities related to structured finance and commercial mortgage securitization. These parties may have included the Master Servicer, the Special Servicer or the Indenture Trustee. These relationships may continue in the future. Each of these relationships may involve a conflict of interest with respect to Trimont's duties as Operating Advisor. No assurance can be made that the existence of these relationships and other relationships in the future will not impact the manner in which the Operating Advisor performs its duties under the Servicing Agreement.

The Operating Advisor serves as special servicer in other commercial mortgage transactions and has advised that it intends to continue to serve, or reserves the right to serve, as a special servicer with respect to existing and new commercial and multifamily mortgage loans for itself and its affiliates and for third parties, including portfolios of mortgage loans similar to the Mortgage Loan. These other mortgage loans and the related mortgaged properties may be in the same markets as, or have owners, obligors or property managers in common with, the Mortgage Loan. As a result of the investments and activities described above, the interests of the Operating Advisor and its affiliates and their clients may differ from, and compete with the interests of the Bondholders.

Each of the foregoing relationships should be considered carefully by prospective investors.

Limitations With Respect to Representations and Warranties of the Issuer

The Indenture will contain certain limited representations and warranties of the Issuer, and the only recourse for a material breach of the representation and warranties would be for the Indenture Trustee to commence a legal proceeding for specific performance against the Issuer.

Unscheduled Principal Payments Could Adversely Affect the Yield and Weighted Average Life of the Series 2014 Bonds

The yield to maturity on each Class of Series 2014 Bonds will be sensitive to, among other things, the rate, timing and amount of principal payments (including partial prepayment, prepayment in whole, and unscheduled collections of principal due to casualty, condemnation, default and liquidation) on, and payments in connection with a repurchase of the Loan (in whole or part). No representation is made 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 Components (in whole or part) or as to the anticipated yield to maturity of any Class of Series 2014 Bonds.

In addition, it is important to note that previously issued real estate-backed securities 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 securities. No assurance can be made that the losses actually incurred with respect to the Loan will not similarly exceed any assumed or expected losses.

Principal payments (including unscheduled payments) applied towards the Loan will tend to shorten the weighted average lives of the Classes of Series 2014 Bonds 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 the Series 2014 Bonds. Since any principal payments on the Loan will be applied to reduce the outstanding principal balance of the Class A Bonds, then to the Class B Bonds, then to the Class C Bonds, then to the Class D Bonds, then to the Class E Bonds and then to the Class F Bonds, in that order, unless such amounts are used to reimburse the Master Servicer, the Special Servicer, the Operating Advisor or the Indenture Trustee for expenses or other costs in the manner described under "DESCRIPTION OF THE SERVICING AGREEMENT", the amount of principal payments on the Loan and the timing of their receipt will affect the weighted average lives of the Series 2014 Bonds.

Any changes in weighted average life of the Series 2014 Bonds may adversely affect the yield to holders of such Series 2014 Bonds. Prepayments resulting in a shortening of such weighted average life may be made at a time of low interest rates when a Bondholder may be unable to reinvest the resulting payments of principal on its Series 2014 Bonds at a rate comparable to the rate borne by such Series 2014 Bonds. Delays and extensions resulting in a lengthening of such weighted average life may occur at a time of high interest rates when a Bondholder may have been able to reinvest at higher rates principal payments that would otherwise have been received by the Bondholder.

In general, if a Series 2014 Bond is purchased at a premium and principal payments on that Series 2014 Bond 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 Series 2014 Bond is purchased at a discount and principal payments on that Series 2014 Bond occur at a rate slower than that assumed at the time of purchase, the Bondholder's actual yield to maturity may be lower than assumed at the time of purchase.

Interest on the Series 2014 Bonds will not accrue up to the Bond Payment Date on which the interest payment is made, but rather will accrue during the prior calendar month (or in the case of the first Bond Payment Date, from and including the Closing Date through and including the last day of the prior calendar month). In the event the Borrower prepays the Loan in full after the Lockout Period, the prepayment will be applied on the applicable Bond Payment Date to the payment of principal of the Series 2014 Bonds, together with one month's interest at the applicable Bond Interest Rate. However, no interest will accrue on the Series 2014 Bonds during the calendar month in which such Bond Payment Date occurs even though the Series 2014 Bonds remain outstanding during some or all of the period between the first day of that calendar month and such Bond Payment Date.

The investment performance of the Series 2014 Bonds 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 Series 2014 Bond may not be equal to the yield anticipated at the time of purchase of the Series 2014 Bond or, notwithstanding that the actual yield is equal to the yield anticipated at that time, the expected weighted average life of the Series 2014 Bond may not be realized. In deciding whether to purchase any Series 2014 Bonds, potential investors should make an independent decision as to the appropriate prepayment, default and other assumptions to be used.

Borrower Defaults Could Adversely Affect the Yield to Maturity of the Series 2014 Bonds

The aggregate amount of payments and the yield on the Series 2014 Bonds as well as the weighted average lives of the Series 2014 Bonds will also be affected by the rate and the timing of delinquencies and defaults on the Loan. If a purchaser of a Series 2014 Bond 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 the Series 2014 Bonds, 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 Mortgaged Property will also affect the actual yield to maturity of the Series 2014 Bonds to which all or a portion of such loss is allocable, 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.

Regardless of whether a loss ultimately results, delinquency on the Loan may significantly delay the receipt of payments by the holder of a Series 2014 Bond, to the extent that Interest Advances do not fully offset the effects of any such delinquency.

Bondholders Should Not Rely on the Current Ratings by the Rating Agencies

The ratings assigned to each Class of Rated Series 2014 Bonds by the Rating Agencies will be based on, among other things, the economic characteristics of the Mortgaged Property and other relevant features of the transaction. A security rating does not represent any assessment of the yield to maturity that a Bondholder may experience. The ratings assigned to the Rated Series 2014 Bonds will be subject to on-going monitoring, upgrades, downgrades, withdrawals and surveillance by each Rating Agency after the date of issuance of such Rated Series 2014 Bonds. No person or entity is obligated to maintain any particular rating with respect to the Rated Series 2014 Bonds, and the ratings initially assigned by the Rating Agencies to the Rated Series 2014 Bonds could change adversely as a result of changes affecting, among other things, the Loan, the Mortgaged Property, the Indenture Trustee, the Master Servicer or the Special Servicer, or as a result of changes to ratings criteria employed by the Rating Agencies. Although these changes would not necessarily be or result from an event of default on the Loan, any adverse change to the ratings of the Rated Series 2014 Bonds would likely have an adverse effect on the liquidity, market value and regulatory characteristics of the Rated Series 2014 Bonds.

The ratings assigned to the Rated Series 2014 Bonds will reflect only the views of the respective Rating Agencies as of the date such ratings were issued. Future events could have an adverse impact on such ratings. The ratings may be reviewed, revised, suspended, downgraded, qualified or withdrawn entirely by the applicable Rating Agency as a result of changes in or unavailability of information. The ratings do not consider to what extent the Rated Series 2014 Bonds will be subject to prepayment or that the outstanding Principal Balance of any Rated Series 2014 Bonds will be prepaid.

Furthermore, the amount, type and nature of credit support, if any, provided with respect to the Rated Series 2014 Bonds was determined on the basis of criteria established by each Rating Agency. These criteria are sometimes based upon analysis of the behavior of mortgage loans in a larger group. No assurance can be made that the historical data supporting that analysis will accurately reflect future experience, or that the data

derived from a large pool of mortgage loans will accurately predict the delinquency, foreclosure or loss experience of the Loan. As evidenced by the significant amount of downgrades, qualifications and withdrawals of ratings assigned to previously-issued securities during the recent credit crisis, the assumptions by the Rating Agencies and other NRSROs regarding the performance of the mortgage loans related to such securities were not, in all cases, correct.

Changes affecting the Mortgaged Property, the Indenture Trustee, the Master Servicer, the Special Servicer, the Operating Advisor or another person may have an adverse effect on the ratings of any Class of Rated Series 2014 Bonds, and thus on the liquidity, market value and regulatory characteristics of such Class, although such adverse changes would not necessarily be an event of default under the Loan. See "RATINGS".

Further, a rating of any Class of Rated Series 2014 Bonds below an investment grade rating by any Rating Agency or another NRSRO, whether initially or as a result of a ratings downgrade, could affect the ability of a benefit plan or other investor to purchase or retain that Class.

Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of the Underwriters, the Borrower and the Issuer, has requested a rating of the Series 2014 Bonds from two (2) nationally-recognized statistical rating organizations. No assurance can be made as to whether another NRSROs will rate the Series 2014 Bonds, or if such other NRSRO were to rate the Series 2014 Bonds, what rating would be assigned by such other NRSRO. Additionally, other NRSROs that have not been engaged to rate the Rated Series 2014 Bonds may nevertheless issue unsolicited credit ratings on one or more Classes of Series 2014 Bonds, relying on information such other NRSROs receive pursuant to Rule 17g-5 under the Exchange Act, as amended, or otherwise. If any such unsolicited ratings are issued, no assurance can be made that they will not be different from those ratings assigned by S&P or Fitch. The issuance of an unsolicited rating of a Class of Series 2014 Bonds that is lower than the ratings assigned by S&P or Fitch may adversely impact the liquidity, market value and regulatory characteristics of that Class. As part of the process of obtaining ratings for the Rated Series 2014 Bonds, Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of the Underwriters, the Borrower and the Issuer, had initial discussions with and submitted certain materials to S&P, Fitch and certain other NRSROs. Based on preliminary feedback from those NRSROs at that time, S&P and Fitch were selected to rate the Rated Series 2014 Bonds and not such other NRSROs. Had such other NRSROs been selected to rate the Rated Series 2014 Bonds, no assurance can be made as to the ratings that such other NRSROs would ultimately have assigned to the Rated Series 2014 Bonds. Although unsolicited ratings may be issued by any NRSRO, any NRSRO might be more likely to issue an unsolicited rating if it was not selected after having provided preliminary feedback.

In addition, no person or entity will have any duty to notify Bondholders if any such other NRSRO issues, or delivers notice of its intention to issue, unsolicited ratings on any Class of Series 2014 Bonds after the date of this Official Statement. In no event will No Downgrade Confirmations from any such other NRSRO be a condition to any action, or the exercise of any right, power or privilege by any person or entity under the Servicing Agreement.

Furthermore, the Securities and Exchange Commission may determine that any or both of S&P and Fitch no longer qualifies as an NRSRO, or is no longer qualified to rate the Series 2014 Bonds, and that determination may also have an adverse effect on the liquidity, market value and regulatory characteristics of the Series 2014 Bonds.

The Series 2014 Bonds Have Limited Liquidity and the Market Value of the Series 2014 Bonds May Decline

The Series 2014 Bonds have not been and will not be registered under the Securities Act or registered or qualified under any state or foreign securities laws, and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described in "DESCRIPTION OF THE SERIES 2014 BONDS". The Series 2014 Bonds will not be listed on any national securities exchange or traded on any

automated quotation systems of any registered securities association. While the Borrower and the Issuer have been advised by the Underwriters that they currently intend to make a market in the Series 2014 Bonds, the Underwriters have no obligation to do so, any market-making may be discontinued at any time, and no assurance can be made that an active secondary market for the Series 2014 Bonds will develop. Additionally, one or more purchasers may purchase substantial portions of the Series 2014 Bonds. Accordingly, Bondholders may not have an active or liquid secondary market for the Series 2014 Bonds. The adverse conditions described above as well as other adverse conditions could continue to severely limit the liquidity for mortgaged-backed securities and cause disruptions and volatility in the market for the Series 2014 Bonds.

There is currently no secondary market for the Series 2014 Bonds and no assurance can be made that a secondary market for the Series 2014 Bonds will develop. Moreover, if a secondary market does develop, no assurance can be made that it will provide holders of Series 2014 Bonds with liquidity of investment or that it will continue for the life of the Series 2014 Bonds. The transfer of the Series 2014 Bonds will be subject to certain restrictions. See "DESCRIPTION OF THE SERIES 2014 BONDS". Lack of liquidity could result in a decline in the market value of the Series 2014 Bonds. In addition, the market value of such Series 2014 Bonds at any time may be affected by many factors, including then-prevailing interest rates, and we make no representation as to the market value of any Series 2014 Bond at any time.

The market value of the Series 2014 Bonds can decline even if those Series 2014 Bonds and the Loan are performing at or above a Bondholder's expectations. The market value of the Series 2014 Bonds will be sensitive to fluctuations in current interest rates and could be disproportionately impacted by upward or downward movements in the current interest rates.

The ability of a Bondholder to sell Series 2014 Bonds will depend on, among other things, whether and to what extent a secondary market then exists for the Series 2014 Bonds, and a Bondholder may have to sell at a discount from the price initially paid for reasons unrelated to the performance of the Series 2014 Bonds or the Loan.

The primary source of ongoing information regarding the Series 2014 Bonds, including information regarding the status of the Loan and any credit support for the Series 2014 Bonds, will be the periodic reports made available to Bondholders and available via the Indenture Trustee's internet website, and information filed, or caused to be filed, by the Borrower with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System pursuant to the Continuing Disclosure Agreement (as defined below). See "DESCRIPTION OF THE MORTGAGED PROPERTY—Ongoing Information Regarding the Loan and the Mortgaged Property" and "CONTINUING DISCLOSURE". No assurance can be made that any additional ongoing information regarding the Series 2014 Bonds will be available through any other source. The limited nature of the available information in respect of the Series 2014 Bonds may adversely affect their liquidity, even if a secondary market for the Series 2014 Bonds does develop.

Pricing information regarding the Series 2014 Bonds may not be generally available on an ongoing basis or on any particular date.

The liquidity and market value of the Series 2014 Bonds may also be affected by present uncertainties and future unfavorable determinations concerning legal investment. The Series 2014 Bonds will not constitute "mortgage related securities". See "LEGALITY OF THE SERIES 2014 BONDS FOR INVESTMENT AND DEPOSIT".

Legal and Regulatory Provisions Affecting Investors Could Adversely Affect the Liquidity of the Series 2014 Bonds

No representation is made as to the proper characterization of the Series 2014 Bonds for legal investment, financial institution regulatory, financial reporting, regulatory capital treatment or other purposes, as to the ability of particular investors to purchase the Series 2014 Bonds under applicable legal investment or

other restrictions or as to the consequences of an investment in the Series 2014 Bonds for such purposes or under such restrictions. Regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire certain types of securities, which in turn may adversely affect the ability of investors in the Series 2014 Bonds who are not subject to those provisions to resell their Series 2014 Bonds in the secondary market. For example:

- The Dodd Frank Wall Street Reform and Consumer Protection Act enacted in the United States requires that federal banking agencies amend their regulations to remove reference to or reliance on credit agency ratings, including, but not limited to, those found in the federal banking agencies' risk-based capital regulations. New capital regulations were issued by the banking regulators in July 2013 and began phasing in as early as January 1, 2014; these regulations implement the increased capital requirements established under the Basel Accord. These new capital regulations eliminate reliance on credit ratings and otherwise alter, and in most cases increase, the capital requirements imposed on depository institutions and their holding companies, including with respect to ownership of asset-backed securities. As a result of these regulations, investments in commercial mortgage-backed securities like the Series 2014 Bonds by institutions subject to the risk-based capital regulations may result in greater capital charges to these financial institutions and these new regulations may otherwise adversely affect the treatment of commercial mortgage-backed securities for their regulatory capital purposes.

- Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act added a provision, commonly referred to as the "Volcker Rule" to federal banking laws to generally prohibit various covered banking entities from, among other things, engaging in proprietary trading in securities and derivatives, subject to certain exemptions. Section 619 became effective on July 21, 2012, and final regulations were issued on December 10, 2013. Conformance with the Volcker Rule's provisions is required by July 21, 2015, subject to the possibility of up to two one-year extensions granted by the Federal Reserve in its discretion. The Volcker Rule and those regulations restrict certain purchases or sales of securities generally and derivatives by banking entities if conducted on a proprietary trading basis. The Volcker Rule's provisions may adversely affect the ability of banking entities to purchase and sell the Series 2014 Bonds.

Accordingly, all investors whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Series 2014 Bonds will constitute legal investments for them or are subject to investment or other restrictions, unfavorable accounting treatment, capital charges or reserve requirements.

There are Restrictions on Transfers of the Class F Bonds

Each investor investing in the Class F Bonds is required to be a "Qualified Purchaser," as such term is defined in Section 2(a)(51) of the Investment Company Act and the rules and regulations promulgated thereunder. As a result, the liquidity and market value of the Class F Bonds could be adversely affected.

Changes in Tax Law; No Gross-up in Respect of the Series 2014 Bonds

Backup withholding tax may be imposed on the payments of interest or other payments on any Series 2014 Bonds (see discussions under "TAX MATTERS—Series 2014 Tax-Exempt Bonds—*Information Reporting and Backup Withholding*" and "—Series 2014 Taxable Bonds—*Information Reporting and Backup Withholding*" for both the Series 2014 Tax-Exempt Bonds and Series 2014 Taxable Bonds. To the extent that any withholding tax is imposed on payments of interest or other payments on any Series 2014 Bonds, none of the Borrower, the Issuer or the Indenture Trustee has an obligation to make any "gross-up" payments to Bondholders in respect of such taxes and such withholding tax would therefore result in a shortfall to affected Bondholders.

Tax Exemption on the Series 2014 Tax-Exempt Bonds May Be Adversely Affected

As noted in the opinion of Bond Counsel, the form of which is attached to this Official Statement as APPENDIX E, applicable Federal tax law establishes certain requirements that must be met subsequent to the issuance of the Series 2014 Tax-Exempt Bonds in order that interest on the Series 2014 Tax-Exempt Bonds be and remain excluded from gross income under the Internal Revenue Code of 1986, as amended. Failure to comply with such requirements may cause interest on the Series 2014 Tax-Exempt Bonds to be includible in income for Federal income tax purposes, retroactive to the date of issuance thereof. See "TAX MATTERS."

An Event of Default Under the Indenture due to Interest Shortfalls Related to the Class F Series 2014 Bonds Includes a Grace Period

The Indenture provides that an Event of Default under the Indenture occurs upon any Interest Shortfall on Classes A through E of the Series 2014 Bonds. Such an Event of Default on the Class F Series 2014 Bonds occurs only when any such Interest Shortfall occurring within either semi-annual period consisting of (i) January 1 to June 30, and (ii) July 1 to December 31, continues to exist, in whole or in part, at the end of the immediately succeeding such semi-annual period. Likewise, an Event of Default under the Indenture based on an Event of Default under the Loan Agreement and related to an Interest Shortfall attributable to Classes A through E of the Series 2014 Bonds will cause an Event of Default to occur under the Indenture, but an Event of Default under the Loan Agreement related to an Interest Shortfall attributable to Class F of the Series 2014 Bonds will cause such an Event of Default under the Indenture only if the passage of time set forth above has occurred. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST—Events of Default; Acceleration of Due Date" attached to this Official Statement as APPENDIX B.

State and Local Taxes Could Adversely Impact Your Investment

In addition to the federal income tax consequences described under the heading "TAX MATTERS", potential investors should consider the state and local income tax consequences of the acquisition, ownership and disposition of the Series 2014 Bonds. State and local income tax laws may differ substantially from the corresponding federal law, and except as described under the heading "TAX MATTERS," this Official Statement does not purport to describe any aspects of the income tax law of the state or locality in which the Mortgaged Property is located or of any other applicable state or locality.

It is possible that one or more jurisdictions may attempt to tax nonresident holders of Series 2014 Bonds solely by reason of the location in that jurisdiction of the Issuer, the Indenture Trustee, the Borrower or the Mortgaged Property or on some other basis, may require nonresident holders of Series 2014 Bonds to file returns in such jurisdiction or may 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 Series 2014 Bonds. No assurance can be made that holders of Series 2014 Bonds 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, no person will be obligated to indemnify or otherwise to reimburse the holders of Series 2014 Bonds for such tax or penalty.

Potential investors should consult their own tax advisors with respect to the various state and local tax consequences of an investment in the Series 2014 Bonds.

TAX MATTERS

Opinion of Bond Counsel to the Corporation

In the opinion of Bond Counsel to the Corporation, under existing statutes and court decisions, (i) interest on the Series 2014 Tax-Exempt Bonds is excluded from gross income for Federal income tax purposes

pursuant to Section 103 of the Code, except that no opinion is expressed as to the exclusion of interest on any Series 2014 Tax-Exempt Bond for any period during which such Series 2014 Tax-Exempt Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Series 2014 Tax-Exempt Bonds or a "related person," and (ii) interest on the Series 2014 Tax-Exempt Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering such opinion, Bond Counsel to the Corporation has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation, the Borrower and others, in connection with the Series 2014 Tax-Exempt Bonds, and Bond Counsel to the Corporation has assumed compliance by the Corporation and the Borrower with certain ongoing covenants to comply with the applicable requirements of the Code to assure the exclusion of interest on the Series 2014 Tax-Exempt Bonds from gross income under Section 103 of the Code.

In the opinion of Bond Counsel to the Corporation, interest on the Series 2014 Taxable Bonds is included in gross income for Federal income tax purposes pursuant to the Code.

In the opinion of Bond Counsel to the Corporation, under existing statutes, interest on the Series 2014 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel to the Corporation expresses no opinion regarding any other Federal or state tax consequences with respect to the Series 2014 Bonds. No opinion is expressed with respect to any Deferred Interest, Excess Interest or ARD Payment Premium (as such terms are defined in the Indenture) payable with respect to the Series 2014 Bonds. Bond Counsel to the Corporation renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel to the Corporation expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Series 2014 Tax-Exempt Bonds or exemption from personal income taxes of interest on the Series 2014 Bonds under state and local tax law.

Series 2014 Tax-Exempt Bonds

Summary of Certain Federal Tax Requirements

The Series 2014 Tax-Exempt Bonds are being issued as "Qualified New York Liberty Bonds" pursuant to the Job Creation and Worker Assistance Act of 2002 (the "Liberty Bond Act"). Under the Liberty Bond Act, Qualified New York Liberty Bonds, the interest on which is excluded from gross income for Federal income tax purposes, may be issued to finance residential rental property and commercial property within the boundaries of a zone generally described as being located in the borough of Manhattan, below Canal Street, East Broadway and Grand Street (the "Liberty Zone"). The Mortgaged Property is a residential rental property located within the Liberty Zone and must be maintained as a residential rental property until the later of the first day on which no Series 2014 Tax-Exempt Bonds or other tax-exempt private-activity obligations with respect to the Mortgaged Property are still outstanding.

Compliance and Additional Requirements

The Code establishes certain additional requirements which must be met subsequent to the issuance and delivery of the Series 2014 Tax-Exempt Bonds in order that interest on the Series 2014 Tax-Exempt Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of the proceeds of the Series 2014 Tax-Exempt Bonds, yield and other limits regarding investments of the proceeds of the Series 2014 Tax-Exempt

Bonds and other funds, and rebate of certain investment earnings on such amounts on a periodic basis to the United States.

The Corporation has covenanted in the Indenture that it shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Series 2014 Tax-Exempt Bonds shall be excluded from gross income for Federal income tax purposes. In furtherance thereof, the Corporation has entered into the Regulatory Agreement with the Borrower to assure compliance with the Code. However, no assurance can be given that in the event of a breach of any such covenants, or noncompliance with the procedures or certifications set forth therein, the remedies available to the Corporation and/or the owners of the Series 2014 Tax-Exempt Bonds can be judicially enforced in such manner as to assure compliance with the above-described requirements and therefore to prevent the loss of the exclusion of interest from gross income for Federal income tax purposes. Any loss of such exclusion of interest from gross income may be retroactive to the date from which interest on the Series 2014 Tax-Exempt Bonds is payable.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Series 2014 Tax-Exempt Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Series 2014 Tax-Exempt Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series 2014 Tax-Exempt Bonds.

Prospective owners of Series 2014 Tax-Exempt Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and certain foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security or railroad retirement benefits, individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Series 2014 Tax-Exempt Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding

Information reporting requirements will apply to interest paid on tax-exempt obligations, including the Series 2014 Tax-Exempt Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9 "Request for Taxpayer Identification Number and Certification", or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding", which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2014 Tax-Exempt Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2014 Tax-Exempt Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Series 2014 Tax-Exempt Bonds under Federal or state law or otherwise prevent beneficial owners of the Series 2014 Tax-Exempt Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2014 Tax-Exempt Bonds. For example, the Fiscal Year 2015 Budget proposed on March 4, 2014, by the Obama Administration recommends a 28% limitation on "all itemized deductions, as well as other tax benefits" including "tax-exempt interest." The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt bond with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt bond. Similarly, on February 26, 2014, Dave Camp, Chairman of the United States House Ways and Means Committee, released a discussion draft of a proposed bill which would significantly overhaul the Code, including the repeal of many deductions; changes to the marginal tax rates; elimination of tax-exempt treatment of interest for certain bonds issued after 2014; and a provision similar to the 28% limitation on tax-benefit items described above (at 25%) which, as to certain high income taxpayers, effectively would impose a 10% surcharge on their "modified adjusted gross income," defined to include tax-exempt interest received or accrued on all bonds, regardless of issue date.

Prospective purchasers of the Series 2014 Tax-Exempt Bonds should consult their own tax advisors regarding the foregoing matters.

Series 2014 Taxable Bonds

Summary of Certain Federal Income Tax Consequences

The following discussion is a brief summary of certain United States Federal income tax consequences of the acquisition, ownership and disposition of the Series 2014 Taxable Bonds by original purchasers of the Series 2014 Taxable Bonds who are "U.S. Holders," as defined herein. The discussion below is based upon laws, regulations, rulings and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any Federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. This summary does not discuss all of the United States Federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules. In addition, this summary generally is limited to investors that acquire their Series 2014 Taxable Bonds pursuant to this offering for the issue price that is applicable to such Series 2014 Taxable Bonds (i.e., the price at which a substantial amount of the Series 2014 Taxable Bonds are sold to the public) and who will hold their Series 2014 Taxable Bonds as "capital assets" within the meaning of Section 1221 of the Code.

Holders of the Series 2014 Taxable Bonds should consult with their own tax advisors concerning the United States Federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Series 2014 Taxable Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, the excess of the stated redemption price at maturity of a Series 2014 Taxable Bond over its issue price constitutes "original issue discount" ("OID") for Federal income tax purposes. The stated redemption price at maturity of a the Series 2014 Taxable Bonds is the sum of all scheduled amounts payable on such Series 2014 Taxable Bonds (other than "qualified stated interest"). It is expected that all interest paid on the Series 2014 Taxable Bonds at the Bond Interest Rate will be "qualified stated interest" within the

meaning of Treasury Regulations Section 1.1273-1(c)(1). The issue price of a Class of Series 2014 Taxable Bonds generally is the first price at which a substantial amount of Bonds of that Class is sold to the public (excluding bond houses, brokers and underwriters). Holders of Class C Bonds will be required to include OID in income for Federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Premium

In general, a Series 2014 Taxable Bond purchased at a cost greater than its stated redemption price at maturity is generally considered to be purchased at a premium. If the holder holds such Series 2014 Taxable Bond as a "capital asset" within the meaning of Section 1221 of the Code, the holder may elect under Section 171 of the Code to amortize such premium under the constant yield method. Class A Bonds and Class B Bonds will be issued at a premium. Amortizable bond premium will be treated as an offset to interest income rather than as a separate deduction item. Holders of Series 2014 Taxable Bonds issued at a premium should consult their tax advisors.

Tax Treatment of Excess Interest

It is not entirely clear for federal income tax reporting purposes when Excess Interest will be treated as income to holders of the Series 2014 Taxable Bonds. It is likely (although the IRS may disagree) that the Excess Interest payable on the Loan need not be taken into income prior to the Anticipated Repayment Date. Investors should consult their tax advisors regarding the proper timing and character of Excess Interest both before and after the Anticipated Repayment Date.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption or other disposition (which would include a legal defeasance) of a Series 2014 Taxable Bond, a holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder's adjusted tax basis in the Series 2014 Taxable Bond. The Corporation may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Series 2014 Taxable Bonds to be deemed to be no longer outstanding under the Resolutions (a "defeasance"). (See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST" attached to this Official Statement as APPENDIX B). For Federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Series 2014 Taxable Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest and the proceeds of the sale of a Series 2014 Taxable Bond before maturity within the United States. Backup withholding may apply to holders of Series 2014 Taxable Bonds under Section 3406 of the Code in the same manner as discussed above in "SERIES 2014 TAX-EXEMPT BONDS—Information Reporting and Backup Withholding."

3.8% Medicare Tax on "Net Investment Income"

Certain non-corporate U.S. Holders will be subject to an additional 3.8% tax on all or a portion of their "net investment income", which may include the interest payments and any gain realized with respect to the Series 2014 Taxable Bonds, to the extent of their net investment income that, when added to their other

modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), or $125,000 for a married individual filing a separate return. The 3.8% Medicare tax is determined in a different manner than the regular income tax. U.S. Holders should consult their tax advisors with respect to their consequences with respect to the 3.8% Medicare tax.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Series 2014 Taxable Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2014 Taxable Bonds under state law and could affect the market price or marketability of the Series 2014 Taxable Bonds.

Prospective purchasers of the Series 2014 Taxable Bonds should consult their own tax advisors regarding the foregoing matters.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between employee benefit plans under ERISA or tax qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In addition, each fiduciary of a Plan ("Plan Fiduciary") must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Series 2014 Bonds, including the role that such an investment in the Series 2014 Bonds would play in the Plan's overall investment portfolio. Each Plan Fiduciary, before deciding to invest in the Series 2014 Bonds, must be satisfied that such investment in the Series 2014 Bonds is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Series 2014 Bonds, are diversified so as to minimize the risk of large losses and that an investment in the Series 2014 Bonds complies with the documents of the Plan and related trust, to the extent such documents are consistent with ERISA. All Plan Fiduciaries, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Bond.

FINANCIAL STATEMENTS

As stated in the audited consolidated financial statements of the Borrower appended hereto in APPENDIX D, (i) the Predecessor Entity was organized to be the successor to FC Beekman Associates, LLC, a New York limited partnership, as the previous owner of the Residential Rental/Retail Unit, and (ii) on December 17, 2012 FC Beekman Associates, LLC transferred its deed to the Predecessor Entity. On or prior to the date of the Series 2014 Bonds, the Predecessor Entity will be merged into the Borrower, a newly formed Delaware limited liability company, as to which FC8 will be the sole member.

Included in APPENDIX D are the financial statements of (i) the Predecessor Entity for the periods from February 1, 2013 to December 31, 2013 and December 20, 2012 to January 31, 2013, and (ii) FC Beekman Associates, LLC for the period from February 1, 2012 to December 19, 2012, which financial statements have been audited by Novogradac & Company LLP, independent auditors, as stated in their reports

dated May 30, 2014 and May 29, 2013 and included in APPENDIX D. Such financial statements reflect consolidation of the financial results pertaining to the Predecessor Entity and FC Beekman Associates LLC.

It is anticipated that the audited financial statements required to be delivered in the future by the Borrower pursuant to its continuing disclosure obligations (as contained in the Continuing Disclosure Agreement appended hereto as APPENDIX C) will consist of financial statements reflecting consolidation of the financial results pertaining to the Predecessor Entity and the Borrower.

UNDERWRITING

The Series 2014 Tax-Exempt Bonds are being purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc. and Citigroup Global Markets Inc. (the "Underwriters"). The Underwriters have agreed to purchase the Series 2014 Tax-Exempt Bonds from the Issuer at a purchase price of $203,900,000.00 and to make a public offering of such Series 2014 Tax-Exempt Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriters will be paid a fee (including expenses other than fees of counsels to the Underwriters) by the Borrower in connection with the purchase of the Series 2014 Tax-Exempt Bonds in an amount equal to $1,516,772.28. The obligations of the Underwriters to accept delivery of the Series 2014 Tax-Exempt Bonds are subject to various conditions contained in the Series 2014 Tax-Exempt Bond Purchase Agreement. The Underwriters will be obligated to purchase all Series 2014 Tax-Exempt Bonds if any Series 2014 Tax-Exempt Bonds are purchased. The Series 2014 Tax-Exempt Bonds may be offered and sold by the Underwriters to certain dealers (including dealers depositing such Series 2014 Tax-Exempt Bonds into investment trusts) at prices lower than the public offering price set forth on the inside cover page of this Official Statement, and such public offering price may be changed, from time to time, by the Underwriters.

The Series 2014 Taxable Bonds are being purchased by the Underwriters from the Issuer at a purchase price of par. The Underwriters will not be paid a fee by the Borrower or the Issuer in connection with the purchase of the Series 2014 Taxable Bonds. The Underwriters will be paid the amount of $57,887.48 by the Borrower as reimbursement for their expenses (other than fees of counsels to the Underwriters). The applicable Bond Interest Rate of each Class of Series 2014 Taxable Bonds has been determined pursuant to an index-based calculation agreed upon by the Issuer, the Borrower and the Underwriters. Accordingly, such Bond Interest Rates may be different than current market rates. The Series 2014 Taxable Bonds may be offered and sold by the Underwriters at prices other than par. The prices for the Series 2014 Taxable Bonds set forth on the inside cover are the prices at which the Underwriters are initially offering the Series 2014 Taxable Bonds to the public. The Underwriters will be obligated to purchase all Series 2014 Taxable Bonds if any Series 2014 Taxable Bonds are purchased. The obligations of the Underwriters to accept delivery of the Series 2014 Taxable Bonds are subject to various conditions contained in the Series 2014 Taxable Bond Purchase Agreement. The Series 2014 Taxable Bonds may be offered and sold by the Underwriters to certain dealers (including dealers depositing such Series 2014 Taxable Bonds into investment trusts) at prices lower than the public offering price set forth on the inside cover page of this Official Statement, and such public offering price may be changed, from time to time, by the Underwriters.

The Borrower has agreed to indemnify the Underwriters and the Issuer with respect to certain liabilities, including certain liabilities under the federal securities laws.

This paragraph has been supplied by Citigroup Global Markets Inc.: Citigroup Global Markets Inc., an Underwriter, has entered into a retail distribution agreement with UBS Financial Services Inc. ("UBSFS"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS. As part of this arrangement, Citigroup Global Markets Inc. may compensate UBSFS for their selling efforts with respect to the Series 2014 Bonds.

The following three paragraphs have been provided by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial services and investment banking services for the Corporation, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Corporation.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MARKET-MAKING

This Official Statement may be used by the Underwriters in connection with the offer and sale of the Series 2014 Bonds in market-making transactions. In a market-making transaction, the Underwriters may resell Series 2014 Bonds they acquire from other holders, after the original offering and sale of the Series 2014 Bonds. Resales of this kind may occur in the open market or may be privately negotiated, at prevailing market prices at the time of resale or at related or negotiated prices. In these transactions, the Underwriters may act as principal or agent, including as agent for the counterparty in a transaction in which an Underwriter acts as principal, or as agent for both counterparties in a transaction in which such Underwriter does not act as principal. An Underwriter may receive compensation in the form of discounts and commissions, including from both counterparties in some cases.

The initial offering price specified on the inside cover of this Official Statement relate to the initial offering of the Series 2014 Bonds. This amount does not include the Series 2014 Bonds to be sold in market-making transactions.

The Borrower does not expect to receive any proceeds from market-making transactions. The Borrower does not expect that any Underwriter or any other affiliate that engages in these transactions will pay any proceeds from its market-making resales to the Borrower.

Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale.

Unless an Underwriter or an agent informs investors in their confirmation of sale that their Series 2014 Bonds are being purchased in the original offering and sale, investors may assume that they are purchasing their Series 2014 Bonds in a market-making transaction.

There will be no established trading market for the Series 2014 Bonds prior to the initial offering of the Series 2014 Bonds. The Issuer has been advised by the Underwriters that they intend to make a market in the Series 2014 Bonds. However, the Underwriters are not obligated to do so and may stop doing so at any time without notice. The Issuer cannot give any assurance as to the liquidity or trading market for any of the Series 2014 Bonds.

Unless otherwise indicated in the confirmation of sale, the purchase price of the Series 2014 Bonds will be required to be paid in immediately available funds in The City of New York.

SUITABILITY FOR INVESTMENT

Investment in the Series 2014 Bonds poses certain economic risks. The Series 2014 Bonds may not be a suitable investment for certain purchasers and each purchaser should make its own judgment as to suitability. No dealer, broker or salesman or other person has been authorized by the Issuer or the Borrower to give any information or make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

AGREEMENT OF THE STATE

Section 657 of the Act provides that the State pledges to and agrees with the holders of obligations of the Corporation, including owners of the Series 2014 Bonds, that it will not limit or alter the rights vested by the Act in the Corporation to fulfill the terms of any agreements made with the owners of the Series 2014 Bonds, or in any way impair the rights and remedies of such owners until the Series 2014 Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such owners of the Series 2014 Bonds, are fully met and discharged.

LEGALITY OF THE SERIES 2014 BONDS FOR INVESTMENT AND DEPOSIT

Under the provisions of Section 662 of the Act, the Series 2014 Bonds are securities in which all public officers and bodies of the State of New York and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them. The Series 2014 Bonds are also securities which may be deposited with and may be received by all public officers and bodies of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or hereafter authorized.

CONTINUING DISCLOSURE

The Securities and Exchange Commission has adopted Rule 15c2-12 (as amended, the "Rule") requiring participating underwriters not to purchase or sell municipal securities in connection with an offering unless the participating underwriters have reasonably determined that the obligated person has undertaken certain continuing disclosure obligations. As shown in the Continuing Disclosure Agreement appended hereto as APPENDIX C (the "Continuing Disclosure Agreement"), the Borrower will be required to file with the Municipal Securities Rule Making Board's Electronic Municipal Market Access System on an annual basis its audited financial statements and certain annual financial information, as well as certain "notice events."

RATINGS

It is a condition to the issuance of the Series 2014 Bonds that the Series 2014 Bonds of Class A through Class E, inclusive, receive the following credit ratings from Fitch and S&P:

Fitch:	Class A Series 2014 Taxable Bonds -	AAA sf
	Class B Series 2014 Taxable Bonds -	Not Rated
	Class C Series 2014 Taxable Bonds -	Not Rated
	Class D Series 2014 Taxable Bonds -	Not Rated
	Class E Series 2014 Taxable Bonds -	Not Rated
	Class F Series 2014 Taxable Bonds -	Not Rated
S&P:	Class A Series 2014 Taxable Bonds -	AAA (sf)
	Class B Series 2014 Taxable Bonds -	AA- (sf)
	Class C Series 2014 Taxable Bonds -	A+ (sf)
	Class D, Series 2014 Tax-Exempt Bonds -	A- (sf)
	Class E, Series 2014 Tax-Exempt Bonds -	BBB- (sf)
	Class F, Series 2014 Tax-Exempt Bonds -	Not Rated

The ratings on the Rated Series 2014 Bonds address the likelihood of the receipt by the owners of such Rated Series 2014 Bonds of full and timely payment of interest on such Rated Series 2014 Bonds on each Bond Payment Date and the ultimate payment of the full principal amount of such Rated Series 2014 Bonds on a date which is not later than the Rated Final Date. The "Rated Final Date" for the Rated Series 2014 Bonds is the Bond Payment Date in November, 2046. The Rated Final Date is approximately two (2) years following the Stated Maturity Date of the Loan and fifteen (15) months prior to the Bond Maturity Date of the Series 2014 Bonds. Such ratings take into consideration the credit quality of the underlying Loan, the property, structural and legal aspects associated with the Rated Series 2014 Bonds, and the extent to which the payment stream of the Loan is adequate to make payments required under the Rated Series 2014 Bonds. Such ratings on the Rated Series 2014 Bonds do not address the tax attributes of the Rated Series 2014 Bonds, or constitute an assessment of the likelihood or frequency of prepayments on the Loan or the degree to which such prepayments might differ from those originally anticipated. Such ratings do not represent any assessment of the yield to maturity that investors may experience. In addition, the ratings on the Rated Series 2014 Bonds do not address (a) the likelihood, timing, or frequency of prepayments (both voluntary and involuntary) and their impact on principal and interest payments, (b) the likelihood of receipt of the Redemption Price, (c) the likelihood of experiencing interest shortfalls on a redemption, (d) the likelihood or willingness of the parties to the respective documents to meet their contractual obligations or (e) other non-credit risks. In general, the ratings address credit risk and not prepayment risk. See "CERTAIN RISK FACTORS" in this Official Statement.

As part of the process of obtaining ratings for the Rated Series 2014 Bonds, Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of the Underwriters, the Borrower and the Issuer, had initial discussions with and submitted certain materials to S&P, Fitch and certain other NRSROs, as defined in Section 3(a)(62) of the Exchange Act. Based on preliminary feedback from those NRSROs at that time, the Rating Agencies were selected to rate the Rated Series 2014 Bonds, and not the other NRSROs. Had such other NRSROs been selected to rate the Rated Series 2014 Bonds, there can be no assurance given as to the ratings that such other NRSROs would ultimately have assigned to the Rated Series 2014 Bonds. Although

unsolicited ratings may be issued by any NRSRO, an NRSRO might be more likely to issue an unsolicited rating if it was not selected after having provided preliminary feedback. If unsolicited ratings are issued, there is no assurance that they will not be different from the ratings of the Rated Series 2014 Bonds and, if lower, they may have an adverse impact on the liquidity, market value and regulatory characteristics of the Series 2014 Bonds.

Furthermore, the Securities and Exchange Commission may determine that any or both of the Rating Agencies no longer qualifies as an NRSRO, or is no longer qualified to rate the Rated Series 2014 Bonds, and that determination may have an adverse effect on the liquidity, market value and regulatory characteristics of the Offered Certificates. See "CERTAIN RISK FACTORS—Bondholders Should Not Rely on the Current Ratings by the Rating Agencies" in this Official Statement.

Certain actions provided for in the Loan Documents require, as a condition to taking an action, that a No Downgrade Confirmation be obtained from each applicable Rating Agency. In certain circumstances, this condition may be deemed to have been met or waived without such a No Downgrade Confirmation being obtained. In the event such an action is taken without a No Downgrade Confirmation being obtained, no assurance can be made that the applicable Rating Agency will not downgrade, qualify or withdraw its ratings as a result of the taking of such action.

The ratings of the Rated Series 2014 Bonds should be evaluated independently from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. A security rating does not address the frequency or likelihood of prepayments (whether voluntary or involuntary) of the Rated Series 2014 Bonds or the corresponding effect on the yield to investors.

The ratings assigned to the Rated Series 2014 Bonds reflect only the view of such Rating Agencies and an explanation of the significance of such ratings may be obtained from such Rating Agencies. There is no assurance that the ratings which have been assigned to the Rated Series 2014 Bonds will continue for any given period of time or that they will not be revised or withdrawn entirely by any or all of such rating agencies if, in their judgment, circumstances so warrant. A revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2014 Bonds.

LEGAL MATTERS

Legal matters in connection with the authorization, issuance and sale of the Series 2014 Bonds are subject to the approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its General Counsel; for the Borrower by its special counsels, Sidley Austin LLP, New York, New York and Katten Muchin Rosenman LLP, New York, New York; for the Master Servicer and the Special Servicer by its counsel, K&L Gates LLP, Charlotte, North Carolina; and for the Underwriters by their counsels, Orrick, Herrington & Sutcliffe LLP, New York, New York and Cadwalader, Wickersham & Taft LLP, New York, New York.

ABSENCE OF LITIGATION

The Issuer

There is not now pending, nor to the best knowledge of the Issuer threatened, any action, suit, proceeding or investigation (at law or in equity) before or by any court, public board or body, against the Issuer, and of which the Issuer has notice, in any way (i) contesting or affecting the existence or powers of the Issuer, (ii) challenging the validity or enforceability of any of the Loan Documents to which the Issuer is a party, the Servicing Agreement, the Series 2014 Bonds or the Indenture, (iii) questioning, contesting or affecting the validity of the proceedings and authority under which the Series 2014 Bonds are being issued or the pledge and application of any moneys or the security provided for the payment of the Series 2014 Bonds,

or (iv) seeking to enjoin any of the transactions contemplated thereby or the performance by the Issuer of any of its obligations thereunder, or wherein an unfavorable decision, finding or ruling would adversely affect the transactions contemplated by this Official Statement, the Loan Documents, the Servicing Agreement or the Indenture. Neither the creation, organization or existence of the Issuer, nor the title of the present directors or other officials of the Issuer to their respective offices is, to the best knowledge of the Issuer, being contested.

The Borrower

There is not now pending, nor to the best knowledge of the Borrower threatened, any material action, material suit, proceeding or investigation (at law or in equity) before or by any court, public board or body, other than actions and/or suits covered by insurance, (i) against or affecting the Borrower, where such action could reasonably be expected to have a material adverse effect on the Borrower, (ii) in any way contesting or affecting the existence or powers of the Borrower, (iii) challenging the validity or enforceability of any of the Series 2014 Bonds, the Management Agreement, the Indenture, the Servicing Agreement, the Mortgage, the Loan and Loan Documents to which the Borrower is a party, (iv) the transactions contemplated thereby, or seeking to enjoin any of the transactions contemplated thereby or the performance by the Borrower of any of its or his obligations thereunder, or (v) wherein an unfavorable decision, finding or ruling would have a material adverse effect on the transactions contemplated by this Official Statement, the Loan Documents, the Servicing Agreement and the Loan Documents.

MISCELLANEOUS

The summaries or descriptions contained in this Official Statement of provisions in the Indenture, the Management Agreement, the Loan and Loan Documents, the Mortgage, the Regulatory Agreement, the Servicing Agreement and the other agreements and documents referred to herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions thereof. For further information, reference should be made to the complete documents, which may be obtained by contacting the Indenture Trustee at cmbs.transactions@usbank.com.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are set forth as such, and not as representations of facts. No representation is made that any of the opinions or estimates will be realized. This Official Statement is not intended to be construed as a contract or agreement between the Issuer and the purchasers or Bondholders of any of the Series 2014 Bonds.

The distribution of this Official Statement by the Underwriters has been duly authorized by the Issuer and approved by the Borrower. This Official Statement is made available only in connection with the sale of the Series 2014 Bonds and may not be used in whole or in part for any other purpose.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

By: /s/ Gary D. Rodney
Gary D. Rodney
President

APPENDIX A

CERTAIN DEFINITIONS

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APPENDIX A

CERTAIN DEFINED TERMS

The following definitions of certain terms used in the Servicing Agreement, the Loan Agreement, the Indenture, the Mortgage and the Official Statement to which this Appendix A is attached do not purport to be complete and reference should be made to the aforementioned documents for full and complete definitions.

"421-a Lease Rider" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Description of Residential Lease" in the Official Statement to which this Appendix A is attached.

"421-a Regulations" means Section 421-a of the New York Real Property Tax Law and any regulation promulgated by any Governmental Authority pursuant to such Section.

"Acceptable Accountant" means a "Big Four" accounting firm, Novogradac & Company LLP, or other independent certified public accountant reasonably acceptable to the lender.

"Accounts" means funds and accounts created pursuant to the Indenture or the Servicing Agreement, as the context requires.

"Act" has the meaning set forth under the heading "THE ISSUER – Purposes and Powers" in the Official Statement to which this Appendix A is attached.

"Additional Master Servicing Compensation" means certain additional fees specified in the Servicing Agreement, including among other things, Default Charges, assumption fees, Modification Fees, extension fees, consent fees, waiver fees and processing fees and net investment interest in the Investment Accounts maintained by the Master Servicer.

"Additional Required Repairs" means repairs or improvements other than the Required Repairs specified in the Loan Agreement, or for a Required Repair to the extent the cost of such Required Repair exceeds one hundred ten (110%) of the estimated cost of such Required Repair as set forth in the Loan Agreement.

"Additional Special Servicing Compensation" means certain additional fees specified in the Servicing Agreement, including among other things, Default Charges, assumption fees, assumption application fees, Modification Fees, modification application fees, extension fees, consent fees, waiver fees, earnout fees, substitution fees, late payment charges and charges for beneficiary statements or demands, and net investment interest in the REO Account maintained by the Special Servicer.

"Administrative Advances" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Flow of Funds; Accounts – *Master Account*" in the Official Statement to which this Appendix A is attached.

"Advance Interest" means interest accrued on any Advance at the Reimbursement Rate and payable to the Master Servicer or the Indenture Trustee, as the case may be, all in accordance with the Servicing Agreement.

"Advances" has the meaning set forth under the heading "INTRODUCTION – Security for the Loan" in the Official Statement to which this Appendix A is attached.

"Adverse Tax-Exempt Bonds Event" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Modification of the Loan Documents" in the Official Statement to which this Appendix A is attached.

"Affiliate(s)" means, as to any Person, any other Person that, directly or indirectly, (x) owns more than fifty percent (50%) of the equity interests in such Person or (y) is in Control of, is Controlled by or is under common Control with such Person.

"Affiliated Manager" means any property manager that is an Affiliate of the Borrower or any Sponsor.

"Agent" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Cash Management" in the Official Statement to which this Appendix A is attached.

"Aggregate Voting Eligible Quorum" means, in connection with any solicitation of votes in connection with the replacement of the Special Servicer described in the Servicing Agreement, Bondholders representing not less than 66-2/3% of the Aggregate Voting Rights of the Voting Eligible Bonds (taken as a whole).

"Aggregate Voting Rights" means the aggregate Voting Rights of the Series 2014 Bonds, taken as a whole.

"Alteration Threshold" means $27,500,000, which amount shall be shall be increased annually by the amount of the increase, if any, in the CPI for the immediately preceding calendar year.

"Amenities Management Agreement" means the Facilities Management Service Agreement, dated on or prior to the Closing Date, between the Predecessor Entity and the Amenities Property Manager.

"Amenities Property Manager" means The Wright Fit, Inc., a New York corporation.

"Annual Budget" means the operating budget for the applicable fiscal year of the Borrower detailing on a monthly basis, consistent with the manner in which the Borrower's operating statements are presented, projected cash flow for such fiscal year and all planned capital expenditures for the Mortgaged Property, delivered in accordance with the Loan Agreement.

"Anticipated Repayment Date" or "ARD" means November 9, 2024.

"Applicable Interest Rate" means, (i) with respect to each Taxable Component, (a) for each Interest Accrual Period related to each Loan Payment Date to and including the Anticipated Repayment Date, the applicable Component Interest Rate and (b) for each Interest Accrual Period related to each Loan Payment Date after the Anticipated Repayment Date relating to a Taxable Component, the Revised Interest Rate and (ii) with respect to each Tax-Exempt Component, the applicable Component Interest Rate.

"Applicable Law" means, with respect to any Person, any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, government approval, approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any governmental authority, whether now or hereinafter in effect and, in each case, as amended (including but not limited to zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wages, and employment practices), and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or otherwise, at any time in force affecting such Person.

"Appraisal" means with respect to the Mortgaged Property or REO Property, an appraisal of the Mortgaged Property or REO Property (inclusive of the value of the tax-exempt status of the interest on the Series 2014 Tax-Exempt Bonds), conducted on a stand-alone basis by an Independent Appraiser in accordance with the standards of the Appraisal Institute 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 Servicing Agreement, an update of such initial Appraisal in accordance with the foregoing standards shall be considered an Appraisal thereunder for all purposes. All Appraisals (and updates thereof) obtained pursuant to the terms of the 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. All calculations under the Servicing Agreement requiring that a "value" or "appraised value" be used with respect to the Mortgaged Property or REO Property 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 the Mortgaged Property at origination). An Appraisal used for purposes of the definition of Appraisal Reduction Amount shall state that the appraiser has taken into account any value associated with the tax-exempt nature of the financing provided by the Series 2014 Tax-Exempt Bonds.

"Appraisal Event" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Appraisal Reductions and Realized Losses" in the Official Statement to which this Appendix A is attached.

"Appraisal Reduction Amount" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Appraisal Reductions and Realized Losses" in the Official Statement to which this Appendix A is attached.

"Appraised Value" means, with respect to the Mortgaged Property or REO Property and as of any date of determination, the value set forth in an Appraisal (or update thereof) of such Mortgaged Property or REO Property that was (a) not obtained or conducted in connection with the origination of the Loan and (b) is less than nine (9) months old.

"ARD Payment Premium" means, with respect to each of Component D, Component E and Component F that is paid in full after the Anticipated Repayment Date, an amount equal to the outstanding principal balance of the applicable Component as of the Anticipated Repayment Date multiplied by the percentage set forth below applicable to such Full Payment Date.

If Full Payment Date occurs:	Percentage
From and including November 10, 2024 through and including December 9, 2024	0.5%
From and including December 10, 2024 through and including February 9, 2025	2.0%
From and including February 10, 2025 through and including November 9, 2027	5.0%
From and including November 10, 2027 through and including November 9, 2030	10.0%
From and including November 10, 2030 through and including November 9, 2033	20.0%
From and including November 10, 2033 and thereafter	30.0%

"ARD Payment Premium Distribution Account" means the trust account created and maintained as a separate account within the Revenue Fund by the Indenture Trustee pursuant to the Indenture which shall be entitled "New York City Housing Development Corporation Multi-Family Mortgage Revenue Bonds (8 Spruce Street), ARD Payment Premium Distribution Account", and which must be an Eligible Account (or a subaccount of an Eligible Account).

"Assessment of Compliance" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Evidence as to Compliance" in the Official Statement to which this Appendix A is attached.

"Asset Status Report" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Servicing Transfer Events" in the Official Statement to which this Appendix A is attached.

"Assignment and Assumption of Loan Documents" means an assignment of the Loan Documents, dated as of the Closing Date, without recourse, by the Issuer, in favor of the Indenture Trustee.

"Assignment of Amenities Management Agreement" means that Assignment and Subordination of Amenities Management Agreement dated as of the Closing Date among the Borrower, lender and the Amenities Property Manager, as the same may be amended, restated, supplemented, replaced, renewed, extended or otherwise modified from time to time.

"Assignment of Condominium Documents" means that certain Collateral Assignment of Condominium Documents by the Borrower to lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Assignment of Leasing Agreement" means that certain Assignment and Subordination of Leasing Brokerage Agreement and Consent of Leasing Broker dated as of the Closing Date among the Borrower, lender and the Leasing Agent, as the same may be amended, restated, supplemented, replaced, renewed, extended or otherwise modified from time to time.

"Assignment of Management Agreement" means that certain Assignment and Subordination of Management Agreement and Consent of Property Manager dated as of the Closing Date among the Borrower, lender and the Property Manager, as the same may be amended, restated, supplemented, replaced, renewed, extended or otherwise modified from time to time.

"Assumed Debt Service Payment" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Advances" in the Official Statement to which this Appendix A is attached.

"Attestation Report" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Evidence as to Compliance" in the Official Statement to which this Appendix A is attached.

"Authorized Borrower Representative" means an Authorized Officer of the Borrower.

"Authorized Denominations" means $100,000 original principal amount and any integral multiple of $1 in excess thereof with respect to Classes A through E of the Series 2014 Bonds, and $500,000 original principal amount and any integral multiples of $1 in excess thereof with respect to Class F of the Series 2014 Bonds. Such denominations shall constitute "Authorized Denominations."

"Authorized Officer" means, (a) with respect to any particular action to be taken by or on behalf of the Issuer, the Authorized Issuer Representative and (b) with respect to any particular action to be taken by or on behalf of any other Person, any officer of such Person who is authorized to take such action pursuant to a certified resolution duly adopted by its Governing Body, a copy of which shall be on file with the Indenture Trustee and the Master Servicer, and with respect to the Indenture Trustee, means any Responsible Officer.

"Authorized Issuer Representative" means the Chairperson, Vice-Chairperson, President, any Executive Vice President or any Senior Vice President of the Issuer and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the Issuer then authorized to perform such act or discharge such duty.

"Available Distribution Amount" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Flow of Funds; Accounts – *Master Account*" in the Official Statement to which this Appendix A is attached.

"Award" means any compensation paid by any Governmental Authority in connection with a Condemnation in respect of all or any part of the Mortgaged Property.

"Balloon Payment" means the principal payment due on the Stated Maturity Date.

"Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. § 101, et seq., 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.

"Beneficial Owner" means a Person owning a Beneficial Ownership Interest in the Series 2014 Bonds, as reflected on the books of the Depository or on the books of a Person maintaining an account with such Depository (directly as a Depository Participant or indirectly through a Depository Participant, in accordance with the rules of such Depository). Each of the Indenture Trustee, the Special Servicer and the Master Servicer, as applicable, shall have the right to require, as a condition to acknowledging the status of any Person as a Beneficial Owner under the Indenture, that such Person provide an Investor Certification

"Beneficial Ownership Interest" means the beneficial right to receive payments and notices with respect to the Series 2014 Bonds that are held by the Depository under a book-entry system of registration and transfer.

"Board Member" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Governance" in the Official Statement to which this Appendix A is attached.

"Bond" means the Series 2014 Bonds.

"Bond Counsel" means (i) on the Closing Date, Hawkins Delafield & Wood LLP or (ii) after the Closing Date, an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Issuer.

"Bond Interest Rate" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Allocation of Available Distribution Amount" in the Official Statement to which this Appendix A is attached.

"Bond Issuance Date" has the meaning set forth under the heading "INTRODUCTION – The Series 2014 Bonds" in the Official Statement to which this Appendix A is attached.

"Bond Maturity Date" means the Bond Payment Date in February 2048.

"Bond Payment Date" means, with respect to the Series 2014 Bonds, the fifteenth (15^{th}) day of each month; provided, that if such day is not a Business Day, the next succeeding Business Day.

"Bond Payment Date Statement" means a statement, prepared by the Indenture Trustee, based solely upon information in its possession and information supplied to it by the Master Servicer and the Special Servicer in respect of the payments on such Bond Payment Date.

"Bond Register" means the books and records of the Issuer kept by the Bond Registrar in which ownership and transfer of the Series 2014 Bonds shall be recorded.

"Bond Registrar" or "Registrar" means the Person appointed by the Issuer to maintain the Bond Register and to record therein ownership and transfer of the Series 2014 Bonds, which Person initially shall be the Indenture Trustee.

"Bond Resolution" has the meaning set forth under the heading "INTRODUCTION – The Series 2014 Bonds" in the Official Statement to which this Appendix A is attached.

"Bondholder" means, with respect to any Bond, the Person in whose name such Bond is registered in the Bond Register; provided, however, that solely for the purposes of making available any reports, statements, communications, or other information required or permitted to be made available to a Bondholder under the Indenture or the Servicing Agreement, a Bondholder shall include any Beneficial Owner to the extent that the Person making available such reports, statements, communications, or other information has received from such Beneficial Owner information and a written certification reasonably acceptable to such Person regarding its name, and address and beneficial ownership of a Bond and shall exclude any Person that has not delivered an Investor Certification certifying that it is not a Borrower Related Party or acting on behalf of a Borrower Related Party; and provided, further, that, solely for the purposes of voting, the taking of any action or the giving of any consent, waiver, request or demand pursuant to the Indenture or the Servicing Agreement (except as set forth in the following sentence), any Bond beneficially owned by the Master Servicer, the Special Servicer, the Indenture Trustee, the Operating Advisor, the Borrower, a Borrower Related Party or any Person known to a Responsible Officer to be a sub-servicer, or any of their respective Affiliates, shall be deemed not

to be Outstanding and the Voting Rights to which it is entitled shall 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. For purposes of obtaining the consent of the Bondholders to an amendment of the Indenture or the Servicing Agreement, any Bond beneficially owned by the Indenture Trustee, the Master Servicer, the Operating Advisor, the Special Servicer or any Affiliates thereof shall be deemed to be Outstanding; provided, however, that if such amendment relates to the compensation, termination or replacement of the Master Servicer, the Special Servicer, the Operating Advisor or the Indenture Trustee, as the case may be, or benefits the Master Servicer, the Special Servicer, the Operating Advisor or the Indenture Trustee in their capacity as such or any Affiliates thereof (other than solely in the capacity as a Bondholder) in any material respect, then such Bond shall be deemed not to be Outstanding. The Indenture Trustee and the Bond Registrar may obtain and conclusively rely upon an Officer's Certificate of the Issuer, the Master Servicer, the Special Servicer, the Operating Advisor, the Borrower or any sub-servicer to determine whether a Bond is beneficially owned by an Affiliate of any of them.

"Bonds" means the Series 2014 Bonds.

"Borrower" means FC 8 Spruce Street Residential, LLC, a limited liability company organized and existing under the laws of the State of Delaware, and its permitted successors and assigns pursuant to the applicable provisions of the Loan Documents.

"Borrower Reimbursable Expenses" means Special Servicing Fees, Workout Fees, Liquidation Fees, Operating Advisor Fees, the Indenture Trustee Fees, the Master Servicing Fee, HDC Servicing Fee and CREFC® Intellectual Property Royalty License Fee payable in connection with Component D, Component E and Component F of the Loan, the Servicing Advances, Administrative Advances, interest on Advances, any and all out-of-pocket costs and expenses of the Master Servicer, the Special Servicer, the Operating Advisor and the Indenture Trustee that are payable or reimbursable pursuant to the Servicing Agreement, including, without limitation, expenses incurred in connection with Appraisals of the Mortgaged Property (or any updates to any Appraisals) or incurred after a Servicing Transfer Event or a Mortgage Event of Default for which the Master Servicer, the Special Servicer, the Operating Advisor or the Indenture Trustee is entitled to reimbursement or indemnification under the Servicing Agreement, the Indenture or any other related document, in each case to the extent payable by the Borrower pursuant to the Loan Agreement.

"Borrower Related Party" means the Borrower or any Affiliate thereof.

"Budget" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Expenses, Charges and Assessments" in the Official Statement to which this Appendix A is attached.

"Building" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS" in the Official Statement to which this Appendix A is attached.

"Business Day" means any day other than a Saturday, a Sunday or a day on which the New York Stock Exchange or banking institutions in any city in which the principal place of business of the Master Servicer, the Special Servicer, the Operating Advisor or the Indenture Trustee is located are authorized or obligated by law or executive order to remain closed.

"By-laws" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS" in the Official Statement to which this Appendix A is attached.

"Care Center Unit" has the meaning set forth under the heading "INTRODUCTION – The Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"Cash Management Account" means an Eligible Account with Cash Management Bank into which funds in the Deposit Account are required to be transferred pursuant to the terms of the Loan Agreement, together with the sub accounts thereof, all funds at any time on deposit therein and any proceeds, replacements or substitutions of such account or funds therein.

"Cash Management Agreement" means that certain Cash Management Agreement, dated as of the Closing Date, among the Borrower, the lender, the Property Manager, and Cash Management Bank, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Cash Management Bank" means Wells Fargo Bank, National Association or any successor Eligible Institution approved or appointed by the lender pursuant to the terms of the Cash Management Agreement.

"Cash Sweep Period" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Cash Management" in the Official Statement to which this Appendix A is attached.

"Casualty" means damage or destruction, in whole or in part, of the Mortgaged Property by fire or other casualty.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"City" means The City of New York.

"Class" or "Classes" means the designation of the classification of priority of payment of the Series 2014 Bonds or portion thereof.

"Class Priority" has the meaning set forth under the heading "DESCRIPTION OF THE SERIES 2014 BONDS – Class Priority" in the Official Statement to which this Appendix A is attached.

"Closing Date" means November 13, 2014.

"Closing Date Balance" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Additional Information Regarding the Loan and the Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"CMBS" means commercial mortgage-backed securities.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collection Period" means, with respect to any Master Servicer Remittance Date, the period commencing immediately following the Due Date in the calendar month preceding the month in which such Master Servicer Remittance Date occurs and ending on and including the Due Date in the calendar month in which such Master Servicer Remittance Date occurs; provided that the first Collection Period will commence on the Closing Date.

"Common Charges" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Expenses, Charges and Assessments" in the Official Statement to which this Appendix A is attached.

"Common Elements" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Elements" in the Official Statement to which this Appendix A is attached.

"Common Expenses" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Expenses, Charges and Assessments" in the Official Statement to which this Appendix A is attached.

"Company" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Special Purpose Entity Covenants" in the Official Statement to which this Appendix A is attached.

"Component" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Principal and Interest" in the Official Statement to which this Appendix A is attached.

"Component Interest Rate" means, (i) with respect to Component A, 3.718367%, (ii) with respect to Component B, 3.873367%, (iii) with respect to Component C, 3.940367%, (iv) with respect to Component D, 3.000%, (v) with respect to Component E, 3.500% and (vi) with respect to Component F, 4.500%

"Condemnation" means a temporary or permanent taking by any Governmental Authority as the result, in lieu or in anticipation, of the exercise of the right of condemnation or eminent domain, of all or any part of the Mortgaged Property or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Mortgaged Property or any part thereof.

"Condemnation Proceeds" means any compensation paid by any Governmental Authority in connection with a Condemnation in respect of all or any part of the Mortgaged Property.

"Condominium" has the meaning set forth under the heading "INTRODUCTION – The Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"Condominium Board" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Governance" in the Official Statement to which this Appendix A is attached.

"Condominium Board Lien" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Expenses, Charges and Assessments" in the Official Statement to which this Appendix A is attached.

"Condominium Documents" means the Declaration of Condominium, floor plans, maps, surveys, articles of incorporation and bylaws and rules and regulations of a condominium association and any and all other documentation related to the formation and operation of the Condominium.

"Condominium Management Agreement" means the Management Agreement (Condominium), dated December 1, 2011, between Spruce Street Condominium and the Condominium Manager, as amended by a First Amendment to the Management Agreement (Condominium), dated as of December 20, 2012.

"Condominium Manager" means First New York Partners Management, LLC, a New York limited liability company.

"Condominium Unit" means the condominium unit known as the Residential Rental/Retail Unit in the building known as the Spruce Street Condominium and by the street address 8 Spruce Street.

"Continuing Disclosure Agreement" has the meaning set forth under the heading "CONTINUING DISCLOSURE" in the Official Statement to which this Appendix A is attached.

"Control" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting

securities by contract or otherwise (excluding certain customary approval rights over "major decisions"), and the terms "Controlled," "Controlling" and "Common Control" shall have correlative meanings.

"Corporation" means the New York City Housing Development Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York.

"Corrected Loan" means any Loan that had been a Specially Serviced Loan but as to which all Servicing Transfer Events have ceased to exist other than in connection with a sale pursuant to the Servicing Agreement and the Loan becomes and remains current for three consecutive Due Dates.

"Corresponding Component" means with respect to each Class of Bonds, the Component corresponding to the Class of Bonds as set forth below opposite such Class of Bonds (and vice versa):

Loan Component	Class
Component A	Class A
Component B	Class B
Component C	Class C
Component D	Class D
Component E	Class E
Component F	Class F

"Costs of Issuance" means all items of expense, directly or indirectly payable or reimbursable by or to the Issuer and related to the authorization, sale and issuance of Series 2014 Bonds, including but not limited to underwriting discount or fee, printing costs, costs of preparation and reproduction of documents, filing and recording fees, State bond issuance charges, initial fees and charges of the Indenture Trustee, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit rating(s), fees and charges for preparation, execution, transportation and safekeeping of Series 2014 Bonds, the financing fee of the Issuer, and any other cost, charge or fee in connection with the original issuance of Series 2014 Bonds.

"CPI" means the Consumer Price Index as published by the United States Department of Labor, Bureau of Labor Statistics or any substitute index hereafter adopted by the Department of Labor.

"Creditors' Rights Laws" means, with respect to any Person, any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, arrangement, adjustment, winding up, liquidation, dissolution, assignment for the benefit of creditors, composition or other relief with respect to its debts or debtors.

"CREFC®" means CRE Finance Council, formerly known as Commercial Mortgage Securities Association, or any association or organization that is a successor thereto. If neither such association nor any successor remains in existence, "CREFC®" shall be deemed to refer to such other association or organization as may exist whose principal membership consists of servicers, trustees, certificateholders, issuers, placement agents and underwriters generally involved in the commercial mortgage loan securitization industry, which is the principal such association or organization in the commercial mortgage loan securitization industry and whose principal purpose is the establishment of industry standards for reporting transaction-specific information relating to commercial mortgage pass-through certificates and commercial mortgage-backed bonds and the commercial loans and foreclosed properties underlying or backing them to investors holding or owning such certificates or bonds, and any successor to such other association or organization. If an organization or association described in one of the preceding sentences of this definition does not exist, "CREFC®" shall be deemed to refer to such other association or organization as shall be selected by the Master Servicer and reasonably acceptable to the Indenture Trustee and the Special Servicer.

"CREFC® Advance Recovery Report" means a monthly report substantially in the form of, and containing the information called for in, the downloadable form of the "Advance Recovery Report" available as of the Closing Date on the CREFC® Website, or such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Appraisal Reduction Template" means a report substantially in the form of, and containing the information called for in, the downloadable form of the "Appraisal Reduction Template" available as of the Closing Date on the CREFC® Website, or such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Bond Level File" means the data file in the "CREFC® Bond Level File" format substantially in the form of and containing the information called for therein, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Collateral Summary File" means the data file in the "CREFC® Collateral Summary File" format substantially in the form of and containing the information called for therein, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Comparative Financial Status Report" means the monthly report in "Comparative Financial Status Report" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Delinquent Loan Status Report" means a report substantially in the form of, and containing the information called for in, the downloadable form of the "Delinquent Loan Status Report" available as of the Closing Date on the CREFC® Website, or no later than 90 days after its adoption, such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Financial File" means the data file in the "CREFC® Financial File" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Historical Bond/Collateral Realized Loss Reconciliation Template" means a report substantially in the form of, and containing the information called for in, the downloadable form of the "Historical Bond/Collateral Realized Loss Reconciliation Template" available as of the Closing Date on the CREFC® Website, or such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Historical Liquidation Loss Template" means a report substantially in the form of, and containing the information called for in, the downloadable form of the "Historical Liquidation Loss Template" available as of the Closing Date on the CREFC® Website, or such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Historical Loan Modification and Corrected Mortgage Loan Report" means the monthly report in the "Historical Loan Modification and Corrected Mortgage Loan Report" format substantially in the

form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Intellectual Property Royalty License Fee" means, (a) with respect to Component A, Component B and Component C, an amount equal to the amount accrued at the CREFC® Intellectual Property Royalty License Fee Rate on the Stated Principal Balance of such Component calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods and (b) with respect to Component D, Component E and Component F, an aggregate fee paid from the Monthly Administrative Fee equal to the amount accrued at the CREFC® Intellectual Property Royalty License Fee Rate on the outstanding principal balance of Component D, Component E and Component F with respect to each Determination Date.

"CREFC® Intellectual Property Royalty License Fee Rate" means a rate equal to 0.0005% per annum.

"CREFC® Interest Shortfall Reconciliation Template" means a report substantially in the form of, and containing the information called for in, the downloadable form of the "Interest Shortfall Reconciliation Template" available as of the Closing Date on the CREFC® Website, or such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Investor Reporting Package (IRP)" means (a) The following seven electronic files (and any other files as may become adopted and promulgated by CREFC® as part of the CREFC® Investor Reporting Package (IRP) from time to time): (i) CREFC® Loan Setup File, (ii) CREFC® Loan Periodic Update File, (iii) CREFC® Property File, (iv) CREFC® Bond Level File, (v) CREFC® Financial File, (vi) CREFC® Collateral Summary File and (vii) CREFC® Special Servicer Loan File;

The following eleven supplemental reports (and any other reports as may become adopted and promulgated by CREFC® as part of the CREFC® Investor Reporting Package (IRP) from time to time): (i) CREFC® Delinquent Loan Status Report, (ii) CREFC® Historical Loan Modification and Corrected Mortgage Loan Report, (iii) CREFC® REO Status Report, (iv) CREFC® Operating Statement Analysis Report, (v) CREFC® Comparative Financial Status Report, (vi) CREFC® Servicer Watch List, (vii) CREFC® Loan Level Reserve/LOC Report, (viii) CREFC® NOI Adjustment Worksheet, (ix) CREFC® Advance Recovery Report, (x) CREFC® Total Loan Report and (xi) CREFC® Reconciliation of Funds Report;

The following eight templates (and any other templates as may be adopted and promulgated by CREFC® as part of the CREFC® Investor Reporting Package (IRP) from time to time): (i) CREFC® Appraisal Reduction Template, (ii) CREFC® Servicer Realized Loss Template, (iii) CREFC® Historical Bond/Collateral Realized Loss Reconciliation Template, (iv) CREFC® Historical Liquidation Loss Template, (v) CREFC® Interest Shortfall Reconciliation Template, (vi) CREFC® Servicer Remittance to Certificate Administrator Template, (vii) CREFC® Significant Insurance Event Template and (viii) CREFC® Loan Modification Template; and such other reports and data files as CREFC® may designate as part of the "CREFC® Investor Reporting Package (CREFC® IRP)" from time to time.

"CREFC® License Agreement" means the License Agreement, in the form set forth on the website of CREFC® on the Closing Date, relating to the use of the CREFC® trademarks and trade names.

"CREFC® Loan Level Reserve/LOC Report" means the monthly report in the "CREFC® Loan Level Reserve/LOC Report" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Loan Modification Template" means the report substantially in the form of, and containing the information called for in, the downloadable form of the "Loan Modification Template" available as of the Closing Date on the CREFC® Website, or such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Loan Periodic Update File" means the data file in the "CREFC® Loan Periodic Update File" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Loan Setup File" means the data file in the "CREFC® Loan Setup File" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® NOI Adjustment Worksheet" means the worksheet in the "NOI Adjustment Worksheet" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Operating Statement Analysis Report" means the monthly report in the "Operating Statement Analysis Report" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Property File" means the data file in the "CREFC® Property File" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Reconciliation of Funds Report" means the monthly report in the "Reconciliation of Funds" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® REO Status Report" means the report in the "REO Status Report" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Servicer Realized Loss Template" means the report substantially in the form of, and containing the information called for in, the downloadable form of the "Servicer Realized Loss Template" available as of the Closing Date on the CREFC® Website, or such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Servicer Remittance to Certificate Administrator Template" means the report substantially in the form of, and containing the information called for in, the downloadable form of the "Interest Servicer Remittance to Certificate Administrator Template" available as of the Closing Date on the CREFC® Website, or such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Servicer Watch List" means as of each Determination Date a report, including and identifying the Loan satisfying the "CREFC® Portfolio Review Guidelines" approved from time to time by the CREFC® in the "CREFC® Servicer Watch List" format substantially in the form of and containing the information called for therein for the Loan, or such other form (including other portfolio review guidelines) for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Significant Insurance Event Template" means the report substantially in the form of, and containing the information called for in, the downloadable form of the "Interest Significant Insurance Event Template" available as of the Closing Date on the CREFC® Website, or such other form for the presentation of such information and containing such additional information as may from time to time be approved by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Special Servicer Loan File" means the data file in the "CREFC® Special Servicer Loan File" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Total Loan Report" means the report in the "Total Loan Report" format substantially in the form of and containing the information called for therein for the Loan, or such other form for the presentation of such information as may be approved from time to time by the CREFC® for commercial mortgage securities transactions generally.

"CREFC® Website" means the CREFC®'s Website located at "www.crefc.org" or such other primary website as the CREFC® may establish for dissemination of its report forms.

"CUSIP" means numbers that identify securities issued in accordance with the Committee on Uniform Securities Identification Procedures.

"Debt" has the meaning set forth under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – The Mortgage – Assignment of Mortgaged Rents" in the Official Statement to which this Appendix A is attached.

"Debt Service Payment Amount" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Principal and Interest" in the Official Statement to which this Appendix A is attached.

"Declarant" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS" in the Official Statement to which this Appendix A is attached.

"Declaration" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS" in the Official Statement to which this Appendix A is attached.

"Declaration of Condominium" means that certain Declaration of Spruce Street Condominium, dated as of June 1, 2011 and recorded in the Office of the City Register of the County of New York under CRFN 2011000362489 on October 13, 2011.

"Default Charges" means any Default Interest and/or late payment charges that are paid or payable, as the context may require, in respect of the Loan or REO Loan.

"Default Interest" means any amounts collected on the Loan (or successor REO Loan), other than late payment charges, Excess Interest or Yield Maintenance Premiums, that represent interest in excess of interest

accrued on the principal balance of each Component of the Loan (or REO Loan) at the related Mortgage Rate, such excess interest arising out of a Mortgage Event of Default.

"Default Rate" means the lesser of (i) the Maximum Legal Rate, or (ii) four percent (4%) above the Applicable Interest Rate with respect to each Component.

"Defaulted Loan" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Realization Upon the Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"Defeasance Collateral" means the direct non-callable obligations of the United States of America or, to the extent satisfying Rating Agency criteria other obligations which are "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act that provide for payments sufficient to pay interest on each Component of the Loan at the Component Interest Rate (less the portion attributable to the Master Servicing Fee Rate, the HDC Servicing Fee Rate and the Operating Advisor Fee Rate with respect to Component A, Component B and Component C) though the last day of the Interest Accrual Period immediately preceding the Anticipated Repayment Date plus the portion of the Monthly Administrative Fee calculated based only on the Indenture Trustee Fee Rate and the CREFC Fee Rate (i.e. the Monthly Administrative Fee Rate minus the Master Servicing Fee Rate, the HDC Servicing Fee Rate and the Operating Advisor Fee Rate) though the last day of the Interest Accrual Period immediately preceding the Anticipated Repayment Date plus the outstanding principal and all other sums payable on the Loan as of the Anticipated Repayment Date.

"Defeasance Prepayment" means the amount generally equal to all amounts due and owing under the Loan and an additional amount which, when added to the outstanding principal balance of the Loan, would be sufficient to purchase Defeasance Collateral that would provide for the payment of all payments of interest due and payable on the Series 2014 Bonds on each Bond Payment Date to and including the Bond Payment Date immediately following the end of the Lockout Period and the payment of the outstanding principal amount of each Class of Series 2014 Bonds on such Bond Payment Date.

"Deferred Interest" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Allocation of Amounts Collected on the Loan" in the Official Statement to which this Appendix A is attached.

"Deposit Account" means an Eligible Account with Deposit Bank into which the Borrower is required to, and is required to cause the Property Manager to, deposit or cause to be deposited, all Rents and other revenue from the Mortgaged Property, together with all funds at any time on deposit therein and any proceeds, replacements or substitutions of such account or funds therein.

"Deposit Account Control Agreement" means that certain Deposit Account Control Agreement, dated as of the Closing Date, by and among the Borrower, the lender and Deposit Bank, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, relating to the operation and maintenance of, and application of funds in, the Deposit Account.

"Deposit Bank" means Capital One Bank, N.A. or any successor Eligible Institution selected by the Borrower and reasonably approved by the lender pursuant to the Loan Agreement acting as Deposit Bank under the Deposit Account Control Agreement.

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book-entry system to record ownership of book-entry interests in Bonds and to effect transfers of book-entry interests in Bonds in book-entry form, and means initially DTC.

"Depository Participant" means a Person for whom, from time to time, the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

"Determination Date" means the 4th Business Day prior to the Bond Payment Date.

"DHCR" means the Division of Housing and Community Renewal.

"Direct Participant" means any participant in the Depository in whose name positions in securities subject to the book-entry system of the Depository (including the Series 2014 Bonds) may be recorded.

"DTC" means The Depository Trust Company, a New York corporation.

"DTCC" means The Depository Trust & Clearing Corporation, a New York corporation.

"Due Date" means, with respect to (i) the Loan on or prior to its Stated Maturity Date, the day of the month set forth in the related Loan Documents on which each Debt Service Payment Amount on the Loan is scheduled to be due; (ii) the Loan after its Stated Maturity Date, the day of the month set forth in the related Loan Documents on which each Debt Service Payment Amount on the Loan had been scheduled to be due prior to its Stated Maturity Date; and (iii) any REO Loan, the day of the month set forth in the related Loan Documents on which each Debt Service Payment Amount on the Loan would be scheduled to be due assuming the related Loan Documents were still in effect.

"Eligible Account" means a separate and identifiable account from all other funds held by the holding institution that is either (i) an account or accounts maintained with a federal or state chartered depository institution or trust company which complies with the definition of Eligible Institution or (ii) a segregated trust account or accounts maintained with the corporate trust department of a federal or state chartered depository institution or trust company acting in its fiduciary capacity which, in the case of a federally chartered depository institution or trust company acting in its fiduciary capacity is subject to the regulations regarding fiduciary funds on deposit therein under 12 C.F.R. §9.10(b), and in the case of a state chartered depository institution or trust company, is subject to regulations substantially similar to 12 C.F.R. §9.10(b), having in either case a combined capital surplus of at least $50,000,000 and subject to supervision or examination by federal and state authority. An Eligible Account may not be evidenced by a certificate of deposit, passbook or other instrument.

"Eligible Institution" means (i) a depository institution or trust company insured by the Federal Deposit Insurance Corporation (a)(1) the short term unsecured debt obligations, commercial paper or other short term deposits of which are rated at least "A 1" by S&P, in the case of accounts in which funds are held for thirty (30) days or less and (2) the long term unsecured debt obligations of which are rated at least "AA" by S&P (or "A-" if the short term unsecured debt obligations are rated at least "A-1" by S&P), in the case of accounts in which funds are held for more than thirty (30) days and (b)(1) the short term unsecured debt obligations, commercial paper or other short term deposits of which are rated at least "F 1" by Fitch and (2) the long term unsecured debt obligations of which are rated at least "A" by Fitch; provided that only the foregoing ratings requirements of each Rating Agency rating the Securitization shall apply, (ii) Capital One Bank, N.A. so long as its short term unsecured debt rating does not fall below "A-2" by S&P and "F-1" by Fitch, (iii) U.S. Bank National Association or Wells Fargo Bank, National Association so long as U.S. Bank National Association's or Wells Fargo Bank, National Association's, as applicable, long-term unsecured debt rating shall be at least equal to the ratings in effect as of the Closing Date or are otherwise in compliance with this definition, or (iv) an institution for which a No Downgrade Confirmation has been obtained. No Eligible Account may be evidenced by a certificate of deposit, passbook or other similar instrument.

"Environmental Indemnity" means that certain Environmental Indemnity Agreement, dated as of the Closing Date, executed by the Borrower in connection with the Loan for the benefit of the lender and HDC (to

the extent HDC is no longer the lender), as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Equipment" means, collectively, all "goods" and "equipment," as such terms are defined in Article 9 of the UCC, now owned or hereafter acquired by the Borrower, which is used at or in connection with the Improvements or the Mortgaged Unit or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by the Borrower and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto; provided that "Equipment" does not include any property belonging to tenants under Leases except to the extent that the Borrower shall have any right or interest therein.

"ERISA" has the meaning set forth under the heading "ERISA CONSIDERATIONS" in the Official Statement to which this Appendix A is attached.

"ESA" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Third Party Reports – *Environmental Assessment*" in the Official Statement to which this Appendix A is attached.

"Event of Default" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Events of Default" in the Official Statement to which this Appendix A is attached.

"Excess Cash" means all amounts remaining in the Cash Management Account after application of amounts to interest on each of the Components at the applicable Component Interest Rate, other amounts due under the Loan Documents (including Default Interest and late charges), operating expenses and deposits into reserves as required under the Loan Agreement and described in "DESCRIPTION OF THE LOAN AGREEMENT—Cash Management" in the Official Statement to which this Appendix A is attached.

"Excess Interest" means, for each Loan Payment Date and each Bond Payment Date occurring after the calendar month in which the Anticipated Repayment Date occurs, interest accrued on each Taxable Component and each Class of Series 2014 Taxable Bond allocable to the Excess Rate, including all interest accrued thereon at the Revised Interest Rate or Revised Bond Rate, as applicable.

"Excess Interest Distribution Account" means the trust account created and maintained as a separate account within the Revenue Fund by the Indenture Trustee for the benefit of the Bondholders pursuant to the Indenture which shall be entitled "New York City Housing Development Corporation Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Excess Interest Distribution Account", and which must be an Eligible Account (or a subaccount of an Eligible Account).

"Excess Rate" means 5.0% per annum.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Exculpated Parties" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Exculpation" in the Official Statement to which this Appendix A is attached.

"Fannie Mae" means the Federal National Mortgage Association or any successor thereto.

"FC8" means FC 8 Spruce Holdings, LLC, a Delaware limited liability company.

"FCBH" has the meaning set forth under the heading "INTRODUCTION – The Borrower" in the Official Statement to which this Appendix A is attached.

"FCTA" has the meaning set forth under the heading "INTRODUCTION – The Borrower" in the Official Statement to which this Appendix A is attached.

"Final Liquidation Event" means either of the following events: (i) the Loan is paid in full; or (ii) a Final Recovery Determination is made with respect to the Loan.

"Final Recovery Determination" means a determination made by the Special Servicer, in its reasonable, good faith judgment and in accordance with the Servicing Standard, with respect to the Loan or REO Property that there has been a recovery of all related Insurance Proceeds, Condemnation Proceeds, Liquidation Proceeds and other payments or recoveries that will ultimately be recoverable.

"Fitch" means Fitch, Inc. and its successors-in-interest, so long as Fitch and such successor shall be in the rating business.

"Fixtures" means, collectively, all Equipment now owned, or the ownership of which is hereafter acquired, by the Borrower which is so related to the Mortgaged Unit and Improvements forming part of the Mortgaged Property that it is deemed fixtures or real property under the law of the particular state in which the Equipment is located, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Mortgaged Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Mortgaged Unit, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of the Borrower's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof; provided that "Fixtures" shall not include any property which tenants are entitled to remove pursuant to Leases, except to the extent that the Borrower shall have any right or interest therein.

"Forest City" has the meaning set forth under the heading "INTRODUCTION – The Borrower" in the Official Statement to which this Appendix A is attached.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, and its successors-in-interest.

"Full Payment Date" has the meaning set forth under the heading "SUMMARY STATEMENT – Payments on the Loan" in the Official Statement to which this Appendix A is attached.

"GA Investor" has the meaning set forth under the heading "INTRODUCTION – The Borrower" in the Official Statement to which this Appendix A is attached.

"GAAP" means generally accepted accounting principles, consistently applied, in effect from time to time as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such entity as may be in general use by significant segments of the U.S. accounting profession.

"Garage Unit" has the meaning set forth under the heading "INTRODUCTION – The Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"General Common Elements" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Elements" in the Official Statement to which this Appendix A is attached.

"General Common Expenses" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Expenses, Charges and Assessments" in the Official Statement to which this Appendix A is attached.

"Governing Body" means, when used with respect to any Person, its group of individuals by, or under the authority of which, the powers of such Person are exercised.

"Governmental Authority" means any court, board, agency, department, commission, office or other authority of any nature whatsoever for any governmental unit (federal, state, county, municipal, city, town, special district or otherwise), whether now or hereafter in existence.

"Hazardous Materials" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Environmental Covenants" in the Official Statement to which this Appendix A is attached.

"HDC" means the New York City Housing Development Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York.

"HDC Assignment Fee" means an amount equal to one percent (1%) of the outstanding principal balance of the Loan.

"HDC Commitment" means that certain Amended and Restated Financing Commitment and Agreement, dated as of October 15, 2014, by and between Issuer and Borrower, as the same may be amended, restated, replaced, severed, supplemented or otherwise modified from time to time.

"HDC Reporting Requirements" means those certain reporting requirements set forth in the Regulatory Agreement together with any other ongoing disclosures delivered by the Borrower to HDC.

"HDC Servicing Fee" means (a) with respect to Component A, Component B and Component C, an amount equal to the amount accrued at the HDC Servicing Fee Rate on the Stated Principal Balance of such Component calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods and payable under the Loan Agreement and (b) with respect to Component D, Component E and Component F, an aggregate fee paid from the Monthly Administrative Fee equal to the amount accrued at the HDC Servicing Fee Rate on the outstanding principal balance of Component D, Component E and Component F with respect to each Determination Date, as calculated under the Loan Agreement.

"HDC Servicing Fee Rate" means, with respect to the Loan and any REO Loan, a per annum rate equal to 0.05%.

"Hospital" has the meaning set forth under the heading "INTRODUCTION – The Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"Hospital Units" has the meaning set forth under the heading "INTRODUCTION – The Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"HPD" has the meaning set forth under the heading "THE ISSUER – Organization and Membership" in the Official Statement to which this Appendix A is attached.

"Improvements" means, collectively, the buildings, structures, fixtures, pads, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on or within the Mortgaged Unit.

"Indemnification Agreement" means each of the certain Letter of Representation and Indemnity Agreements delivered by the Borrower, dated the date of the final Official Statement relating to the Series 2014 Bonds.

"Indemnified Liabilities" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Indemnification" in the Official Statement to which this Appendix A is attached.

"Indemnified Parties" means (i) the lender, (ii) any prior owner or holder of the Loan or any portion thereof or Participations in the Loan, (iii) HDC, (iv) any servicer, special servicer, sub-servicer or prior servicer or sub-servicer of the Loan, or the operating advisor, (v) any Investor or any prior Investor in any Securities, (vi) any trustees, custodians or other fiduciaries who hold or who have held a full or partial interest in the Loan for the benefit of any Investor or other third party, (vii) any receiver or other fiduciary appointed in a foreclosure or other enforcement action or other Creditors' Rights Laws proceeding, (viii) any officers, directors, shareholders, partners, members, employees, agents, servants, representatives, contractors, subcontractors, affiliates or subsidiaries of any and all of the foregoing, and (ix) the heirs, legal representatives, successors and assigns of any and all of the foregoing (including, without limitation, any successors by merger, consolidation or acquisition of all or a substantial portion of the Indemnified Parties' assets and business), in all cases whether during the term of the Loan or as part of or following a foreclosure of the Mortgage.

"Indenture" means the Indenture of Trust, dated as of the Closing Date, by and between the Issuer and the Indenture Trustee, as from time to time amended or supplemented or otherwise modified in accordance with the Indenture.

"Indenture Trust Estate" means:

(a) all right, title and interest of the Issuer in and to the Note and the other Loan Documents, including all loan payments, revenues and receipts payable or receivable thereunder, excluding, however, the Reserved Rights, which Reserved Rights may be enforced by the Issuer and the Indenture Trustee jointly or severally subject to the limitations contained in the Loan Documents, the Servicing Agreement and the Indenture;

(b) all moneys and securities from time to time held by the Indenture Trustee under the terms of the Indenture including amounts set apart and transferred to the Revenue Fund or any special fund, and all investment earnings of any of the foregoing, subject to disbursements from the Revenue Fund or such special funds for the benefit of the Bondholders in accordance with the provisions of the Servicing Agreement and the Indenture; provided, however, there is expressly excluded from any assignment, pledge, lien or security interest granted to the Indenture Trustee any amounts set apart and transferred to the Rebate Fund; and

(c) any and all other property of every kind and nature from time to time which was heretofore, is hereby, or is hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, including, without limitation, the Mortgage, the Loan Agreement and the other Loan Documents, as and for additional security under the Indenture, by the Issuer or by any other Person, with or without the consent of the Issuer, to the Indenture Trustee which is authorized under the Indenture to receive any and all such property at any time and at all times to hold and apply the same subject to the terms of the Indenture.

"Indenture Trustee" means U.S. Bank National Association, a national banking association organized under the laws of the United States, and its successors in interest as Indenture Trustee under the Indenture or any successor Indenture Trustee appointed pursuant to the terms of the Indenture.

"Indenture Trustee Fee" means, (a) with respect to Component A, Component B and Component C, an amount equal to the amount accrued at the Indenture Trustee Fee Rate on the Stated Principal Balance of such Component calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods and (b) with respect to Component D, Component E and Component F, an aggregate fee paid from the Monthly Administrative Fee equal to the amount accrued at the Indenture Trustee Fee Rate on the outstanding principal balance of Component D, Component E and Component F with respect to each Determination Date.

"Indenture Trustee Fee Rate" means, a per annum rate equal to 0.002727%.

"Independent" means, when used with respect to any specified Person, any such Person who (i) is in fact independent of the Master Servicer, the Special Servicer and each party signatory to the Servicing Agreement or any Loan Document and any and all Affiliates thereof, (ii) does not have any direct financial interest in, or any material indirect financial interest in, any of the Master Servicer, the Special Servicer, or any party to the Servicing Agreement or any Loan Document or any Affiliate thereof, and (iii) is not connected with the Master Servicer, the Special Servicer, or any party to the Servicing Agreement, any Loan Document or any Loan Document or any Affiliate thereof as an officer, employee, promoter, placement agent, trustee, partner, director or Person performing similar functions.

"Independent Appraiser" means an Independent professional real estate appraiser who (i) is a member in good standing of the Appraisal Institute, (ii) if New York State certifies or licenses appraisers, is certified or licensed in New York State, and (iii) has a minimum of five (5) years' experience in the appraisal of comparable properties in the City of New York.

"Independent Manager" of any corporation or limited liability company means an individual with at least three (3) years of employment experience serving as an independent manager at the time of appointment who is provided by, and is in good standing with, CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, Lord Securities Corporation or, if none of those companies is then providing professional independent directors or managers or is not acceptable to the Rating Agencies, another nationally recognized company reasonably approved by the lender, the Rating Agencies, in each case that is not an Affiliate of such corporation or limited liability company and that provides professional independent directors or managers and other corporate services in the ordinary course of its business, and which individual is duly appointed as an indepedent manager of such corporation or limited liability company and is not, and has never been, and will not while serving as independent manager be:

(i) a member (other than an independent, non-economic "springing" member), partner, equityholder, manager, director, officer or employee of such corporation or limited liability company, or any of its respective equityholders or Affiliates (other than as an independent director or manager of an Affiliate of such corporation or limited liability company that does not own a direct or indirect ownership interest in such corporation or limited liability company and that is required by a creditor to be a single purpose bankruptcy remote entity; provided that such independent director or manager is employed by a company that routinely provides professional independent directors or managers in the ordinary course of business);

(ii) a customer, creditor, supplier or service provider (including provider of professional services) to such corporation or limited liability company or any of its respective equityholders or Affiliates (other than a nationally-recognized company that routinely provides professional

independent directors or managers and other corporate services to such corporation or limited liability company or any of its respective equityholders or Affiliates in the ordinary course of business);

(iii) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or

(iv) a Person that Controls or is under common Control with (whether directly, indirectly or otherwise) any of the Persons referred to in clauses (i), (ii) or (iii) above.

A natural person who otherwise satisfies the foregoing definition and satisfies clause (i) above by reason of being the independent director or manager of a "special purpose entity" affiliated with such corporation or limited liability company that does not own a direct or indirect ownership interest in such corporation or limited liability company will be qualified to serve as an independent director or manager of such corporation or limited liability company, provided that the fees that such individual earns from serving as independent directors or managers of such Affiliates in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year. For purposes of this paragraph, a "special purpose entity" is an entity whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity's separateness that are substantially similar to those contained in the Loan Agreement.

"Independent Manager Event" means, with respect to an Independent Manager, (i) any acts or omissions by such Independent Manager that constitute willful disregard of such Independent Manager's duties under the applicable organizational documents, (ii) such Independent Manager engaging in or being charged with, or being convicted of, fraud or other acts constituting a crime under any law applicable to such Independent Manager, (iii) such Independent Manager is unable to perform his or her duties as Independent Manager due to death, disability or incapacity, or (iv) such Independent Manager no longer meeting the definition of Independent Manager.

"Indirect Participant" means a Person utilizing the book-entry system of the Depository by, directly or indirectly, clearing through or maintaining a custodial relationship with a Direct Participant.

"INDURE" means the INDURE Build-to-CORE Fund, LLC (f/k/a the IBEW-NECA Diversified Real Estate Fund, LLC).

"Insolvency Proceeding" means, with respect to any Person, any proceeding under the Bankruptcy Code or any other insolvency, liquidation, reorganization or other similar proceeding concerning such Person, any action for the dissolution of such Person, any proceeding (judicial or otherwise) concerning the application of the assets of such Person, for the benefit of its creditors, the appointment of or any proceeding seeking the appointment of a trustee, receiver or other similar custodian for all or any substantial part of the assets of such Person or any other action concerning the adjustment of the debts of such Person or the cessation of business by such Person.

"Insurance Policy" means, with respect to the Mortgaged Property, any hazard insurance policy, business interruption insurance policy, flood insurance policy, title policy or other insurance policy that is maintained from time to time in respect of the Mortgaged Property.

"Insurance Premiums" means the premiums for the insurance coverages required by the Loan Documents.

"Insurance Proceeds" means the gross proceeds paid under any Insurance Policy.

"Interest Accrual Amount" means, with respect to any Bond Payment Date and any Class of Bonds, an amount equal to interest for the related Interest Period accrued at the Bond Interest Rate for such Class on

the related Principal Balance outstanding immediately prior to such Bond Payment Date. Interest with respect to each Class of Bonds shall be calculated on the basis of a 360 day year consisting of twelve 30-day months.

"Interest Accrual Period" means, for the first Loan Payment Date, the period from and including the Closing Date through and including the last day of the calendar month in which the Closing Date occurs, and for each Loan Payment Date thereafter, the calendar month immediately preceding the calendar month in which such Loan Payment Date occurs.

"Interest Advances" has the meaning set forth under the heading "INTRODUCTION – Security for the Loan" in the Official Statement to which this Appendix A is attached.

"Interest Distribution Amount" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Allocation of Available Distribution Amount" in the Official Statement to which this Appendix A is attached.

"Interest Period" means (a) with respect to the Loan, the "Interest Accrual Period" and (b) with respect to the first Bond Payment Date after the Closing Date and any Class of Bonds, the period from and including the Closing Date and ending on and including the last day of the calendar month in November 2014, and for each Bond Payment Date thereafter and any Class of Bonds, the calendar month preceding the month in which such Bond Payment Date occurs. Each Interest Period with respect to each Class of Bonds is assumed to consist of 30 days in a 360-day year consisting of twelve 30-day months.

"Interest Shortfall" means with respect to any Bond Payment Date for any Class of Bonds, the sum of (a) the portion of the Interest Distribution Amount for such Class remaining unpaid as of the close of business on the preceding Bond Payment Date, and (b) to the extent permitted by Applicable Law, one month's interest on that amount remaining unpaid at the Bond Interest Rate applicable to such Class for the current Bond Payment Date.

"Investment Account" means the Master Account or the REO Account, as applicable, for the purposes of the Servicing Agreement.

"Investment Company Act" means the Investment Company Act of 1940, as amended.

"Investor" means each purchaser, transferee, assignee, or servicer of, and each participant, or investor in, the Loan, or any interest therein, or any Securities or any of their respective successors.

"Investor Certification" means a certificate (which may be in electronic form) representing that such Person executing the certificate is a Bondholder, a beneficial owner of a Bond or a prospective purchaser of a Bond substantially in the applicable form included to the Servicing Agreement.

"IRS" means the Internal Revenue Service, or any successor thereto.

"Issuer" or "Bond Issuer" means the New York City Housing Development Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York.

"Issuer Judgment Amount" has the meaning set forth under the heading " DESCRIPTION OF THE SERVICING AGREEMENT – Allocation of Amounts Collected on the Loan" in the Official Statement to which this Appendix A is attached.

"Issuer Judgment Event" has the meaning set forth under the heading " DESCRIPTION OF THE SERVICING AGREEMENT – Allocation of Amounts Collected on the Loan" in the Official Statement to which this Appendix A is attached.

"Land" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS" in the Official Statement to which this Appendix A is attached.

"Late Collections" means (a) all amounts received thereon during any Collection Period, whether as payments, Net Proceeds, Liquidation Proceeds or otherwise, that represent late collections of the principal and/or interest portions of a Debt Service Payment Amount or an Assumed Debt Service Payment in respect of the Loan due or deemed due, as the case may be, for a Due Date in a previous Collection Period and not previously received or recovered and (b) with respect to the REO Loan, all amounts received in connection with the related REO Property during any Collection Period, whether as Net Proceeds, Liquidation Proceeds, REO Revenues or otherwise, that represent late collections of the principal and/or interest portions of a Debt Service Payment Amount or an Assumed Debt Service Payment in respect of the Loan or of an Assumed Debt Service Payment in respect of the REO Loan due or deemed due, as the case may be, for a Due Date in a previous Collection Period and not previously received or recovered.

"Leases" means, collectively, all leases, subleases, subsubleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of, the Mortgaged Unit and the Improvements, and every modification, amendment or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against the Borrower of any petition for relief under any Creditors' Rights Laws.

"Leasing Agent" means Douglas Elliman, LLC, a Delaware limited liability company.

"Leasing Agreement" means the Leasing Brokerage Agreement, dated January 31, 2013, between the Leasing Agent and the Predecessor Entity, as the same may be amended, supplemented, modified or replaced from time to time in accordance with the Loan Documents.

"Legal Requirements" means all statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting the Borrower or the Mortgaged Property or any part thereof, or the construction, use, alteration, ownership or operation thereof, whether now or hereafter enacted and in force (including, without limitation, the Condominium Laws), and all permits, licenses, authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Borrower, at any time in force affecting the Borrower or the Mortgaged Property or any part thereof, including, without limitation, any of which may (i) require repairs, modifications or alterations in or to the Mortgaged Property or any part thereof, or (ii) in any way limit the use and enjoyment thereof.

"Liberty Bond Act" means the Job Creation and Worker Assistance Act of 2002.

"Liberty Zone" means a zone generally described as being located in the Borough of Manhattan, below Canal Street, East Broadway and Grand Street.

"Lien" means any mortgage, deed of trust, lien, pledge, hypothecation, assignment, security interest, or any other encumbrance, charge or transfer of, on or affecting Borrower or any direct or indirect interest in Borrower, the Mortgaged Property, any portion thereof or any interest therein, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and mechanic's, materialmen's and other similar liens and encumbrances.

"Liquidation" means (i) the liquidation of the Mortgaged Property or other collateral constituting security for a Defaulted Loan through trustee's sale, foreclosure sale, REO Disposition or otherwise, exclusive

of any portion thereof required to be released to the Borrower in accordance with Applicable Law and/or the terms and conditions of the related Loan Documents, (ii) the sale of a Defaulted Loan, including, without limitation, pursuant to the Servicing Agreement, or (iii) the realization upon any deficiency judgment obtained against the Borrower.

"Liquidation Expenses" means all customary, reasonable and necessary "out-of-pocket" costs and expenses due and owing (but not otherwise covered by Servicing Advances) in connection with any Liquidation (including, without limitation, legal fees and expenses, committee or referee fees and, if applicable, brokerage commissions and conveyance taxes).

"Liquidation Fee" means, with respect to the Specially Serviced Loan or REO Property, a fee payable to the Special Servicer with respect to any Liquidation, or in connection with the sale, discounted payoff or other liquidation of the Mortgaged Property or Defaulted Loan, as to which the Special Servicer receives any Liquidation Proceeds, equal to the product of the Liquidation Fee Rate and Net Liquidation Proceeds related to such Liquidation; provided that any such Liquidation Fee shall be reduced by any Net Modification Fees paid by the Borrower with respect to the related Loan that were retained by the Special Servicer.

"Liquidation Fee Rate" means, with respect to the Specially Serviced Loan or REO Property as to which a Liquidation Fee is payable, 0.5%.

"Liquidation Proceeds" means all cash amounts (other than Insurance Proceeds, Condemnation Proceeds and REO Revenues) received by the Master Servicer or the Special Servicer in connection with a Liquidation.

"LLC Agreement" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Special Purpose Entity Covenants" in the Official Statement to which this Appendix A is attached.

"Loan" means the initial $550,000,000 mortgage loan made on the Closing Date by the Issuer to the Borrower pursuant to the Loan Agreement.

"Loan Agreement" means the Amended and Restated Loan Agreement, dated as of the Closing Date, between the Issuer and the Borrower, as the same may be amended, modified or supplemented from time to time.

"Loan Documents" means the Loan Agreement, the Note, the Mortgage and all other documents evidencing, securing, insuring, guaranteeing or otherwise relating solely to the Loan.

"Loan Payment Date" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Principal and Interest" in the Official Statement to which this Appendix A is attached.

"Lockout Period" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Prepayment" in the Official Statement to which this Appendix A is attached.

"Losses" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Environmental Covenants" in the Official Statement to which this Appendix A is attached.

"LTV" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Additional Information Regarding the Loan and the Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"MAI" means a Member of the Appraisal Institute.

"Major Decision" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Servicing Transfer Events" in the Official Statement to which this Appendix A is attached.

"Majority of Board Members" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Governance" in the Official Statement to which this Appendix A is attached.

"Management Agreement" means the Amended and Restated Management Agreement, dated December 20, 2012, between the Predecessor Entity and the Property Manager, as the same may be amended, supplemented, modified or replaced from time to time in accordance with the Loan Documents.

"Management Fee" has the meaning set forth under the heading "DESCRIPTION OF THE MANAGEMENT AGREEMENT AND THE PROPERTY MANAGER – Compensation" in the Official Statement to which this Appendix A is attached.

"Master Account" means one or more accounts, titled "[name of Master Servicer], as Master Servicer under that certain Servicing Agreement, dated as of November 13, 2014, for the benefit of the Indenture Trustee for the benefit of the Bondholders."

"Master Servicer" means Wells Fargo Bank, National Association, a national banking association organized under the laws of the United States, and its successors in interest as a Master Servicer under the Servicing Agreement or any successor Master Servicer appointed pursuant to the terms of the Servicing Agreement.

"Master Servicer Remittance Date" means the Business Day prior to the related Bond Payment Date.

"Master Servicing Fee" means (a) with respect to Component A, Component B and Component C, an amount equal to the amount accrued at the related Master Servicing Fee Rate on the Stated Principal Balance of such Component calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods and (b) with respect to Component D, Component E and Component F, an aggregate fee paid from the Monthly Administrative Fee equal to the amount accrued at the Master Servicing Fee Rate on the outstanding principal balance of Component D, Component E and Component F with respect to each Determination Date, as calculated under the Loan Agreement.

"Master Servicing Fee Rate" means, with respect to the Loan and any REO Loan, a per annum rate equal to 0.0025%.

"Material Action" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Special Purpose Entity Covenants" in the Official Statement to which this Appendix A is attached.

"Material Adverse Effect" means a material adverse effect on the value, current use or operation of the Mortgaged Property, the business, operations or condition (financial or otherwise) of the Borrower, the security intended to be provided by the Mortgage, the current ability of the Mortgaged Property to generate sufficient cash flow to service the Loan, Borrower's ability to pay its obligations when due, or Borrower's ability to perform its obligations under the Loan Documents.

"Maturity Date" means the Stated Maturity Date, or such other date on which the final payment of principal of the Note becomes due and payable as therein or in the Loan Agreement provided, whether at such Stated Maturity Date, by declaration of acceleration, or otherwise.

"Maximum Legal Rate" means a rate which could subject the lender to either civil or criminal liability as a result of being in excess of 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 in the other Loan Documents, under the laws of such state or states whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Loan.

"Mayor" has the meaning set forth under the heading "THE ISSUER – Organization and Membership" in the Official Statement to which this Appendix A is attached.

"Member" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Special Purpose Entity Covenants" in the Official Statement to which this Appendix A is attached.

"Mezz LLC" has the meaning set forth under the heading "INTRODUCTION – The Borrower" in the Official Statement to which this Appendix A is attached.

"Modification Fees" means 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 Master Servicer or the Special Servicer (other than all assumption fees, assumption application fees, consent fees, defeasance fees, Special Servicing Fees, Liquidation Fees or Workout Fees). With respect to each of the Master 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 be subject to a cap of $2,500,000 each.

"Modified Loan" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Appraisal Reductions and Realized Losses" in the Official Statement to which this Appendix A is attached.

"Monthly Administrative Fee" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT—Principal and Interest" in the Official Statement to which this Appendix A is attached.

"Monthly Administrative Fee Rate" means a per annum rate equal to 0.05936%.

"Moody's" means Moody's Investors Service, Inc., and its successors in interest.

"Morningstar" means Morningstar Credit Ratings, LLC., and its successors-in-interest.

"Mortgage" means that certain Consolidated, Amended and Restated Mortgage, Assignment of Leases and Rents, and Security Agreement, dated the Closing Date, executed and delivered by Borrower in favor of the Issuer, as mortgagee, as security for the Loan and encumbering the Mortgaged Property, as the same may hereafter be amended, supplemented or otherwise modified in accordance with the Loan Documents.

"Mortgage Event of Default" has the meaning set forth under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – The Mortgage – *Mortgage Event of Default*" in the Official Statement to which this Appendix A is attached.

"Mortgage File" means collectively the following documents:

(a) the original executed Note, endorsed without recourse to the order of the Indenture Trustee in the following form: "Pay to the order of U.S. Bank National Association, not in its individual capacity, but solely as Indenture Trustee for the holders of the Series 2014 Bonds, without recourse or warranty," which Note and all endorsements thereon shall show a complete chain of endorsement from the original payee(s) to the Indenture Trustee;

(b) an original executed Loan Agreement;

(c) an original or a copy of the executed Mortgage with evidence of recording indicated thereon and an original Assignment of Mortgage with respect to the Mortgage, in favor of the Indenture Trustee, and in a form that is complete and suitable for recording in the applicable jurisdiction in which the Mortgaged Property is located to "U.S. Bank National Association, not in its individual capacity, but solely as Indenture Trustee for the benefit of the holders of the Series 2014 Bond, without recourse";

(d) originals or copies of any written assumption, modification, written assurance and substitution agreements in those instances where the terms or provisions of the Mortgage or the Loan have been modified or the Loan has been assumed, in each case (unless the particular item has not been returned from the applicable recording office) with evidence of recording indicated thereon if the instrument being modified or assumed is a recordable document;

(e) the original or a copy of the policy of title insurance issued to the Indenture Trustee or, if such policy has not yet been issued, a "marked-up" pro forma title policy or commitment for title insurance marked as binding and countersigned by the issuer or its authorized agent either on its face or by an acknowledged closing instruction or escrow letter;

(f) filed copies of any UCC Financing Statements in favor of the Indenture Trustee;

(g) the original or a copy of any power of attorney, guaranty or loan agreement relating to the Loan;

(h) any other original documents (including any security agreement(s)) relating to or evidencing the Loan; and

(i) the original Assignment and Assumption of Loan Documents.

"Mortgage Rate" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Allocation of Available Distribution Amount" in the Official Statement to which this Appendix A is attached.

"Mortgaged Property" means, collectively:

(a) the Mortgaged Unit;

(b) all additional lands, estates and development rights hereafter acquired by the Borrower for use in connection with the Mortgaged Unit and the development of the Mortgaged Unit and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of the Mortgage;

(c) the Improvements;

(d) all easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Mortgaged Unit and the Improvements, and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, rights of dower, rights of curtesy, property, possession, claim and demand whatsoever, both at law and in

equity, of Borrower of, in and to the Mortgaged Unit and the Improvements, and every part and parcel thereof, with the appurtenances thereto;

(e) all Equipment;

(f) all Fixtures;

(g) all Personal Property and the right, title and interest of the Borrower in and to any of the Personal Property which may be subject to any security interests, as defined in the UCC, superior in lien to the lien of the Mortgage and all proceeds and products of the above;

(h) all Leases and all right, title and interest of Borrower, its successors and assigns to the Rents;

(i) all Insurance Proceeds in respect of the Mortgaged Property under any Policies covering the Mortgaged Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Mortgaged Property;

(j) all Awards, including interest thereon, which may heretofore and hereafter be made with respect to the Mortgaged Property by reason of Condemnation, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Mortgaged Property;

(k) all refunds, rebates or credits in connection with reduction in real estate taxes and assessments charged against the Mortgaged Property as a result of tax certiorari or any applications or proceedings for reduction;

(l) the right, in the name and on behalf of the Borrower, to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to commence any action or proceeding to protect the interest of the lender in the Mortgaged Property subject to and in accordance with the terms of the Mortgage and the Loan Agreement;

(m) all agreements, contracts, certificates, instruments, franchises, permits, licenses (including liquor licenses to the extent Borrower is permitted to do so pursuant to applicable laws), plans, specifications and other documents, now or hereafter entered into other than the Condominium Documents, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Mortgaged Unit and any part thereof and any Improvements or any business or activity conducted in, at or on the Mortgaged Unit and any part thereof and all right, title and interest of the Borrower therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to the Borrower thereunder and all management, service, supply and maintenance contracts and agreements;

(n) all tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Mortgaged Property;

(o) all letter-of-credit rights (whether or not the letter of credit is evidenced by a writing) the Borrower now has or hereafter acquires relating to the properties, rights, titles and interests referred to in this definition;

(p) all reserves, escrows and deposit accounts maintained by the Borrower with respect to the Mortgaged Property, including, without limitation, the Reserve Accounts, the Deposit Account, the Cash Management Account and all accounts established pursuant to the Loan Agreement together with all deposits or wire transfers made to the Deposit Account and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time and all proceeds, products, distributions or dividends or substitutions thereon and thereof;

(q) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing items set forth in clauses (a) through (p) above including, without limitation, Insurance Proceeds and Awards, into cash or liquidation claims; and

(r) any and all other rights of the Borrower in and to the items set forth in clauses (a) through (q) above.

"Mortgaged Unit" means all that certain Condominium Unit, and any and all right, title, interest, estate and appurtenances relating thereto or arising from fee simple ownership of said Condominium Unit, which rights include, without limitation, membership interests, voting rights, easement rights and other rights under the Condominium Documents appurtenant to said Condominium Unit.

"Net Condemnation Proceeds" means the net amount of the Condemnation Proceeds less any costs and expenses (including, but not limited to, reasonable counsel fees) of the Master Servicer or the Special Servicer, if any, in collecting same.

"Net Insurance Proceeds" means the net amount of the Insurance Proceeds less any costs and expenses (including, but not limited to, reasonable counsel fees) of the Master Servicer or the Special Servicer, if any, in collecting same.

"Net Liquidation Proceeds" means an amount equal to the Liquidation Proceeds less the Liquidation Expenses.

"Net Modification Fees" means 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 such Advances at the Reimbursement Rate to the extent not otherwise paid or reimbursed by the Borrower but excluding Special Servicing Fees, Workout Fees and Liquidation Fees) either outstanding or previously incurred on behalf of the Indenture Trust Estate 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 subsequently been recovered from the Borrower or otherwise.

"Net Proceeds" means, collectively, the Net Insurance Proceeds and the Net Condemnation Proceeds.

"Net Proceeds Deficiency" means the deficiency by which at any time the Net Proceeds or the undisbursed balance thereof are not, in the reasonable opinion of the lender in consultation with the Restoration Consultant, sufficient to pay in full the balance of the costs which are estimated by the Restoration Consultant to be incurred in connection with the completion of the Restoration.

"New Non-Consolidation Opinion" means a bankruptcy non-consolidation opinion from the counsel to Borrower that delivered the Non-Consolidation Opinion or other outside counsel to Borrower reasonably acceptable to lender, in form and substance satisfactory to lender and the Rating Agencies, and which is required to be delivered subsequent to the Closing Date pursuant to, and in connection with, the Loan Agreement.

"No Downgrade Confirmation" means, at any time that any Series 2014 Bonds are Outstanding, and subject to the Servicing Agreement, a written confirmation (which may be in electronic form and may be in the form of a press release) from each Rating Agency then rating the Series 2014 Bonds that was engaged by or on behalf of the Issuer to initially rate the Series 2014 Bonds, to the effect that each credit rating of each Class of Series 2014 Bonds to which it has assigned a rating immediately prior to the occurrence of the event with respect to which such No Downgrade Confirmation is sought, will not be qualified, downgraded, suspended or withdrawn as a result of the occurrence of such event; provided that a written waiver or other acknowledgment from any 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 such Rating Agency with respect to such matter.

"Non-Consolidation Opinion" means that certain bankruptcy non-consolidation opinion dated the Closing Date delivered by Sidley Austin LLP in connection with the Loan.

"Nonrecoverable Advance" means any Advance made or proposed to be made in respect of the Loan or REO Property that, as determined by the Master Servicer or, if applicable, the Special Servicer or the Indenture Trustee, in accordance with the Servicing Standard, will not be recoverable (together with Advance Interest accrued thereon), or that in fact was not ultimately recovered, from Default Charges, Insurance Proceeds, Condemnation Proceeds, Liquidation Proceeds or any other recovery on or in respect of the Loan or REO Property (without giving effect to potential recoveries on deficiency judgments or recoveries from guarantors); provided, however, the Special Servicer may, at its option, make a determination in accordance with the Servicing Standard and the Servicing Agreement, that any Advance previously made or proposed to be made is a Nonrecoverable Advance and shall deliver to the Master Servicer and the Indenture Trustee notice of such determination and any such determination shall be conclusive and binding on the Master Servicer and the Indenture Trustee.

"Note" means that Consolidated, Amended and Restated Promissory Note, dated as of the Closing Date, in the initial principal amount of $550,000,000 executed by the Borrower and payable to the order of the Issuer, as pledged and assigned by the Issuer to the Indenture Trustee in trust for the benefit and on behalf of the Indenture Trustee and the holders of the Series 2014 Bonds.

"NRSRO" means a nationally recognized statistical ratings organization, as such term is defined in Section 3(a)(62) of the Exchange Act.

"NYC SCA" has the meaning set forth under the heading "INTRODUCTION – The Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"NYDH Limited Elements" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Elements" in the Official Statement to which this Appendix A is attached.

"Obligations" has the meaning set forth under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – The Mortgage – *Mortgage Obligations*" in the Official Statement to which this Appendix A is attached.

"Occupancy" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Additional Information Regarding the Loan and the Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"OID" has the meaning set forth under the heading "TAX MATTERS – Series 2014 Taxable Bonds – *Original Issue Discount*" in the Official Statement to which this Appendix A is attached.

"Omnibus Proxy" has the meaning set forth under the heading "BOOK-ENTRY-ONLY SYSTEM" in the Official Statement to which this Appendix A is attached.

"Operating Advisor" means Trimont Real Estate Advisors, Inc., a Georgia corporation, and its successors-in-interest.

"Operating Advisor Fee" means (a) with respect to Component A, Component B and Component C, an amount equal to the amount accrued at the Operating Advisor Fee Rate on the Stated Principal Balance of such Component calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods and (b) with respect to Component D, Component E and Component F, an aggregate fee paid from the Monthly Administrative Fee equal to the amount accrued at the Operating Advisor Fee Rate on the outstanding principal balance of Component D, Component E and Component F with respect to each Determination Date, as calculated under the Loan Agreement.

"Operating Advisor Fee Rate" means, with respect to the Loan and any REO Loan, a per annum rate equal to 0.003640%.

"Opinion of Bond Counsel" means an Opinion of Counsel of Bond Counsel, which opinion shall be addressed to the Issuer, the Master Servicer, the Special Servicer and the Indenture Trustee.

"Opinion of Counsel" means a written opinion of counsel (who must, in connection with any opinion rendered pursuant to the terms of the Servicing Agreement with respect to resignation of the Master Servicer, the Special Servicer or the Indenture Trustee pursuant to the Servicing Agreement be Independent counsel, but who otherwise may be salaried counsel for the Indenture Trustee, the Master Servicer or the Special Servicer), which written opinion is acceptable and delivered to the addressee(s).

"Original Mortgage Loan" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – General" in the Official Statement to which this Appendix A is attached.

"Other Charges" means all ground rents, maintenance charges, impositions other than Property Taxes, and any other charges, including, without limitation, vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Mortgaged Property, now or hereafter levied or assessed or imposed against the Mortgaged Property or any part thereof.

"Other Obligations" has the meaning set forth under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – The Mortgage – *Mortgage Obligations*" in the Official Statement to which this Appendix A is attached.

"Outstanding" means

(a) when used with reference to a Class of Bonds, as of any date of determination, all Bonds of such Class authenticated and delivered under the Indenture, except:

(i) Bonds of such Class heretofore paid under the Indenture;

(ii) Bonds of such Class theretofore cancelled or required to be cancelled under the Indenture;

(iii) Bonds of such Class for which other Bonds of such Class have been substituted, authenticated and delivered pursuant to the Indenture; and

(iv) Bonds of such Class that are deemed to have been paid in accordance with the Indenture.

In determining whether the Bondholders of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds that are held by or on behalf of a Borrower Related Party (unless all of the Outstanding Bonds are then owned by a Borrower Related Party) shall be disregarded for the purpose of any such determination, except that in determining whether the Indenture Trustee shall be protected in making such a determination or relying upon any quorum, consent or vote, only Bonds which a Responsible Officer of the Indenture Trustee actually knows to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned that have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not a Borrower Related Party; and

(b) when used with reference to the Loan, means, as of any date of determination, all indebtedness not paid and discharged other than amounts deemed paid and no longer Outstanding under the Loan Documents.

"Participant" means any Direct Participant or Indirect Participant.

"Participations" means any participations in the Loan or any portion thereof or interest therein granted by the lender.

"Paying Agent" means Indenture Trustee or any other national banking association, corporation, bank or trust company appointed by the Issuer to serve as paying agent for the Series 2014 Bonds, and its successor or successors hereafter appointed in the manner provided in the Indenture.

"Percentage Interest" means, as to any Series 2014 Bond, the initial Principal Balance of such Series 2014 Bond divided by the initial Principal Balance of all Series 2014 Bonds of the same Class as such Series 2014 Bond.

"Performing Loan" means, as of any date of determination, the Loan as to which no Servicing Transfer Event then exists, including any Corrected Loan.

"Permitted Debt" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Special Purpose Entity Covenants" in the Official Statement to which this Appendix A is attached.

"Permitted Encumbrances" means collectively, (i) the Lien and security interests created by the Loan Documents, (ii) all Liens, encumbrances and other matters expressly set forth as exceptions in the Title Insurance Policy, (iii) Liens, if any, for Property Taxes imposed by any Governmental Authority not yet due or delinquent, and (iv) such other title and survey exceptions as lender has approved or may approve in writing in lender's sole discretion.

"Permitted Investments" means any one or more of the following obligations or securities acquired at a purchase price of not greater than par, including those issued by the Master Servicer, the Indenture Trustee, the Special Servicer or any of their respective Affiliates, payable on demand or having a maturity date not later than the Business Day immediately prior to the date on which the funds used to acquire such investment are required to be used under the applicable agreement and meeting one of the appropriate standards set forth below:

(a) direct obligations of, or obligations fully guaranteed as to timely payment of principal and interest by, the United States or any agency or instrumentality thereof, provided that each such obligation is backed by the full faith and credit of the United States and otherwise satisfies the eligible investment required ratings of each Rating Agency;

(b) demand or time deposits in, unsecured certificates of deposit of, money market deposit accounts of, or bankers' acceptances issued by, any depository institution or trust company incorporated or organized under the laws of the United States of America or any State thereof and subject to supervision and examination by federal or state banking authorities, so long as the commercial paper or other short-term debt obligations of such depository institution or trust company are rated in the highest short-term debt rating category of Fitch and S&P or in the case of any such Rating Agency such lower rating as is the subject of a No Downgrade Confirmation and, if the investment described in this clause has a term in excess of three (3) months (or, with respect to Fitch, thirty (30) days), the long-term debt obligations of such depository institution or trust company have been assigned a rating by each Rating Agency at least equal to "AAA" (or the equivalent) by each of the Rating Agencies (or, if not rated by a particular Rating Agency, (i) an equivalent (or higher) rating such as that listed above by at least two NRSROs has been assigned to the long-term debt obligations of such depository institution or trust company or (ii) such Rating Agency has issued a No Downgrade Confirmation with respect to such investment as a Permitted Investment);

(c) repurchase agreements or obligations with respect to any security set forth in clause (a) above where such security has a remaining maturity of one (1) year or less and where such repurchase obligation has been entered into with a depository institution or trust company (acting as principal) set forth in clause (b) above and which meets the minimum rating requirement for such entity set forth above;

(d) commercial paper (including both non interest bearing discount obligations and interest bearing obligations payable on demand or on a specified date not more than 90 days after the date of issuance thereof), so long as the short term obligations of the issuer of such commercial paper are rated in the highest short-term debt rating category of each Rating Agency (or, in the case of any such Rating Agency, such lower rating as is the subject of a No Downgrade Confirmation); provided that the investments described in this clause must (A) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (B) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (C) such investments must not be subject to liquidation prior to their maturity;

(e) guaranteed reinvestment agreements maturing within 365 days or less issued by any bank, insurance company or other corporation the short-term unsecured debt obligations of which are rated in the highest short-term debt rating category of each of Fitch and S&P (or such lower rating for which a No Downgrade Confirmation is obtained from each of Fitch and S&P) and the long-term unsecured debt obligations of which are rated in the highest long-term category by Fitch and S&P (or such lower rating for which a No Downgrade Confirmation is obtained from each of Fitch and S&P);

(f) an obligation, security or investment that, but for the failure to satisfy one or more of the minimum rating(s) set forth in the applicable clause, would be listed above, and is the subject of a No Downgrade Confirmation from each Rating Agency for which the minimum rating(s) set forth in the applicable clause is not satisfied with respect to such obligation, security or investment; and

(g) any other security, obligation or investment which has been approved as a Permitted Investment in writing by each Rating Agency, as evidenced by a No Downgrade Confirmation;

provided (i) such investment is held for a temporary period pursuant to Section 1.860G 2(g)(i) of the U.S. Treasury Regulations, (ii) such investment is payable by the obligor in U.S. dollars, and (iii) that no such instrument shall be a Permitted Investment (1) if such instrument evidences either (A) a right to receive only interest payments or only principal payments with respect to the obligations underlying such instrument or (B) a right to receive both principal and interest payments derived from obligations underlying such instrument and the principal and interest payments with respect to such instrument provide a yield to maturity of greater

than 120% of the yield to maturity at par of such underlying obligations, or (2) if it may be redeemed at a price below the purchase price or (3) if it is not treated as a "permitted investment" that is a "cash flow investment" under Section 860G(a)(5) of the Internal Revenue Code; and provided, further, that any such instrument shall have a maturity date no later than the date such instrument is required to be used to satisfy the obligations under this Agreement, and, in any event, shall not have a maturity in excess of one (1) year; any such instrument must have a predetermined fixed dollar of principal due at maturity that cannot vary or change; interest on any variable rate instrument shall be tied to a single interest rate index plus a single fixed spread (if any) and move proportionally with that index; and provided, further, that no amount may be invested in investments treated as equity interests for Federal income tax purposes. For the purpose of this definition, units of investment funds (including money market funds) shall be deemed to mature daily.

"Permitted Transfer" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Permitted Transfers" in the Official Statement to which this Appendix A is attached.

"Person" means any entity, whether an individual, trustee, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority, governmental instrumentality or otherwise.

"Personal Property" means all furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever (as defined in and subject to the provisions of the UCC), other than Fixtures, which are now or hereafter owned by the Borrower and which are located within or about the Mortgaged Unit and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof.

"Plan Fiduciary" has the meaning set forth under the heading "ERISA CONSIDERATIONS" in the Official Statement to which this Appendix A is attached.

"Plans" has the meaning set forth under the heading "ERISA CONSIDERATIONS" in the Official Statement to which this Appendix A is attached.

"PML" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Insurance" in the Official Statement to which this Appendix A is attached.

"Policies" means valid and enforceable insurance policies meeting the requirements of the Loan Agreement.

"Predecessor Entity" means FC 8 Spruce Street Residential, LLC, a single-purpose New York limited liability company.

"Prepayment Date" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Prepayment" in the Official Statement to which this Appendix A is attached.

"Principal(s)" means the chief executive officer, the chief operating officer, the chief financial officer or chairperson of a Person.

"Principal Balance" means, with respect to any Class of Bonds and any Bond Payment Date, an amount equal to the aggregate initial Principal Balance with respect to such Class set forth in the Indenture, less the sum of all amounts paid to Bondholders of such Class on all previous Bond Payment Dates and treated under the Indenture as allocable to principal, less, Realized Losses previously allocated to reduce the Principal Balance of such Class and less, solely for purposes of determining Voting Rights, Appraisal Reduction Amounts previously allocated to reduce the Principal Balance of such Class, in each case pursuant to the terms

of the Servicing Agreement; provided that the Principal Balance of any Class then Outstanding shall be reduced to zero upon a Liquidation and the payment of the related Net Liquidation Proceeds. With respect to any individual Bond, the "Principal Balance" means the product of (x) the Percentage Interest represented by such Bond multiplied by (y) the Principal Balance of all Outstanding Bonds of the related Class.

"Principal Distribution Amount" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Allocation of Available Distribution Amount" in the Official Statement to which this Appendix A is attached.

"Principal Shortfall" means for any Bond Payment Date, the amount, if any, by which (i) the Principal Distribution Amount for the preceding Bond Payment Date exceeds (ii) the aggregate amount actually paid with respect to principal on the Series 2014 Bonds on such preceding Bond Payment Date in respect of such Principal Distribution Amount.

"Prior Bonds" has the meaning set forth under the heading "INTRODUCTION – The Series 2014 Bonds" in the Official Statement to which this Appendix A is attached.

"Privileged Person" means the Underwriters, the Master Servicer, the Special Servicer, the Indenture Trustee, the Operating Advisor, any person who provides the Indenture Trustee or the Operating Advisor with an Investor Certification in the applicable form attached to the Servicing Agreement (for Restricted Parties, the Property Manager and any affiliates thereof), which Investor Certification may be submitted electronically via the Indenture Trustee's Website; provided, however, that solely for the purposes of providing or distributing any reports, statements, communications, or other information required or permitted to be provided or distributed to a Bondholder or Beneficial Owner under the Indenture, or otherwise pursuant to the Servicing Agreement, except where such information is expressly permitted to be delivered to the Borrower pursuant to the terms of the Servicing Agreement, Privileged Person shall exclude any Person that is a Borrower, a Borrower Related Party or acting on behalf of a Borrower Related Party.

"Prohibited Transfer" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Prohibited Transfers" in the Official Statement to which this Appendix A is attached.

"Property Condition Report" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Third Party Reports – *Property Condition Report*" in the Official Statement to which this Appendix A is attached.

"Property Manager" means FirstService Residential New York, Inc. (F/K/A Cooper Square Realty, Inc.), a New York corporation, or such other entity selected as the manager of the Mortgaged Property in accordance with the terms of the Loan Agreement.

"Property Taxes" means all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against the Mortgaged Property or part thereof.

"Purchase Price" means, with respect to the Loan or REO Property, a price equal to the unpaid principal balance of the Loan or REO Loan, as applicable, as of the date of purchase, together with (without duplication) (a) all accrued and unpaid interest on the Loan or REO Loan, as applicable, at the related Mortgage Rate up to but not including the Due Date in the Collection Period of purchase, (b) all related unreimbursed Master Servicing Fees, Special Servicing Fees, Indenture Trustee Fees, Operating Advisor Fees, HDC Servicing Fees and CREFC® Intellectual Property Royalty License Fees with respect to Component D, Component E and Component F, (c) Servicing Advances and Administrative Advances that are unreimbursed from related collections on the Loan or REO Loan, as applicable, (d) all accrued and unpaid Advance Interest in respect of Advances with respect to the Loan, (e) Liquidation Fees (if any) payable in connection with a purchase of the Loan or REO Loan, as applicable, and (f) any other unpaid or unreimbursed Borrower Reimbursable Expenses in respect of the Loan or REO Loan, as applicable (including any Borrower

Reimbursable Expenses previously reimbursed or paid pursuant to the Servicing Agreement but not so reimbursed by the Borrower or other party or from Insurance Proceeds or Condemnation Proceeds or otherwise).

"Qualified Insurer" means financially sound and responsible insurance companies authorized and admitted to do business in the State and having a financial strength rating of at least "A" and a financial size category of at least "VIII" from Alfred M. Best Company, Inc. and a claims paying ability and financial strength rating of at least "A" by S&P (and the equivalent ratings for Moody's and Fitch to the extent each such Rating Agency rates the insurance company and is rating the Securities) or such other ratings approved by the lender. Notwithstanding the preceding sentence, if the applicable insurance to be provided under the Loan Agreement is to be issued by a group of insurance companies, then it will be sufficient that (1) at least seventy-five percent (75%) of the coverage (if there are four (4) or fewer insurance companies issuing the Policies) or (2) at least sixty percent (60%) of the coverage (if there are five (5) or more insurance companies issuing the Policies) may be provided by insurance companies having a claims paying ability rating of not less than "A" by S&P (and the equivalent ratings for Moody's and Fitch to the extent each such Rating Agency rates the insurance company and is rating the Securities), with no insurer rated below "BBB" by S&P (and the equivalent ratings for Moody's and Fitch to the extent each such Rating Agency rates the insurance company and is rating the Securities); provided, however, that notwithstanding the foregoing ratings requirements, prior to the policy year commencing November 1, 2015, the following insurers will be permitted up to amounts and in the layer locations provided by such insurers as of the Closing Date: Surplus Lines Insurance Company, Landmark American Insurance Company, Ironshare Specialty Insurance Company and Maxum Casualty Insurance Company.

"Qualified Manager" means the Property Manager, Leasing Agent or a reputable and experienced professional property management organization approved by the lender, which approval shall not be unreasonably withheld, conditioned or delayed and which may be conditioned upon the lender's receipt of a Rating Agency Confirmation, provided that with respect to any Affiliated Manager, the lender has received a New Non-Consolidation Opinion.

"Rated Final Date" means the Bond Payment Date in 2046.

"Rated Series 2014 Bonds" means the Series 2014 Bonds assigned a rating by S&P and/or Fitch.

"Rating Agency" means S&P or Fitch.

"Real Property" means, collectively, the Mortgaged Unit, the Improvements and the Fixtures.

"Real Property Tax Benefits" has the meaning set forth under the heading "DESCRIPTION OF THE REGULATORY AGREEMENT" in the Official Statement to which this Appendix A is attached.

"Realized Loss" means, with respect to any Master Servicer Remittance Date, the aggregate reductions of the principal balance of the Loan which have been permanently made as a result of a modification or otherwise as a result of a bankruptcy proceeding, but other than as a result of principal payments or other collections in respect of principal of the Loan.

"Rebate Amount" means, with respect to a particular Class of Series 2014 Bonds to which the tax covenants contained in the Indenture are applicable, the amount, if any, required to be deposited in the Rebate Fund in order to comply with the tax covenants contained in the Indenture.

"Rebate Fund" means the fund by that name created and established pursuant to the Indenture.

"Record Date" means with respect to any Bond Payment Date, the last Business Day of the calendar month preceding such Bond Payment Date.

"Redemption Date" means any date after the Bond Payment Date that immediately follows the end of the Lockout Period upon which the Series 2014 Bonds are to be redeemed in whole pursuant to the terms of the Indenture.

"Redemption Price" means, with respect to the Series 2014 Bonds and any date of determination, the outstanding Principal Balance thereof, plus all other amounts to be paid thereon in accordance with the priorities set forth in, and in accordance with, the Servicing Agreement, in order to pay such amounts in full.

"Regulation AB" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Evidence as to Compliance" in the Official Statement to which this Appendix A is attached.

"Regulatory Agreement" means that certain Amended and Restated Regulatory Agreement, dated as of the Closing Date, between the Borrower and the Issuer, as the same may be amended, supplemented or otherwise modified from time to time.

"Reimbursement Rate" means the rate per annum applicable to the accrual of Advance Interest, which rate per annum shall be equal to the "prime rate" as published in the "Money Rates" section of The Wall Street Journal, as such "prime rate" may change from time to time. If The Wall Street Journal ceases to publish such "prime rate", then the Master Servicer, in its sole discretion, shall select an equivalent publication that publishes such "prime rate"; and if such "prime rate" is no longer generally published or is limited, regulated or administered by a governmental or quasi governmental body, then the Master Servicer shall select a comparable interest rate index. In either case, such selection shall be made by the Master Servicer in its sole discretion, and the Master Servicer shall notify the Indenture Trustee and the Special Servicer in writing of its selection.

"REIT" means an entity newly formed for the purpose of beneficially owning Forest City's portions of the beneficial interests in Borrower, which is intended to qualify as a real estate investment trust under Section 856 through Section 860 of the Code.

"REIT Transaction" means the Transfer of direct or indirect interests in the Borrower to a newly-formed limited partnership ("OP") of which the general partner will be a REIT in connection with an initial public offering of interests in the REIT on a nationally recognized stock exchange, which transaction (1) is sponsored by a one or more Sponsors, (2) shall provide that the executive management team that controls the day-to-day management and operation of the REIT and the real properties contributed to such entity after such transaction shall be substantially the same executive management team that controlled the day-to-day management and operations of such real properties immediately prior to such transaction and (3) the REIT shall be publicly traded on a nationally recognized stock exchange, and the REIT shall be the general partner of, and shall control, the OP.

"Release" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Environmental Covenants" in the Official Statement to which this Appendix A is attached.

"Rent Guidelines Board" means the New York City Rent Guidelines Board.

"Rent Stabilization Regulations" means, collectively, the New York City Rent Stabilization Law and the New York City Rent Stabilization Code.

"Rents" means, collectively, under any Leases, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other consideration of whatever form or nature received by or

paid to or for the account of or benefit of the Borrower or its agents or employees from any and all sources arising from or attributable to the Mortgaged Property, including, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property or rendering of services by the Borrower, the Property Manager or the Leasing Agent and proceeds, if any, from business interruption or other loss of income insurance whether paid or accruing before or after the filing by or against the Borrower of any petition for relief under any Creditors' Rights Laws.

"REO Account" means a segregated custodial account or accounts created and maintained by the Special Servicer pursuant to the Servicing Agreement on behalf of the Indenture Trustee, which shall be entitled "[name of Special Servicer], as Special Servicer, for the benefit of the Indenture Trustee for the benefit of the Bondholders under that certain Servicing Agreement dated November 13, 2014, REO Account." Any such account or accounts shall be an Eligible Account.

"REO Disposition" means the sale or other disposition of the REO Property pursuant to the Servicing Agreement.

"REO Loan" means the Loan deemed for purposes hereof to be outstanding with respect to the REO Property acquired in respect of the Loan. The REO Loan shall be deemed to have an initial unpaid principal balance and Stated Principal Balance equal to the unpaid principal balance and Stated Principal Balance, respectively, of the predecessor Loan as of the date of the acquisition of the REO Property. In addition, all Debt Service Payment Amounts (other than any Balloon Payment), Assumed Debt Service Payments (in the case of the Loan delinquent in respect of its Balloon Payment) and other amounts due and owing, or deemed to be due and owing, in respect of the predecessor Loan as of the date of the acquisition of the related REO Property, shall be deemed to continue to be due and owing in respect of the REO Loan. All amounts payable or reimbursable to the Master Servicer, the Special Servicer or the Indenture Trustee in respect of the Loan as of the date of the acquisition of the REO Property, including, without limitation, any unpaid Servicing Fees and any unreimbursed Advances, together with any Advance Interest accrued and payable to the Master Servicer, the Special Servicer and/or the Indenture Trustee in respect of such Advances, shall continue to be payable or reimbursable to the Master Servicer, the Special Servicer and/or the Indenture Trustee as the case may be, in respect of the REO Loan.

"REO Property" means the Mortgaged Property, if acquired by the Master Servicer on behalf of the Indenture Trustee pursuant to the Servicing Agreement through foreclosure, acceptance of a deed-in-lieu of foreclosure or otherwise in accordance with Applicable Law in connection with the default or imminent default of the Loan.

"REO Revenue" means proceeds, net of any related expenses of the Master Servicer, Special Servicer and/or the Indenture Trustee, received in respect of the REO Property (including, without limitation, proceeds from the operation or rental of the REO Property) prior to the final liquidation of the REO Property.

"Replacement Reserve Fund" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Reserve Funds – *Replacement Reserve Fund*" in the Official Statement to which this Appendix A is attached.

"Replacement Reserve Monthly Deposit" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Reserve Funds – *Replacement Reserve Fund*" in the Official Statement to which this Appendix A is attached.

"Replacements" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Reserve Funds – *Replacement Reserve Fund*" in the Official Statement to which this Appendix A is attached.

"Required Distribution Amount" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Flow of Funds; Accounts – *Master Account*" in the Official Statement to which this Appendix A is attached.

"Required Repairs" means the repairs and improvements to the Mortgaged Property set forth in the Loan Agreement and as more particularly described in the Property Condition Report.

"Required Work" means, collectively, all Required Repairs and Replacements.

"Reserve Accounts" means certain Eligible Accounts established and maintained by the Borrower pursuant to the Loan Agreement or any other escrow account established by the Loan Documents.

"Reserve Amounts" means the amounts required to be deposited into any Reserve Account.

"Reserve Funds" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Reserve Funds – *General*" in the Official Statement to which this Appendix A is attached.

"Reserved Rights" means those certain rights of the Issuer to indemnification and to payment or reimbursement of certain fees and expenses of the Issuer, its right to receive notices and to enforce notice and reporting requirements, its right to inspect and audit the books, records and premises of the Borrower and of the Mortgaged Property, its right to collect reasonable attorneys' fees and related expenses, its right to specifically enforce the Borrower's covenant to comply with applicable State law (including the Act and the rules and regulations of the Issuer, if any), its rights pursuant to the Regulatory Agreement (including but not limited to its rights to approve or reject the selection of the Property Manager and any transfers of ownership interests in respect of the Mortgaged Property), its rights to consent to any assignment of the Loan and to receive its assignment fee in connection therewith, its rights under insurance policies insuring the Mortgaged Property, its right to give or withhold consent to amendments, changes, modifications and alterations relating to the Reserved Rights, and any specific rights given to the Issuer (as opposed to the "lender") under the Loan Agreement.

"Residential Rental/Retail Unit" has the meaning set forth under the heading "INTRODUCTION – The Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"Residential/Retail Limited Elements" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Elements" in the Official Statement to which this Appendix A is attached.

"Responsible Officer" means any officer of the Corporate Trust Office (or any successor group) of the Indenture Trustee with direct responsibility for the administration of the Indenture and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject, and, in the case of any certification or other document required to be signed by a Responsible Officer, an authorized signatory whose name and specimen signature appears on a list furnished to the Master Servicer or the Special Servicer, as applicable, by the Indenture Trustee, as such list may from time to time be amended.

"Restoration" means, following the occurrence of a Casualty or a Condemnation which is of a type necessitating the repair of the Mortgaged Property, the completion of the repair and restoration of the Mortgaged Property to a condition such that the Mortgaged Property shall be at least equal in value to that immediately prior to such Casualty or Condemnation, and as near as possible to the condition the Mortgaged Property was in immediately prior to such Casualty or Condemnation, with such alterations as may be reasonably approved by the lender.

"Restoration Consultant" means an independent consulting engineer selected by lender pursuant to the Loan Agreement to review all plans and specifications required in connection a Restoration.

"Restricted Party" means, collectively, the Borrower and any Affiliated Manager or any shareholder, partner, member or non-member manager, or any direct or indirect legal or beneficial owner of the Borrower, any manager or any non-member manager other than a natural person.

"Restricted Pledge Party" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Permitted Transfers" in the Official Statement to which this Appendix A is attached.

"Revenue Fund" means a deposit account established by the Indenture Trustee pursuant to the Indenture in the name of the Indenture Trustee and for the benefit of the Bondholders which shall be an Eligible Account.

"Revised Bond Rate" means, with respect to each Class of Series 2014 Taxable Bonds, the Bond Interest Rate for such Class, plus the Excess Rate.

"Revised Interest Rate" means, with respect to each Taxable Component, the applicable Component Interest Rate plus the Excess Rate.

"RMBS" has the meaning set forth under the heading "DESCRIPTION OF THE INDENTURE TRUSTEE" in the Official Statement to which this Appendix A is attached.

"Rule" has the meaning set forth under the heading "CONTINUING DISCLOSURE" in the Official Statement to which this Appendix A is attached.

"S&P" means Standard & Poor's Ratings Services, and its successors-in-interest, so long as S&P and such successor shall be in the credit ratings business.

"Scheduled Principal Distribution Amount" means for any Bond Payment Date, the sum, without duplication, of:

(a) the principal component of all scheduled Debt Service Payment Amounts and Balloon Payments which became due on the related Due Date in the related Collection Period (if received by the Master Servicer by the Determination Date or (other than Balloon Payments) advanced by the Master Servicer or the Indenture Trustee in respect of such Bond Payment Date) with respect to the Loan (including the REO Loan); and

(b) the principal component of any payment on the Loan (including the REO Loan) received or applied on or after the date on which such payment was due on deposit in the Master Account as of the related Determination Date, net of the principal portion of any unreimbursed Interest Advances with respect to the Loan.

"School Limited Elements" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Elements" in the Official Statement to which this Appendix A is attached.

"School Unit" has the meaning set forth under the heading "INTRODUCTION – The Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"Securities" means the securities issued by HDC pursuant to the Securitization.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Securitization" means the bond issuance by the Issuer occurring concurrently with the closing of the Loan, the proceeds from which are being used by lender to make the Loan.

"Series 2014 Bonds" means the Issuer's $550,000,000 original aggregate principal amount of Multi-Family Mortgage Revenue Bonds (8 Spruce Street).

"Series 2014 Tax-Exempt Bond Purchase Agreement" means the Bond Purchase Agreement relating to the Series 2014 Tax-Exempt Bonds, dated October 23, 2014, by and among the Issuer, the Borrower and Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and the other underwriters named therein.

"Series 2014 Tax-Exempt Bonds" has the meaning set forth under the heading "INTRODUCTION – General" in the Official Statement to which this Appendix A is attached.

"Series 2014 Taxable Bond Purchase Agreement" means the Bond Purchase Agreement relating to the Series 2014 Taxable Bonds, dated October 23, 2014, by and among the Issuer, the Borrower and Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and the other underwriters named therein.

"Series 2014 Taxable Bonds" has the meaning set forth under the heading "INTRODUCTION – General" in the Official Statement to which this Appendix A is attached.

"Service(s)(ing)" means, in accordance with Regulation AB, the act of servicing and administering the Loan or any other assets of the Indenture Trust Estate by an entity that meets the definition of "servicer" set forth in Item 1101 of Regulation AB and is referenced in the disclosure requirements set forth in Item 1108 of Regulation AB. For the avoidance of doubt, any uncapitalized occurrence of this term shall have the meaning commonly understood by participants in the commercial mortgage-backed securities market.

"Servicer" means the Master Servicer and/or the Special Servicer, individually or collectively, as the context may require.

"Servicer Termination Event" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Servicer Termination Events" in the Official Statement to which this Appendix A is attached.

"Servicing Advances" has the meaning set forth under the heading "INTRODUCTION – Security for the Loan" in the Official Statement to which this Appendix A is attached.

"Servicing Agreement" means the Servicing Agreement, dated as of the Closing Date, among the Issuer, the Master Servicer, the Special Servicer, the Operating Advisor and the Indenture Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

"Servicing Fees" means, with respect to the Loan and the REO Loan, the Master Servicing Fee and the Special Servicing Fee.

"Servicing File" means any documents (other than documents required to be part of the Mortgage File), including, without limitation, the related ESA and any related environmental insurance or endorsement, in the possession of the Master Servicer or the Special Servicer and relating to the origination and servicing of the Loan or the administration of any REO Property.

"Servicing Standard" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Responsibilities of the Master Servicer and the Special Servicer" in the Official Statement to which this Appendix A is attached.

"Servicing Transfer Event" has the meaning set forth under the heading "DESCRIPTION OF THE SERVICING AGREEMENT – Servicing Transfer Events" in the Official Statement to which this Appendix A is attached.

"Shared Limited Common Elements" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Elements" in the Official Statement to which this Appendix A is attached.

"Shared Limited Common Expenses" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Expenses, Charges and Assessments" in the Official Statement to which this Appendix A is attached.

"Similar Requirement" has the meaning set forth under the heading "CERTAIN RISK FACTORS – Legal and Regulatory Provisions Affecting Investors Could Adversely Affect the Liquidity of the Series 2014 Bonds" in the Official Statement to which this Appendix A is attached.

"Special Assessment" has the meaning set forth under the heading "DESCRIPTION OF THE CONDOMINIUM DECLARATION AND BYLAWS – Common Expenses, Charges and Assessments" in the Official Statement to which this Appendix A is attached.

"Special Member" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Special Purpose Entity Covenants" in the Official Statement to which this Appendix A is attached.

"Special Notice" has the meaning set forth in the "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST" attached as Appendix B to the Official Statement to which this Appendix A is attached.

"Special Servicer" means Wells Fargo Bank, National Association, or any successor Special Servicer appointed pursuant to the Servicing Agreement.

"Special Servicing Fee" means, with respect to the Specially Serviced Loan and REO Loan, the amount accrued at the Special Servicing Fee Rate on the Stated Principal Balance, and otherwise calculated assuming each month has 30 days and each year has 360 days and based on the actual number of days in partial periods.

"Special Servicing Fee Rate" means, with respect to the Specially Serviced Loan and REO Loan, a per annum rate equal to 0.25%.

"Specially Serviced Loan" means the Loan as to which there then exists a Servicing Transfer Event. Upon the occurrence of a Servicing Transfer Event, the Loan shall remain a Specially Serviced Loan until the earliest of (i) its no longer being subject to the Servicing Agreement, (ii) the Mortgaged Property becoming an REO Property, and (iii) the cessation of all existing Servicing Transfer Events.

"Sponsor" means each of TIAA, INDURE (or another discretionary account client of National Real Estate Advisors) and Forest City.

"State" has the meaning set forth under the heading "INTRODUCTION – The Issuer" in the Official Statement to which this Appendix A is attached.

"Stated Maturity Date" means the Due Date in November 2044, on which the last payment of principal is due and payable under the terms of the Loan Documents as in effect on the Loan's effective date, without regard to any change in or modification of such terms in connection with a bankruptcy or similar

proceeding involving the Borrower or a modification, waiver or amendment of the Loan granted or agreed to by the Master Servicer or Special Servicer pursuant to the Servicing Agreement.

"Stated Principal Balance" means, with respect to the Loan (or any Component thereof) and REO Loan, a principal amount initially equal to the Closing Date principal balance of the Loan (or such Component) that is permanently reduced on each Master Servicer Remittance Date (to not less than zero) by all payments (or Interest Advances in lieu thereof) of, and all other collections allocated to, principal of or with respect to the Loan (or such Component) or REO Loan that are distributed to the Indenture Trustee on such Master Servicer Remittance Date. Notwithstanding the foregoing, if a Final Liquidation Event occurs in respect of the Loan or REO Property, then the "Stated Principal Balance" of the Loan (and each Component thereof) or of the REO Loan, as the case may be, shall be zero commencing as of the Master Servicer Remittance Date in the Collection Period next following the Collection Period in which such Final Liquidation Event occurred.

"Supplemental Indenture" means any indenture supplemental to or amendatory of the Indenture, adopted by the Corporation and effective in accordance with the Indenture.

"Tax and Insurance Reserve Account" means an Eligible Account with lender or lender's agent sufficient to discharge Borrower's obligations for the payment of Taxes and Insurance Premiums.

"Tax and Insurance Reserve Funds" has the meaning set forth in "DESCRIPTION OF THE LOAN AGREEMENT – Reserve Funds – *Tax and Insurance Escrow Fund*" in the Official Statement to which this Appendix A is attached.

"Tax Certificate" means the Tax Certificate As To Arbitrage and Provisions of Section 103(a) of the Code, dated the Closing Date, executed by an Authorized Borrower Representative and an Authorized Issuer Representative and delivered to the Indenture Trustee and shall include any exhibits, schedules and attachments thereto and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

"Tax-Exempt Component" means any Component of the Loan that corresponds to a Class of Series 2014 Tax-Exempt Bonds.

"Taxable Component" means any Component of the Loan that corresponds to a Class of Series 2014 Taxable Bonds.

"Taxes" means any real property and personal property taxes, assessments, water rates or sewer rents, and any other tax assessment, levy, fee or charge, general or special, ordinary or extraordinary, foreseen or unforeseen, of whatever nature or kind, now or hereafter levied or assessed or imposed against the Mortgaged Property or part thereof by any Governmental Authority.

"Tenant" means any Person leasing, subleasing or otherwise occupying any portion of the Mortgaged Property under a Lease or other occupancy agreement with Borrower.

"Third Party Reports" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Third Party Reports – *Copies of Third Party Reports*" in the Official Statement to which this Appendix A is attached.

"TIAA" means the Teachers Insurance and Annuity Association of America, a New York corporation.

"Title Insurance Policy" means that certain ALTA (or its equivalent) mortgagee title insurance policy issued with respect to the Mortgaged Property and insuring the lien of the Mortgage.

"Transfer" means a voluntary or involuntary sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, grant of any options with respect to, or any other transfer or disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a legal or beneficial interest.

"Transferee" has the meaning set forth under the heading "DESCRIPTION OF THE LOAN AGREEMENT – Assumption" in the Official Statement to which this Appendix A is attached.

"Trimont" means Trimont Real Estate Advisors Inc., a Georgia corporation, and its successors-in-interest.

"TRIPRA" means the Terrorism Risk Insurance Program Reauthorization Act of 2007.

"TTM" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Additional Information Regarding the Loan and the Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"U.S. Holder" has the meaning set forth under the heading "TAX MATTERS – Series 2014 Taxable Bonds – *U.S. Holders*" in the Official Statement to which this Appendix A is attached.

"UBSFS" has the meaning set forth under the heading "UNDERWRITING" in the Official Statement to which this Appendix A is attached.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, that if by reason of mandatory provisions of law, the perfection or the effect of perfection or nonperfection of the security interest in the Mortgaged Property is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York. "UCC" also means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or nonperfection.

"Underwriter Entities" has the meaning set forth under the heading "CERTAIN RISK FACTORS – Potential Conflicts of Interest of the Underwriters and Their Affiliates" in the Official Statement to which this Appendix A is attached.

"Underwriters" has the meaning set forth under the heading "UNDERWRITING" in the Official Statement to which this Appendix A is attached.

"Underwritten Net Cash Flow" or "Underwritten NCF" or "UW NCF" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Additional Information Regarding the Loan and the Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"Underwritten Net Operating Income" or "Underwritten NOI" or "UW NOI" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Additional Information Regarding the Loan and the Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"Unscheduled Payments" means with respect to any Bond Payment Date, the aggregate of (a) all principal prepayments received on the Loan (or the REO Loan) during the applicable Collection Period, including without limitation all amounts applied to principal under the Loan Documents from excess cash flow on and after the Anticipated Repayment Date and (b) the principal portions of all Liquidation Proceeds, Net Condemnation Proceeds and Net Insurance Proceeds (in each case, net of Special Servicing Fees, Liquidation Fees, accrued interest on Advances and other Borrower Reimbursable Expenses incurred in connection with the Loan) and, if applicable, or net proceeds of a sale of REO Property received with respect to the Loan or

REO Property during the applicable Collection Period, but in each case only to the extent that such principal portion represents a recovery of principal for which no advance was previously made in respect of a preceding Bond Payment Date.

"UW NCF Debt Service Coverage Ratio" or "Underwritten NCF DSCR" or "Debt Service Coverage Ratio" or "DSCR" has the meaning set forth under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY – Additional Information Regarding the Loan and the Mortgaged Property" in the Official Statement to which this Appendix A is attached.

"Voting Eligible" means the Voting Rights of the Series 2014 Bonds assuming for purposes of calculating such Voting Rights that all Realized Losses and Appraisal Reduction Amounts have been applied to reduce the Principal Balance of the Series 2014 Bonds in the order set forth in the Servicing Agreement.

"Voting Rights" means, with respect to any matter requiring the vote, consent or approval of the Series 2014 Bonds, or any Class thereof, the aggregate Principal Balance of the Series 2014 Bonds, or Class thereof, then Outstanding, except that where any vote, consent or approval requires a percentage of the Voting Eligible Bonds, or both, then the Voting Rights will be adjusted in accordance with the definition of "Voting Eligible."

"Wachovia" "has the meaning set forth under the heading "DESCRIPTION OF THE MASTER SERVICER AND SPECIAL SERVICER" in the Official Statement to which this Appendix A is attached.

"Wells Fargo" means Wells Fargo Bank, National Association, a national banking association, and its successors-in-interest.

"Workout Fee" means, with respect to a Corrected Loan, a fee payable to the Special Servicer pursuant to the Servicing Agreement, in an amount equal to the amount accrued at the Workout Fee Rate on each payment of interest, other than Default Interest, and principal received from the Borrower on the Loan for so long as it remains a Corrected Loan; provided that no Workout Fee shall be payable with respect to a Corrected Loan if and to the extent that the Corrected Loan became a Specially Serviced Loan under clause (b) or (c) of the definition of "Servicing Transfer Event" (and no other clause thereof) and no Mortgage Event of Default actually occurs, unless the Loan is modified by the Special Servicer in accordance with the terms of the Servicing Agreement; and provided, further, that any such Workout Fee shall be reduced by any Net Modification Fees paid by the Borrower with respect to the Loan that were retained by the Special Servicer (each amount of the Workout Fee will be reduced to an amount (but not to an amount less than zero) until the aggregate amount of such reductions equals such Net Modification Fees).

"Workout Fee Rate" means, with respect to a Corrected Loan as to which a Workout Fee is payable, 0.5% per annum.

"Yield Maintenance Premium" means the additional amounts paid by the Borrower pursuant to the Loan Agreement.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST

The following is a brief summary of certain provisions of the Indenture. This summary does not purport to be comprehensive or complete, and reference is made to the Indenture for full and complete statements of all such provisions.

General Terms and Provisions of Bonds

Limitation of Bond Issuer's Liability

The Bonds shall be special revenue obligations of the Bond Issuer payable solely from the revenues and assets pledged therefor pursuant to the Indenture. The Bonds shall not be a debt of either the State of New York or of The City of New York and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Bond Issuer other than those of the Bond Issuer pledged therefor.

(Section 2.03)

Cancellation of Bonds

All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Indenture Trustee when such payment or redemption is made, and such Bonds together with all Bonds redeemed by the Indenture Trustee, shall thereupon be promptly canceled. Bonds so canceled shall be held by the Indenture Trustee or, upon the written request of the Bond Issuer, delivered to the Bond Issuer.

(Section 3.07)

Requirements With Respect to Transfers

In all cases in which the privilege of transferring Bonds is exercised, the Bond Issuer shall execute and the Indenture Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Indenture. All Bonds surrendered in any such transfer shall forthwith be canceled by the Indenture Trustee. For every such transfer of Bonds, the Bond Issuer or the Indenture Trustee may, as a condition precedent to the privilege of making such transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such transfer, which sum or sums shall be paid by the Person requesting such transfer.

(Section 3.08)

Access to List of Bondholders' Names and Addresses; Special Notices

The Indenture Trustee shall maintain in as current form as is reasonably practicable the most recent list available to it of the names and addresses of the Bondholders. If any Bondholder that has provided an Investor Certification (i) requests in writing from the Indenture Trustee a list of the names and addresses of Bondholders, (ii) states that such Bondholder desires to communicate with other Bondholders with respect to its rights under the Indenture or under the Bonds and (iii) provides a copy of the communication which such Bondholder proposes to transmit (a "Special Notice"), then the Indenture Trustee shall, within 10 Business Days after the receipt of such request, afford such Bondholder access during normal business hours to a current list of the Bondholders. Every Bondholder, by receiving and holding a Bond, agrees that the Indenture Trustee shall not be held accountable by reason of the disclosure of any such information as to the list of the

Bondholders under the Indenture, regardless of the source from which such information was derived. The Master Servicer and the Special Servicer shall be entitled to a list of the names and addresses of Bondholders from time to time upon request therefor.

Upon the written request of any Bondholder that (i) has provided an Investor Certification, (ii) states that such Bondholder desires the Indenture Trustee to transmit a Special Notice to all Bondholders stating that such Bondholder wishes to be contacted by other Bondholders, setting forth the relevant contact information and briefly stating the reason for the requested contact and (iii) provides a copy of the Special Notice which such Bondholder proposes to transmit, the Indenture Trustee shall deliver such Special Notice to all Bondholders at their respective addresses appearing on the Bond Register. The costs and expenses of the Indenture Trustee associated with delivering any such Special Notice shall be borne by the party requesting such Special Notice. Every Bondholder, by receiving and holding a Bond, agrees that the Indenture Trustee shall not be held accountable by reason of the disclosure of any such Special Notice to Bondholders, regardless of the information set forth in such Special Notice.

(Section 3.10)

Creation of Funds and Accounts

Pursuant to the Indenture, the following Funds and Accounts are established and created:

Bond Proceeds Fund
Revenue Fund
    Excess Interest Distribution Account
    ARD Payment Premium Distribution Account
Redemption Fund
Rebate Fund

All of the Funds and Accounts created under the Indenture (other than the Rebate Fund) shall be held by the Indenture Trustee, or in one or more depositories in trust for the Indenture Trustee, in each case for the benefit of the Bondholders. All moneys and investments deposited with or in trust for the Indenture Trustee (which shall exclude the Rebate Fund) shall be held in trust and applied only in accordance with the Indenture and shall be trust funds for the purposes of the Indenture. The Rebate Fund shall be held by the Indenture Trustee but shall not be pledged under the Indenture.

(Section 4.02)

Bond Proceeds Fund

There shall be deposited in the Bond Proceeds Fund the proceeds of the sale of the Bonds, to be disbursed upon written direction from the Bond Issuer to the Indenture Trustee for refunding of the Prior Bonds as required by the terms of the Indenture, and, with respect to payment of Costs of Issuance and funding of reserves maintained under the Loan Agreement, pursuant to a written requisition, executed by an Authorized Bond Issuer Representative, setting forth the amount to be paid, the person or persons to whom such payment is to be made (which may be or include the Corporation) and, in reasonable detail, the purpose of such withdrawal.

(Section 4.03)

Payments into Rebate Fund; Application of Rebate Fund

(a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Indenture Trustee or any Bondholder or any other person other than as set forth below.

(b) The Indenture Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Bond Issuer Representative, shall deposit in the Rebate Fund at least as frequently as the end of each fifth (5th) Bond Year and at the time that the last Bond that is part of the issue is discharged, an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of such time of calculation. The amount deposited in the Rebate Fund pursuant to the previous sentence shall be deposited from earnings on Funds and Accounts and, to the extent otherwise required for payment of the Rebate Amount, from amounts paid by the Borrower to the Indenture Trustee.

(c) Amounts on deposit in the Rebate Fund shall be invested in the same manner as amounts on deposit in the Funds and Accounts, except as otherwise specified by an Authorized Bond Issuer Representative to the extent necessary to comply with the tax covenants contained in the Indenture, and except that the income or interest earned and gains realized in excess of losses suffered by the Rebate Fund due to the investment thereof shall be deposited in or credited to the Rebate Fund from time to time and reinvested.

(d) In the event that, on any date of calculation of the Rebate Amount, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Indenture Trustee, upon the receipt of written instructions from an Authorized Bond Issuer Representative, shall withdraw such excess amount and deposit it in the Revenue Fund.

(e) The Indenture Trustee, upon and only upon the receipt of written instructions and certification of the Rebate Amount from an Authorized Bond Issuer Representative, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the date of original issuance of the Tax-Exempt Bonds, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Tax-Exempt Bonds, and (ii) not later than sixty (60) days after the date on which all Tax-Exempt Bonds have been paid in full, one hundred percent (100%) of the Rebate Amount as of the date of payment.

(Section 4.05)

Revenue Fund and Distributions

(a) The Indenture Trustee shall establish and maintain the Revenue Fund into which the Indenture Trustee shall deposit on each Master Servicer Remittance Date the Available Distribution Amount distributed to the Indenture Trustee on such Master Servicer Remittance Date pursuant to the Servicing Agreement.

(b) The Indenture Trustee shall make withdrawals from the Revenue Fund to make distributions to the Bondholders pursuant to the Servicing Agreement.

(c) Amounts paid by the Master Servicer or the Special Servicer to the Indenture Trustee as Excess Interest shall be deposited in the Excess Interest Distribution Account and shall be paid to the Bondholders, in the Class Priority and at the times, as set forth in the Servicing Agreement.

(d) Amounts paid by the Master Servicer or the Special Servicer to the Indenture Trustee as ARD Payment Premium shall be deposited in the ARD Payment Premium Distribution Account and shall be paid to the Bondholders, at the times, as set forth in the Servicing Agreement.

(Section 4.06)

Application of Distributions

(a) All amounts distributable to each Class of Bonds pursuant to the provisions of the Indenture summarized above in subsection (b) under the heading "Revenue Fund and Distributions" on each Bond

Payment Date shall be allocated *pro rata* among the Outstanding Bonds that are part of such Class based on their respective Percentage Interests. Such distributions shall be made on each Bond Payment Date to each Bondholder of record on the related Record Date by wire transfer of immediately available funds to the account of such Bondholder at a bank or other entity located in the United States and having appropriate facilities therefor; provided, that the Indenture Trustee has received appropriate wire transfer instructions therefrom, or by check by first class mail to the address set forth therefor in the Bond Register if wiring instructions have not been received at least five (5) Business Days prior to the Bond Payment Date. The final distribution on each Bond shall be made in like manner, but only upon presentment and surrender of such Bond at the location specified by the Indenture Trustee in the notice to Bondholders of such final distribution.

(b) Any funds not distributed to any Bondholder or Bondholders on a Bond Payment Date on which the final distribution is made with respect to the Bonds because of the failure of such Bondholder or Bondholders to tender their Bonds shall, on such date, be set aside and held in trust for the benefit of the appropriate non-tendering Bondholder or Bondholders. If any Bonds as to which notice has been given pursuant to this section shall not have been surrendered for cancellation within six months after the time specified in such notice, the Indenture Trustee shall mail a second notice to the remaining non-tendering Bondholders to surrender their Bonds for cancellation to receive the final distribution with respect thereto. If within one year after the second notice not all of such Bonds shall have been surrendered for cancellation, the Indenture Trustee may, directly or through an agent, take appropriate steps to contact the remaining non-tendering Bondholders concerning surrender of their Bonds. The costs and expenses of holding such funds in trust and of contacting such Bondholders shall be paid out of such funds. All such amounts shall be held by the Indenture Trustee in trust in accordance with the Indenture until the expiration of a two year period following such second notice, notwithstanding any termination of the Indenture. If within two years after the second notice any such Bonds shall not have been surrendered for cancellation, the Indenture Trustee shall hold all amounts distributable to the Bondholders thereof for the benefit of such Bondholders until the earlier of (i) its termination as Indenture Trustee under the Indenture and the transfer of such amounts to a successor Indenture Trustee and (ii) the termination of the Indenture, at which time such amounts shall be distributed to the Servicer for deposit into the Collection Account. No interest shall accrue or be payable to any Bondholder on any amount held in trust under the Indenture or by the Indenture Trustee as a result of such Bondholder's failure to surrender its Bond(s) for final payment thereof in accordance with this subsection (b). Any such amounts transferred to the Indenture Trustee may, but need not be, invested in Permitted Investments and all income and gain realized from investment of such funds shall be for the benefit of the Indenture Trustee.

(c) The Indenture Trustee shall be responsible for the calculations with respect to distributions described in this section and in the Servicing Agreement so long as the trusts created by the Indenture shall not have been terminated in accordance with the terms of the Indenture. The Indenture Trustee shall have no duty to recompile, recalculate or verify the accuracy of information provided to it by the Master Servicer pursuant to the Servicing Agreement and, in the absence of manifest error on its face in such information, may conclusively rely upon it.

(Section 4.07)

Redemption Fund

Amounts representing funds provided by the Bond Issuer for the redemption of Bonds pursuant to the provisions of the Indenture shall be deposited when received in the Redemption Fund. Subject to the provisions of the Indenture, and pursuant to direction from the Bond Issuer to the Indenture Trustee, such amounts shall be applied to the redemption of Bonds as set in the Indenture.

(Section 4.08)

Revenues to Be Held for All Bondholders; Certain Exceptions

Until applied as provided in the Indenture to the payment of Bonds or transferred to the Borrower pursuant to the provisions of the Indenture summarized below under the heading "Payment to the Borrower from the Funds and Accounts," and subject to the Class Priority of payments, Revenues shall be held by the Indenture Trustee in trust for the benefit of the Bondholders of all Outstanding Bonds, and any portion of the Revenues representing principal or Redemption Price of, and interest on, any Bonds previously matured or called for redemption in accordance with the Indenture shall be held for the benefit of the holders of such Bonds only. Except as otherwise provided in the Indenture, none of the Borrower, or any guarantor of the Borrower, shall have any right, title or interest, in or to any of the moneys, investments or earnings in any Accounts or sub-Accounts thereof.

(Section 4.11)

Investment of Funds and Accounts

(a) Amounts in the Rebate Fund may, if and to the extent then permitted by law, be invested only in Permitted Investments. Amounts in the Revenue Fund shall be held uninvested. Any investment authorized in the Indenture is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Tax-Exempt Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code. Such investments shall be made by the Indenture Trustee only at the written request (including by electronic means) of an Authorized Bond Issuer Representative, such written request to specify the particular investment to be made. To the extent possible, the Indenture Trustee shall make investments within one Business Day of such written request. Any investment under the Indenture shall be made in accordance with the Tax Certificate. Such investments shall mature no later than the times necessary to provide funds when needed to make payments from the applicable Fund, Account or sub-Account. Net income or gain received and collected from such investments shall be credited and losses charged to the Fund, Account or sub-Account for which such investment shall have been made.

(b) The Indenture Trustee, after consultation with the Bond Issuer, shall sell at the best price reasonably obtainable by it or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds, Accounts or sub-Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds, Accounts and sub-Accounts as may be required from time to time pursuant to the provisions of the Indenture. As soon as practicable after any such sale, redemption or exchange, the Indenture Trustee shall give notice thereof to the Bond Issuer, the Master Servicer, the Special Servicer and the Borrower.

(c) Neither the Indenture Trustee nor the Bond Issuer shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds, Accounts and sub-Accounts shall be invested or from any other loss, fee, tax or charge in connection with any investment, reinvestment or liquidation of an investment under the Indenture. The investments authorized by this section shall at all times be subject to the provisions of Applicable Law, as in effect from time to time.

(d) Permitted Investments shall be valued at the lesser of cost or market price, inclusive of accrued interest.

(e) Upon receipt of written instructions from an Authorized Bond Issuer Representative, the Indenture Trustee shall exchange any coin or currency of the United States of America or Permitted Investments held by it pursuant to the Indenture for any other coin or currency of the United States of America or Permitted Investments of like amount.

(Section 4.12)

Payment to the Borrower from the Funds and Accounts

After payment in full of the Bonds in accordance with the provisions of the Indenture summarized below under the heading "Defeasance" and the payment of all fees, charges and expenses of the Bond Issuer, the Indenture Trustee (in each of its capacities), the Bond Registrar, the Master Servicer, the Special Servicer, the Operating Advisor and the Paying Agent and all other amounts required to be paid under the Indenture, under each of the Loan Documents and under the Servicing Agreement, and the payment of any amounts which the Indenture Trustee is directed to rebate to the Federal government pursuant to the Indenture and the Tax Certificate, all amounts remaining in the Funds and Accounts (which are not required to be delivered to the United States government) shall be paid to the Borrower.

(Section 4.13)

Payment of Redeemed Bonds

(a) Notice having been given in the manner provided in the Indenture, the Classes of Bonds so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price. If, on the Redemption Date, moneys for the redemption of all Classes of Bonds to be redeemed shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the Redemption Date, interest on the Classes of Bonds so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the Redemption Date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(b) Redemption Payments shall be made to or upon the order of the registered owner only upon presentation of such Bonds for cancellation as provided in the provisions of the Indenture summarized below under the heading "Cancellation of Redeemed Bonds"; provided, however, that any Bondholder of at least $1,000,000 in aggregate principal amount of Bonds to be redeemed may, by written request to the Indenture Trustee, received by the Indenture Trustee at least five (5) Business Days prior to the Redemption Date, direct that payments of Redemption Price be made by wire transfer in federal funds at such wire transfer address as the owner shall specify to the Indenture Trustee in such written request.

(Section 5.04)

Cancellation of Redeemed Bonds

Each Bond redeemed under the provisions of the Indenture, shall forthwith be canceled and returned to the Bond Issuer and no Bonds shall be executed, authenticated or issued under the Indenture in exchange or substitution therefor.

(Section 5.05)

Payment of Principal and Interest

The Bond Issuer covenants in the Indenture that it will from the sources contemplated in the Indenture promptly pay, or cause to be paid, the Bonds from the Available Distribution Amount (including the Redemption Price, if any) at the place, on the dates and in the manner provided in the Indenture, in the Servicing Agreement and in the Bonds according to the true intent and meaning thereof. All covenants, stipulations, promises, agreements and obligations of the Bond Issuer contained in the Indenture shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Bond Issuer and not of any member, officer, director, employee or agent thereof in his individual capacity, and no resort shall be had for the payment of the principal and Redemption Price, if any, of, and interest on the Bonds, or for any claim

based thereon or under the Indenture against any such member, officer, director, employee or agent or against any natural person executing the Bonds. The Bond Issuer shall not be required under the Indenture or the Loan Agreement or any other Loan Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the Loan payments, revenues and receipts, and other moneys pledged to the payment of the Bonds, and (iii) any income or gains therefrom.

(Section 6.01)

Loan Agreement

Subject to the Bond Issuer's enforcement rights with respect to the Reserved Rights, all covenants and obligations of the Borrower under the Loan Agreement shall be enforceable either by the Master Servicer or the Special Servicer, as the case may be, on behalf of the Bond Issuer or the Indenture Trustee in accordance with the Servicing Agreement, each of whom, in its own name or in the name of the Bond Issuer, is granted by the Indenture the right to enforce all rights of the Bond Issuer and all obligations of the Borrower under the Loan Agreement, whether or not the Bond Issuer is enforcing such rights and obligations.

(Section 6.04)

Creation of Liens

The Bond Issuer shall not create or suffer to be created, or incur or issue any evidences of Indebtedness secured by, any Lien or charge upon or pledge of the loan payments derived pursuant to the Loan Agreement and the Note and assigned to the Indenture Trustee under the Indenture, except the Lien, charge and pledge created by the Indenture, the Note and the Loan Agreement.

(Section 6.05)

Validity of Lien

To the fullest extent provided by the Act and other applicable laws, the revenues and property pledged by the Indenture shall immediately be subject to the Lien of such pledge without any physical delivery thereof or further act, and such lien shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice thereof.

(Section 6.07)

Consent of the Indenture Trustee

The Indenture Trustee may seek direction from the Bondholders of a majority in Voting Rights of the Bonds Outstanding or rely upon an Opinion of Counsel to the effect that the Indenture Trustee is not required to obtain the consent of Bondholders in providing any such consent under the Indenture or any other Loan Document, and the Indenture Trustee shall have no liability for failure to take any action in connection with the Indenture or any other Loan Document except to the extent that action shall otherwise be expressly required of the Indenture Trustee under the Indenture.

(Section 6.08)

Servicing Agreement

The Indenture Trustee agrees in the Indenture to cooperate with and assist the Master Servicer and the Special Servicer in connection with the obligations of the Master Servicer and the Special Servicer under the Servicing Agreement and comply with the terms of the Servicing Agreement. The parties to the Indenture

acknowledge receipt of the Servicing Agreement and agree that, notwithstanding anything to the contrary provided in the Indenture, the terms thereof shall apply to the Bonds including, but not limited to, that the payment of interest on, principal or Redemption Price, if any, of the Bonds from Revenues is subject to the payment priorities set forth in the Servicing Agreement and that the Master Servicer and the Special Servicer have the authority to modify, waive or amend the terms of the Loan, which shall be accompanied by similar modification, waiver or amendment of applicable provisions of the Indenture and the Bonds, as and to the extent provided in the Servicing Agreement, without compliance with the provisions of the Indenture with respect to amendments and supplements thereto, as further provided for in the provisions of the Indenture summarized below under the heading "Modifications, Amendments and Waivers."

(Section 6.09)

Tax Covenants

(a) The following covenants are made solely for the benefit of the owners of, and shall be applicable solely to, the Tax-Exempt Bonds.

(b) The Bond Issuer shall at all times do and perform all acts and things permitted by law necessary or desirable in order to assure that interest paid on the Tax-Exempt Bonds shall be excluded from gross income for Federal income tax purposes, except in the event that the owner of any such Tax-Exempt Bond is a "substantial user" of the facility financed by the Tax-Exempt Bonds or a "related person" within the meaning of the Internal Revenue Code.

(c) The Bond Issuer shall not permit at any time or times any of the proceeds of the Tax-Exempt Bonds or any other funds of the Bond Issuer to be used directly or indirectly to acquire any securities, obligations or other investment property, the acquisition of which would cause any Tax-Exempt Bond to be an "arbitrage bond" as defined in Section 148(a) of the Internal Revenue Code.

(d) The Bond Issuer shall not permit any person or "related person" (as defined in the Internal Revenue Code) to purchase Tax-Exempt Bonds in an amount related to the amount of the Mortgage Loan to be acquired by the Bond Issuer from such person or "related person".

(Section 6.10)

Events of Default; Acceleration of Due Date

(a) Each of the following events is defined as and shall constitute an "Event of Default" under the Indenture:

(i) The occurrence of an Interest Shortfall with respect to any Bond of Class A through E;

(ii) The occurrence of an Interest Shortfall with respect to any Bond of Class F, in any month within either semi-annual period consisting of (i) January 1 to June 30 and (ii) July 1 to December 31, to the extent such Interest Shortfall continues to exist, in whole or in part, at the end of the immediately succeeding such semi-annual period;

(iii) Failure in the payment of the principal, or Redemption Price, if any, of any Bond, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to but not including the date of redemption after notice of redemption or otherwise;

(iv) Failure of the Bond Issuer to observe or perform any covenant, condition or agreement in the Bonds or under the Indenture on its part to be performed (other than as set forth in subsection (a)(i), (ii) or (iii) above) and (A) continuance of such failure for a period of thirty (30) days after receipt by the Bond Issuer and the Borrower of written notice specifying the nature of such default from the Indenture Trustee or the Bondholders of a majority in Voting Rights of the Bonds Outstanding, or (B) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Bond Issuer or the Borrower fails to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same, provided, however, that no default under this subsection (a)(iv), other than a default as shall cause an Adverse Tax-Exempt Bonds Event, shall constitute an Event of Default unless the Master Servicer or the Special Servicer shall have given written notice to the Indenture Trustee consenting thereto; or

(v) The occurrence of an "Event of Default" under, and as defined in, the Loan Agreement; provided however, that no default under this subsection (a)(v), other than a default (A) under the Loan Agreement with respect to a failure to pay the Debt (as such term is defined in the Loan Agreement), or (B) that would cause an Adverse Tax-Exempt Bonds Event, shall constitute an Event of Default unless the Master Servicer or the Special Servicer shall have delivered to the Indenture Trustee written consent thereto; provided further, however, that no such default under the Loan Agreement that results in the occurrence of an Interest Shortfall with respect to any Bond of Class F shall constitute an Event of Default under this Indenture unless the passage of time set forth in subsection (a)(ii) above has occurred.

(b) Upon the happening and continuance of any Event of Default specified in subsection (a)(v) above (but subject to the provisions of the Indenture summarized below under the heading "Enforcement of Remedies"), and if the principal of all the Bonds shall have not prior thereto become due and payable, then, either the Indenture Trustee (by notice in writing to the Bond Issuer, the Master Servicer, the Special Servicer, the Operating Advisor and the Borrower) or the Bondholders of a majority in Voting Rights of the Bonds Outstanding (by notice in writing to the Bond Issuer, the Master Servicer, the Special Servicer, the Borrower, the Operating Advisor and the Indenture Trustee), in each case with the prior written consent of the Special Servicer, may declare the principal of all the Bonds then Outstanding and the interest accrued thereon, to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything in the Indenture or in any of the Bonds contained to the contrary notwithstanding.

(c) Upon the happening and continuance of any Event of Default specified in subsection (a)(iv) above, the sole remedy of the Bondholders shall be for the Indenture Trustee to proceed to protect and enforce the rights of the Bondholders under the Bonds and the Indenture forthwith by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, for the specific performance of any covenant or agreement of the Bond Issuer contained in the Bonds and the Indenture.

(d) Upon the happening and continuance of any Event of Default specified in subsection (a)(i), (ii) or (iii) above (but subject to the provisions of the Indenture summarized below under the heading "Enforcement of Remedies") and a Liquidation, the Indenture Trustee shall declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable. The obligation of the Indenture Trustee to make such declaration shall be absolute and shall be exercised, notwithstanding any objection of the Borrower, the Bond Issuer, any Bondholder, or any other Person.

(e) Upon the happening and continuance of any Event of Default, and except as otherwise stated in subsection (c) above with respect to any Event of Default specified in subsection (a)(iv) above, all remedies available to the Indenture Trustee or the Bondholders of any of the Bonds, with respect to the Loan Documents

(except for the Reserved Rights), shall be subject to the Servicing Agreement, including, in all cases, the ability to enforce any remedy with respect to the Loan Documents.

(f) In each case subject to the prior written consent of the Special Servicer thereto, the right of the Indenture Trustee or of the Bondholders of a majority in Voting Rights of the Bonds Outstanding to make any such declaration of acceleration as aforesaid (but not the Indenture Trustee's obligations under subsection (d) above), however, is subject to the condition that if, at any time before such declaration, all overdue installments of principal of and interest on all of the Bonds which shall have matured by their terms, the unpaid Redemption Price of the Bonds has been paid by or for the account of the Bond Issuer, and all other Events of Default have been otherwise remedied, and the reasonable and proper charges, expenses and liabilities of the Indenture Trustee, shall either be paid by or for the account of the Bond Issuer or provision satisfactory to the Indenture Trustee shall be made for such payment, and the Mortgaged Property shall not have been sold or re-let or otherwise encumbered, and all defaults have been otherwise remedied as provided in the Indenture, then and in every such case any such default and its consequences shall ipso facto be deemed to be annulled, but no such annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

(Section 7.01)

Enforcement of Remedies

(a) If and only to the extent directed in writing by the Special Servicer in accordance with the provisions of the Servicing Agreement, and subject to the provisions of the Indenture summarized above in subsection (c) under the heading "Events of Default; Acceleration of Due Date", upon the occurrence and continuance of any Event of Default, then and in every case the Indenture Trustee shall proceed to protect and enforce its rights and the rights of the Bondholders under the Bonds, the Loan Agreement, the Note, the Indenture and under any other Loan Document forthwith by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in the Indenture or in any Loan Document or in aid of the execution of any power granted in the Indenture or in any other Loan Document or for the enforcement of any legal or equitable rights or remedies as the Indenture Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under the Indenture or under any other Loan Document. In addition to any rights or remedies available to the Indenture Trustee under the Indenture or elsewhere, upon the occurrence and continuance of an Event of Default, the Indenture Trustee may take such action, without notice or demand, as it deems advisable, with the prior written consent of the Special Servicer.

(b) If directed in writing by the Special Servicer, in the enforcement of any right or remedy under the Indenture or under any other Loan Document, the Indenture Trustee, subject to the provisions of this section, shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Bond Issuer, for principal, interest, Redemption Price or otherwise, under any of the provisions of the Indenture, of any other Loan Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under the Indenture, under any such other Loan Document and under the Bonds, without prejudice to any other right or remedy of the Indenture Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Bond Issuer, but solely as provided in the Servicing Agreement, the Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Revenue Fund and other moneys available therefor to the extent provided in the Indenture) in any manner provided by applicable law, the moneys adjudged or decreed to be payable.

(c) Regardless of the occurrence of an Event of Default, the Indenture Trustee, if directed in writing by the Special Servicer, shall institute and maintain such suits and proceedings as it may be advised

shall be necessary or expedient to prevent any impairment of the security under the Indenture or under any other Loan Document by any acts which may be unlawful or in violation of the Indenture or of such other Loan Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Indenture Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided however, that such request shall not be otherwise than in accordance with the provisions of Applicable Law, of the Servicing Agreement and of the Indenture and shall not be unduly prejudicial to the interests of the Bondholders not making such request. All related cost and expenses shall be for the account of the requesting party or group.

(Section 7.02)

Indenture Trustee to Cooperate with Servicers

The Indenture Trustee agrees in the Indenture to comply with the Servicing Agreement. In furtherance thereof, the Indenture Trustee is directed in the Indenture to enter into the Servicing Agreement, and the Indenture Trustee agrees in the Indenture to follow the written directions of the Master Servicer and the Special Servicer to the extent set forth in the Servicing Agreement or the Indenture.

(Section 7.03)

Application of Revenues and Other Moneys After Default or Liquidation

(a) All moneys received by the Indenture Trustee pursuant to any right given or action taken under the Indenture or under the Servicing Agreement or any other Loan Document, during the occurrence and continuance of an Event of Default, shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Indenture Trustee, be applied in accordance with the provisions of the Servicing Agreement.

(b) Whenever moneys are to be applied pursuant to the provisions of this section, such moneys shall be applied at such times, and from time to time, as the Indenture Trustee shall determine, having due regard to the amount of such moneys available in the future. Whenever the Indenture Trustee shall apply such funds, it shall fix the date (which shall be a Bond Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Indenture Trustee shall give such written notice to the Bondholders as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Bondholder of any Bond until such Bond shall be presented to the Indenture Trustee for appropriate endorsement or for cancellation if fully paid.

(Section 7.04)

Actions by Indenture Trustee

All rights of actions under the Indenture, under any other Loan Document or under any of the Bonds may be enforced by the Indenture Trustee, as and to the extent permitted under the Indenture and under the Servicing Agreement, without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Indenture Trustee shall be brought in its name as Indenture Trustee without the necessity of joining as plaintiffs or defendants any Bondholders, and any recovery of judgment shall, subject to the provisions of the Indenture summarized above under the heading "Application of Revenues and Other Moneys After Default or Liquidation" and the Servicing Agreement, be for the equal benefit of the Bondholders of the Outstanding Bonds.

(Section 7.05)

Individual Bondholder Action Restricted

No Bondholder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provisions of the Indenture or the execution of any trust under the Indenture, unless such Bondholder shall have previously given to the Indenture Trustee written notice of the occurrence of an Event of Default as provided in the Indenture, and the Holders of a majority in Voting Rights of the Bonds then Outstanding shall have filed a written request with the Indenture Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in the Indenture to institute such action, suit or proceeding in its own name, and unless such Bondholders shall have offered to the Indenture Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Indenture Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Bondholders shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture except in the manner provided in the Indenture; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided in the Indenture, to the extent directed in writing by the Special Servicer, and, subject to the provisions of the Indenture summarized above under the headings "Enforcement of Remedies" and "Application of Revenues and Other Moneys After Default or Liquidation", be for the equal benefit of all Bondholders of the Outstanding Bonds.

(Section 7.06)

Waivers of Default

Except as otherwise provided in the Indenture, as summarized below under the heading "Modifications, Amendments and Waivers", the Indenture Trustee shall, at the direction of the Special Servicer, waive any Event of Default under the Indenture and its consequences and rescind any declaration of acceleration.

(Section 7.11)

Modifications, Amendments and Waivers

Notwithstanding anything to the contrary provided in the Indenture, the terms of the Bonds and of the Indenture shall be deemed modified or amended, and a default under the Bonds or the Indenture shall be deemed waived, in each case to the extent the Master Servicer or Special Servicer waives, modifies or amends the Loan effected pursuant to the Servicing Agreement. Each of the Bond Issuer and the Indenture Trustee covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such further acts, instruments and transfers as may be reasonably required to effectuate the purposes of this section. Each Bondholder shall be deemed to have consented to any such modification, amendment or waiver effected pursuant to the Servicing Agreement and this section. Upon the Indenture Trustee's receipt from the Master Servicer or the Special Servicer of the terms of any waiver, modification or amendment of the Loan as provided above, the Indenture Trustee shall promptly deliver written notice to all Bondholders, with a copy to the parties to the Servicing Agreement, that certain provisions of the Loan, the Indenture and the Bonds have been so waived, modified or amended.

(Section 7.12)

Resignation or Removal of Indenture Trustee

(a) The Indenture Trustee may resign and thereby become discharged from the trusts created under the Indenture for any reason by giving written notice by registered or certified mail, postage prepaid, to the Bond Issuer, the Borrower, the Master Servicer, the Special Servicer, the Operating Advisor and the

Bondholders not less than sixty (60) days before such resignation is to take effect, but such resignation shall not take effect until (i) the appointment and acceptance thereof of a successor Indenture Trustee, and (ii) the transfer of the Trust Corpus (hereinafter defined) to such successor Indenture Trustee.

(b) The Indenture Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with the Indenture Trustee and signed by the Bond Issuer or the Bondholders of not less than a majority in Voting Rights of the Bonds then Outstanding or their attorneys-in-fact duly authorized. Other than a removal for cause, the Indenture Trustee shall be paid all costs and expenses, including reasonable attorneys' fees and expenses, related to the transfer and assignment to the successor Indenture Trustee. Such transfer shall become effective upon the appointment and acceptance of such appointment by a successor Indenture Trustee. The Indenture Trustee shall promptly give notice of such filing to the Bond Issuer and the Borrower. No removal shall take effect until the appointment and acceptance thereof of a successor Indenture Trustee. If the Indenture Trustee shall resign or shall be removed, such Indenture Trustee must transfer and assign to the successor Indenture Trustee, not later than thirty (30) days from the date specified in the removal notice, if any, or the date of the acceptance by the successor Indenture Trustee of its appointment as such, whichever shall last occur, (i) all amounts (including all investments thereof) held in any Fund, Account or sub-Account under the Indenture, together with a full accounting thereof, (ii) all records, files, correspondence, registration books, Bond inventory, all information relating to Bond payment status (i.e., Outstanding principal payment and interest payment schedules, pending notices of redemption, payments made and to whom, delinquent payments, default or delinquency notices, deficiencies in any Fund, Account or sub-Account balance, etc.) and all such other information (in whatever form) in the possession of the Indenture Trustee being removed or resigning and (iii) all Loan Documents and other documents or agreements (including, without limitation, all UCC financing statements), including, without limitation, all insurance policies or certificates, letters of credit or other instruments provided to the Indenture Trustee being removed or resigning (clauses (i), (ii) and (iii), together with the Indenture Trust Estate, being collectively referred to as the "Trust Corpus").

(Section 8.07)

Successor Indenture Trustee

(a) If at any time the Indenture Trustee shall be dissolved or otherwise become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator thereof, or of its property, shall be appointed, or if any public officer shall take charge or control of the Indenture Trustee or of its property or affairs, the position of Indenture Trustee shall thereupon become vacant. If the position of Indenture Trustee shall become vacant for any of the foregoing reasons or for any other reason or if the Indenture Trustee shall resign, the Borrower shall cooperate with the Bond Issuer and the Bond Issuer shall appoint a successor Indenture Trustee and shall use its best efforts to obtain acceptance of such trust by the successor Indenture Trustee within (60) days from such vacancy or notice of resignation. Within twenty (20) days after such appointment and acceptance, the Bond Issuer shall notify in writing the other Notice Parties and the holders of all Bonds.

(b) In the event of any such vacancy or resignation and if a successor Indenture Trustee shall not have been appointed within sixty (60) days of such vacancy or notice of resignation, the Bondholders of a majority in Voting Rights of the Bonds then Outstanding, by an instrument or concurrent instruments in writing, signed by such Bondholders or their attorneys-in-fact thereunto duly authorized and filed with the Bond Issuer, may appoint a successor Indenture Trustee which shall, immediately upon its acceptance of such trusts, and without further act, supersede the predecessor Indenture Trustee. If no appointment of a successor Indenture Trustee shall be made pursuant to the foregoing provisions of subsection (a) or (b), within sixty (60) days of such vacancy or notice of resignation, any Bondholder, the Bond Issuer, the Master Servicer, the Special Servicer, or any retiring Indenture Trustee or the Borrower may apply to any court of competent jurisdiction to appoint a successor Indenture Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Indenture Trustee.

(c) Any Indenture Trustee appointed shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States authorized to exercise corporate trust powers under the laws of the State and authorized by law and its charter to perform all the duties imposed upon it by the Indenture, the Servicing Agreement and each other Loan Document. In addition, any successor Indenture Trustee shall (i) have capital, surplus and undivided profits aggregating not less than $100,000,000, (ii) have long term unsecured debt rating of at least "A" by Fitch and "A" by S&P, and (iii) have a short term rating of at least "F1" by Fitch and "A-1" by S&P. Any successor Indenture Trustee shall agree to be bound by the terms of, and shall assume the obligations of the Indenture Trustee under, the Servicing Agreement.

(d) The predecessor Indenture Trustee shall transfer to any successor Indenture Trustee appointed as a result of a vacancy in the position the Trust Corpus by a date not later than thirty (30) days from the date of the acceptance by the successor Indenture Trustee of its appointment as such. Where no vacancy in the position of the Indenture Trustee has occurred, the transfer of the Trust Corpus shall take effect in accordance with the provisions of the Indenture summarized above under the heading "Resignation or Removal of Indenture Trustee."

(Section 8.08)

Amendments and Supplements Without Bondholders' Consent

(a) The Indenture and any Supplemental Indenture may be amended or supplemented at any time and from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by a resolution of the Bond Issuer, executed by the Bond Issuer and the Indenture Trustee and filed with the Indenture Trustee, for one or more of the following purposes:

(i) to add additional covenants of the Bond Issuer or to surrender any right or power conferred upon or retained by the Bond Issuer in the Indenture;

(ii) for any purpose not inconsistent with the terms of the Indenture or to cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any Supplemental Indenture which may be defective or inconsistent with any other provision contained in the Indenture or in any Supplemental Indenture, or to make such other provisions in regard to matters or questions arising under the Indenture that shall not adversely affect the interests of the Bondholders, provided that there is delivered to the Indenture Trustee a No Downgrade Confirmation;

(iii) to permit the Bonds to be converted to certificated securities to be held by the registered owners thereof;

(iv) to permit the appointment of a co-trustee under the Indenture;

(v) to authorize different authorized denominations of the Bonds of a Class and to make correlative amendments and modifications to the Indenture regarding exchangeability of Bonds of a Class of different authorized denominations and similar amendments and modifications of a technical nature;

(vi) to modify, alter, supplement or amend the Indenture in such manner as shall permit the qualification of the Indenture under the Trust Indenture Act or to permit the registration of the Bonds or any other security under the Securities Act if such amendment or supplement does not adversely affect the security for the Bonds;

(vii) to modify, alter, amend or supplement the Indenture in any other respect that is not materially adverse to the Bondholders, provided that there is delivered to the Indenture Trustee a No Downgrade Confirmation;

(viii) to grant to or confer upon the Indenture Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred, which are not contrary to or inconsistent with the Indenture or the Servicing Agreement as theretofore in effect, and which are not to the material prejudice of the Indenture Trustee or the Bondholders;

(ix) to confirm, as further assurance, any pledge under, and the subjection to any Lien or pledge created or to be created by, the Indenture, of the properties of the Mortgaged Property, or revenues or other income from or in connection with the Mortgaged Property or of any other moneys, securities or funds, or to subject to the Lien or pledge of the Indenture additional revenues, properties or collateral;

(x) to modify or amend such provisions of the Indenture as shall, in the Opinion of Bond Counsel, be necessary to assure the Federal tax exemption of the interest on the Tax-Exempt Bonds; or

(xi) to make any change not restricted by the provisions of the Indenture summarized below under the heading "Supplemental Indentures With Bondholders' Consent" requested by the Borrower provided that there is delivered to the Indenture Trustee a No Downgrade Confirmation and an Opinion of Bond Counsel to the effect that such amendment or change will not adversely affect the exclusion from federal income taxation of interest on any Class of Tax-Exempt Bonds Outstanding nor adversely affect the validity of the Bonds.

(b) No such amendment that is reasonably believed by the Indenture Trustee, the Borrower, the Master Servicer or the Special Servicer to adversely affect its rights, immunities and duties under the Indenture shall be effective without the written consent thereto of the Indenture Trustee, the Borrower, the Master Servicer or the Special Servicer, as applicable.

(c) Before the Bond Issuer and the Indenture Trustee shall enter into any Supplemental Indenture pursuant to this section, there shall have been delivered to the Indenture Trustee an Opinion of Bond Counsel stating that such Supplemental Indenture is authorized under the Indenture, and that such Supplemental Indenture will, upon the execution and delivery thereof, be valid and binding upon the Bond Issuer in accordance with its terms and will not adversely affect the exclusion from federal income taxation of interest on any Class of Tax-Exempt Bonds Outstanding.

(Section 9.01)

Supplemental Indentures With Bondholders' Consent

(a) Subject to the terms and provisions contained in the Indenture, the Bondholders of not less than a majority in Voting Rights of the Bonds then Outstanding shall have the right from time to time, to consent to and approve the entering into by the Bond Issuer and the Indenture Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Bond Issuer for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, however, in case less than all of the Bonds then Outstanding are affected by such modification, alteration, amendment, addition to or rescission of any such terms or provisions, consent shall be given by the Bondholders of at least a majority in Voting Rights of the Bonds so affected and Outstanding at the time such consent is given. Except as otherwise provided in the provisions of the Indenture summarized above under the headings "Servicing Agreement" and "Modifications, Amendments and Waivers", nothing contained in the Indenture shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal, Redemption Price, if any, of, or interest on any Outstanding Bonds, a change in the terms of redemption, purchase or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, (ii) the creation of a Lien upon or pledge of loan

payments under the Loan Agreement or the Note other than the Lien or pledge created by the Indenture, except as provided in a Supplemental Indenture with respect to a Class of Bonds, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, except as otherwise permitted under the Indenture, (iv) a reduction in the aggregate Voting Rights of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth in this subsection, without, in the case of items (i) through and including (v) of this subsection, the written consent of 100% of the Bondholders of the Outstanding Bonds.

(b) If at any time the Bond Issuer shall determine to enter into any Supplemental Indenture for any of the purposes of this section, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to all Notice Parties, all Bondholders and all Rating Agencies. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Indenture Trustee for inspection by all Bondholders.

(c) Subject to the terms and provisions contained in the Indenture, within the period of time set forth in such notice, the Bond Issuer and the Indenture Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if there shall have first been filed with the Indenture Trustee (i) the written consents of Bondholders of not less than a majority or 100%, as the case may be, in Voting Rights of the Bonds then Outstanding or of the Bonds so affected, (ii) an Opinion of Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Bond Issuer in accordance with its terms, (iii) a certificate from the Authorized Bond Issuer Representative or such other Person acceptable to the Indenture Trustee to the effect that the entering into of such Supplemental Indenture by the Bond Issuer and the Indenture Trustee shall not have an adverse effect on Bondholders under the Indenture, (iv) an Opinion of Bond Counsel to the effect that such Supplemental Indenture will not adversely affect the exclusion from federal income taxation of interest on any Class of Tax-Exempt Bonds Outstanding, nor adversely affect the validity of the Bonds, (v) a No Downgrade Confirmation, (vi) if such Supplemental Indenture is reasonably believed by the Indenture Trustee, the Borrower, the Master Servicer or the Special Servicer to adversely affect its rights, immunities and duties under the Indenture, such Supplemental Indenture shall not be effective without the written consent thereto of the Indenture Trustee, the Borrower, the Master Servicer or the Special Servicer, as applicable, and (vii) the Indenture Trustee shall have been satisfactorily secured and indemnified that its fees, costs and expenses, including reasonable attorney fees and expenses incurred in connection with the execution of such Supplemental Indenture, will be paid. Each valid consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates by the Indenture Trustee that it has examined such proof and that such proof is sufficient in accordance with the Indenture shall be conclusive that the consents have been given by the Bondholders described in such certificate or certificates. Any such consent shall be binding upon the Bondholder of the Bonds giving such consent and upon any subsequent Bondholder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Bondholder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder of such Bonds giving such consent or a subsequent Bondholder thereof by filing such revocation with the Indenture Trustee prior to the execution of such Supplemental Indenture.

(d) If the Bondholders of not less than the percentage of Bonds required by this section, shall have consented to and approved the execution thereof as provided in the Indenture, no Bondholder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Issuer from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Indenture pursuant to the provisions of this section, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Bond Issuer, the Master Servicer, the Special Servicer, the

Indenture Trustee, the Borrower, the Operating Advisor and all Bondholders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

(Section 9.02)

Supplemental Indenture Part of the Indenture

Any Supplemental Indenture executed in accordance with the provisions of the Indenture shall thereafter form a part of the Indenture and all the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

(Section 9.03)

Amendments of Loan Documents

Each Loan Document may be amended, changed or modified in accordance with the Servicing Agreement.

(Section 9.05)

Defeasance

(a) If the Bond Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of all Bonds then Outstanding, the principal, or Redemption Price, if applicable, thereof and interest to become due thereon, at the times and in the manner stipulated therein and in the Indenture, as well as all amounts required to be paid to the Indenture Trustee and CREFC® in respect of the Indenture Trustee Fee and the CREFC® Intellectual Property Royalty License Fee to become due, then, at the option of the Bond Issuer, the covenants, agreements and other obligations of the Bond Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Bond Issuer shall execute and file with its records relating to the Bonds all such instruments as may be desirable to evidence such discharge and satisfaction and the Indenture Trustee and the Paying Agent, if any, shall pay over or deliver to the Borrower all moneys, securities and funds held by them pursuant to the Indenture which are not required for the payment, or redemption, of Bonds not theretofore surrendered for such payment or redemption or required for payments, fees and expenses due under the Indenture.

(b) Bonds for the payment or redemption of which moneys, paid to the Indenture Trustee by the Master Servicer, the Special Servicer or the Bond Issuer, shall have been set aside and shall be held by the Indenture Trustee at the maturity date or Redemption Date of such Bonds shall be deemed to have been paid within the meaning of subsection (a) above. Any Bonds shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) above if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Bond Issuer shall have given to the Indenture Trustee in form satisfactory to it irrevocable instructions to provide to Bondholders notice of redemption of such Bonds in accordance with the Indenture on said date, (ii) at any time prior to the Bond Payment Date in May 2024, there shall have been irrevocably deposited by the Bond Issuer with the Indenture Trustee either moneys in an amount which shall be sufficient, or Defeasance Collateral the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited by the Bond Issuer with the Indenture Trustee at the same time, shall be sufficient to pay when due the principal, or Redemption Price, if applicable, of, and interest due and to become due on, said Bonds on and prior to the Defeasance Maturity Date and the Principal Balance of the Bonds on the Defeasance Maturity Date and all amounts required to be paid to the Indenture Trustee and CREFC® in respect of the Indenture Trustee Fee and the CREFC® Intellectual Property Royalty License Fee to become due, (iii) the Borrower shall have

furnished to the Bond Issuer and the Indenture Trustee a report or opinion of an Independent verification agent or firm of Independent verification agents to the effect that such moneys and/or Defeasance Collateral deposited with the Indenture Trustee are sufficient to pay when due the principal, or Redemption Price, if applicable, of, and interest due and to become due on, said Bonds on and prior to the Defeasance Maturity Date and the Principal Balance of the Bonds on the Defeasance Maturity Date and all amounts required to be paid to the Indenture Trustee and CREFC® in respect of the Indenture Trustee Fee and the CREFC® Intellectual Property Royalty License Fee to become due, and (iv) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, shall give the Indenture Trustee irrevocable instructions to give a notice of redemption in accordance with the Indenture to the Bondholders of such Bonds, that the deposit required by this subsection has been made and that said Bonds are deemed to have been paid in accordance with this section and stating such Defeasance Maturity Date upon which moneys are to be available for the payment of the principal, or Redemption Price, if applicable, on said Bonds. Neither Defeasance Collateral nor moneys deposited pursuant to this subsection nor principal or interest payments on any such Defeasance Collateral shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, or Redemption Price, if applicable, of, and interest on, said Bonds in accordance with the Servicing Agreement and all amounts required to be paid to the Indenture Trustee and CREFC® in respect of the Indenture Trustee Fee and the CREFC® Intellectual Property Royalty License Fee to become due; provided that any moneys received from such principal or interest payments on such Defeasance Collateral so deposited, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Collateral maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, of, and interest to become due on, said Bonds on and prior to such Redemption Date, Bond Payment Date or maturity date thereof, as the case may be, and all amounts required to be paid to the Indenture Trustee and CREFC® in respect of the Indenture Trustee Fee and the CREFC® Intellectual Property Royalty License Fee to become due. Any income or interest earned by, or increment to, the investment of any such moneys so deposited shall, to the extent in excess of the amounts required in the Indenture to pay principal, or Redemption Price, if applicable, of, and interest on, such Bonds and all amounts required to be paid to the Indenture Trustee and CREFC® in respect of the Indenture Trustee Fee and the CREFC® Intellectual Property Royalty License Fee to become due, as realized, be applied as follows: first to the Rebate Fund, the amount, if any, required to be deposited therein; and, then the balance thereof to the Borrower, and any such moneys so paid shall be released of any trust, pledge, lien, encumbrance or security interest created by the Indenture. Prior to applying any such excess amounts pursuant to this subsection, the Bond Issuer shall obtain written confirmation from an Independent verification agent that the amounts remaining on deposit and held in trust are sufficient to pay the obligations set forth above.

(c) Prior to any defeasance becoming effective as provided in subsection (b) above, there shall have been delivered, at the Borrower's expense, to the Bond Issuer, the Indenture Trustee, the Master Servicer and the Special Servicer (i) a No Downgrade Confirmation and (ii) an Opinion of Bond Counsel, addressed to the Bond Issuer, the Indenture Trustee, the Master Servicer and the Special Servicer, to the effect that such defeasance will not adversely affect the exclusion from federal income taxation of interest on any Class of Tax-Exempt Bonds Outstanding nor adversely affect the validity of the Bonds.

(d) No provision of this section, including any defeasance of Bonds, shall limit the rights of the Indenture Trustee or the Paying Agent to compensation in accordance with its agreements theretofore existing, until such Bonds and all amounts required to be paid to the Indenture Trustee and CREFC® in respect of the Indenture Trustee Fee and the CREFC® Intellectual Property Royalty License Fee to become due shall have been paid in full. Bonds delivered to the Indenture Trustee for payment shall be canceled by the Indenture Trustee pursuant to the provisions of the Indenture.

(e) The Indenture Trustee shall hold in trust moneys and/or Defeasance Collateral deposited with it pursuant to this section and shall apply the deposited money and the money from the Defeasance Collateral in accordance with the Indenture only to the payment of principal of, interest on, or Redemption Price of, the Bonds defeased in accordance with this section and the Servicing Agreement and all amounts required to be

paid to the Indenture Trustee and CREFC® in respect of the Indenture Trustee Fee and the CREFC® Intellectual Property Royalty License Fee to become due.

(Section 10.01)

Limitation on Liability of the Master Servicer, the Special Servicer and Others

Neither the Master Servicer, the Special Servicer nor any of their respective directors, officers, employees, Affiliates or agents shall have any liability to the Bondholders for any action taken, suffered or omitted under the Indenture if such action or inaction is in accordance with the Servicing Standard set forth in the Servicing Agreement.

(Section 11.10)

Payments Due on Saturdays, Sundays and Holidays

In any case where any Bond Payment Date of principal and/or interest on the Bonds, or the date fixed for redemption of any Bonds, shall be a day other than a Business Day, then payment of such principal or interest or the Redemption Price, if applicable, need not be made on such day but may be made on the next succeeding Business Day with the same force and effect as if made on the date otherwise provided for in the Indenture and, in the case of any Bond Payment Date, payment of interest on such date shall not include interest accrued from the Bond Payment Date to such Business Day.

(Section 11.11)

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APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of November 13, 2014, is executed and delivered by FC 8 Spruce Street Residential LLC (the "Borrower") and U.S. Bank National Association (the "Indenture Trustee") in connection with the issuance of $550,000,000 aggregate principal amount of Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014 (the "Series 2014 Bonds") by the New York City Housing Development Corporation (the "Issuer"). The Series 2014 Bonds are being issued pursuant to the Indenture of Trust between the Issuer and the Indenture Trustee, dated as of November 13, 2014 relating to the Series 2014 Bonds. The Borrower and the Indenture Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Borrower and the Indenture Trustee for the benefit of the Holders and Beneficial Owners of the Series 2014 Bonds and in order to assist the Participating Underwriters in complying with the Rule (defined below). The Borrower and the Indenture Trustee acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Holder or Beneficial Owner of the Series 2014 Bonds, with respect to the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2014 Bonds (including persons holding Series 2014 Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean any dissemination agent (which may be the Indenture Trustee) designated in writing by the Borrower and which, if not the Indenture Trustee, has filed with the Indenture Trustee a written acceptance of such designation, and, if the Indenture Trustee, has been accepted in writing by the Indenture Trustee.

"EMMA" shall mean the Electronic Municipal Market Access system described in Securities Exchange Act Release No. 34-59062 (or any successor electronic information system) and maintained by the MSRB as the sole repository for the central filing of electronic disclosure pursuant to the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto or to the functions of the MSRB as contemplated by this Disclosure Agreement.

"Official Statement" means the final Official Statement dated October 23, 2014 relating to the Series 2014 Bonds.

"Participating Underwriters" shall mean any of the original underwriters of the Series 2014 Bonds required to comply with the Rule in connection with offering of the Series 2014 Bonds.

"Rule" means Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Disclosure Agreement, including any official interpretations thereof promulgated on or prior to the effective date of this Disclosure Agreement.

"Series 2014 Bonds" shall mean the New York City Housing Development Corporation Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014.

"State" shall mean the State of New York.

SECTION 3. Provision of Annual Reports.

(a) The Borrower shall, or shall cause the Dissemination Agent, if any, to, not later than 180 days after the end of the Borrower's fiscal year (presently December 31), commencing with the report for the 2014 Fiscal Year, provide to EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report shall be submitted to EMMA in accordance with the MSRB's submission process, and in compliance with the format and configuration requirements established by the MSRB. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement. The Annual Report shall also include all related information required by the MSRB to accurately identify: (i) the category of information being provided; (ii) the time period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the Borrower's submitter or Dissemination Agent, if any; provided that the audited consolidated financial statements of the Borrower may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Borrower's fiscal year changes, the Borrower shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to EMMA, the Borrower shall provide the Annual Report to the Dissemination Agent, if any, and the Indenture Trustee. If by such date, the Indenture Trustee has not received a copy of the Annual Report, the Indenture Trustee shall contact the Borrower and the Dissemination Agent, if any, to determine if the Borrower is in compliance

with the first sentence of subsection (a) of Section 3 hereof. If the Indenture Trustee is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (a), the Indenture Trustee shall provide notice of such failure to provide the Annual Report, in a timely manner, to EMMA.

SECTION 4. Content of Annual Reports. The Borrower's Annual Report shall contain or include by reference the following:

(a) the audited consolidated financial statements of the Borrower for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board, unless such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), in which case the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(b) to the extent not otherwise included in the audited consolidated financial statements provided pursuant to paragraph (a) above, the Annual Report shall contain the following for the prior fiscal year, including (i) the financial information and operating data of the type contained under the heading "DESCRIPTION OF THE MORTGAGED PROPERTY—Operating History and Underwritten Net Cash Flow" in the Official Statement, (ii) a statement of the Borrower's debt service requirements, including a current estimate of debt service coverage, (iii) an insurance coverage summary together with a statement that the coverage required by the Loan Agreement is being met or, if not, to what extent and the reasons for failure to meet coverage requirements, (iv) a summary of material litigation affecting the Mortgaged Property, and (v) the average occupancy rate for the Mortgaged Property; and

(c) the information regarding amendments to this Disclosure Agreement required pursuant to Section 8 hereof.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Borrower is an "obligated person" (as defined by the Rule), which have been filed with EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Borrower shall clearly identify each such other document so included by reference.

The descriptions contained in Section 4(b) hereof of the financial information and operating data to be included in the Annual Report are of general categories of financial information and operating data. When the financial information or operating data referred to in Section 4(b) hereof no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Report containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Borrower shall give, or cause to be given, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Series 2014 Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2014 Bonds, or other material events affecting the tax status of the Series 2014 Bonds;

(7) modifications to rights of Bondholders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Series 2014 Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event with respect to the Borrower (such event being considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower);

(13) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) appointment of a successor or an additional trustee or change in the name of a trustee, if material;

(b) Upon the occurrence of a Listed Event, the Borrower shall file or direct the Dissemination Agent, if any, to file, in a timely manner not to exceed ten (10) business days, a notice of such occurrence with the MSRB in an electronic format and with identifying information as prescribed by the MSRB. The Borrower shall provide a copy of each such notice to the Issuer and the Indenture Trustee. The Dissemination Agent, if other than the Borrower, shall have no duty to file a notice of an event described hereunder unless it is directed in writing to do so by the Borrower, and shall have no responsibility for verifying any of the information in any such notice or determining the materiality of the event described in such notice.

SECTION 6. Termination of Reporting Obligation. The Borrower's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2014 Bonds and at such time that the Borrower ceases to be an "obligated person" (as defined by the Rule). If the Borrower's obligations under the Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Borrower and the Borrower shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Series 2014 Bonds, the Borrower shall give notice of such termination, or shall cause notice of such termination to be given, in the same manner as for a Listed Event under Section 5(b).

SECTION 7. Dissemination Agent. The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Borrower pursuant to this Disclosure Agreement, including but not limited to determining whether the contents of any Annual Report satisfy the requirements of Section 4 hereof.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower may amend this Disclosure Agreement (and the Indenture Trustee shall agree to any amendment so requested by the Borrower), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2014 Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2014 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2014 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of the Indenture Trustee or nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2014 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Borrower shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Borrower or the Indenture Trustee to comply with any provision of this Disclosure Agreement, the Indenture Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 51% aggregate principal amount of Outstanding Series 2014 Bonds, subject to its right to be indemnified to its satisfaction, shall), or any Holder or Beneficial Owner of the Series 2014 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower or Indenture Trustee, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Borrower or the Indenture Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Indenture Trustee. For the purposes of defining the standards of care and performance and the protections and indemnities applicable to the Indenture Trustee in the performance of its obligations under this Disclosure Agreement, Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. Anything herein to the contrary notwithstanding, other than as explicitly set forth herein, the Indenture Trustee shall have no duty to investigate or monitor compliance by the Borrower with the terms of this Disclosure Agreement, including without limitation, reviewing the accuracy or completeness of any notices or filings filed by the Borrower hereunder.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Borrower:
FC 8 Spruce Street Residential LLC
c/o Forest City Ratner Companies
1 MetroTech Center, 23rd Floor
Brooklyn, NY 11201
Attention: Senior Vice President
Telephone No.: (718) 923-8400

With a copy to:
FC 8 Spruce Residential, LLC
c/o Forest City Ratner Companies
1 MetroTech Center, 23rd Floor
Brooklyn, NY 11201
Attention: General Counsel
Telephone No.: (718) 923-8400

With a copy to:
Sidley Austin LLP
787 7th Ave
New York, NY 10019
Attention: Alan S. Weil, Esq.
Telephone No.: (212) 839-5315

With a copy to:
Katten Muchin Rosenman LLP
575 Madison Avenue
New York, NY 10022-2585
Attention: Martin Siroka, Esq.
Telephone No.: (212) 940-6679

To the Indenture Trustee:
U.S. Bank National Association
190 S. LaSalle Street, 7th Floor
Chicago, Illinois 60603
Attention: CMBS Account Management—8 Spruce Street
Fax: (866) 807-8670
Email: cmbs.transactions@usbank.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Indenture Trustee, the Dissemination Agent, if any, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Series 2014 Bonds, and shall create no rights in any other person or entity.

FC 8 SPRUCE STREET RESIDENTIAL LLC,
a New York limited liability company

By: FC 8 SPRUCE HOLDINGS, LLC, a
Delaware limited liability company, its sole member

By: FC 8 SPRUCE MEZZANINE, LLC, a
Delaware limited liability company, its
operating member

By: FC BEEKMAN HOLDINGS, LLC, a
New York limited liability company, its
managing member

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Indenture Trustee

By: _____
Name:
Title:

APPENDIX D

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE BORROWER AS OF AND FOR THE PERIODS ENDED DECEMBER 19, 2012 AND JANUARY 31, 2013

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FC 8 Spruce Street Residential, LLC

Financial Statements
For the Periods from December 20, 2012 to January 31, 2013 (Successor) and from February 1, 2012 to December 19, 2012 (Predecessor)
With Report of Independent Auditors

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FC 8 SPRUCE STREET RESIDENTIAL, LLC

TABLE OF CONTENTS

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NOVOGRADAC
& COMPANY LLP®
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Members of
FC 8 Spruce Street Residential, LLC:

We have audited the accompanying financial statements of FC 8 Spruce Street Residential, LLC, which comprise the balance sheet as of January 31, 2013, and the related statements of operations and comprehensive income (loss), change in members' equity and cash flows for the periods from February 1, 2012 to December 19, 2012 and from December 20, 2012 to January 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FC 8 Spruce Street Residential, LLC as of January 31, 2013, and the results of its operations and its cash flows for the periods from February 1, 2012 to December 19, 2012 and from December 20, 2012 to January 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

Novogradac & Company LLP

Long Beach, California
May 29, 2013

FC 8 Spruce Street Residential, LLC
Balance Sheet

Assets		
Real Estate		
Building	$	639,441,445
Land		115,376,518
Furniture, fixtures and equipment		17,103,091
Total Real Estate		771,921,054
Less accumulated depreciation		(22,279,592)
Real Estate, net		749,641,462
Cash and equivalent		4,722,603
Restricted cash		28,677,359
Accounts receivable, net		1,691,171
Prepaid expenses and other assets		2,384,994
Mortgage procurement costs, net		13,824,621
Lease procurement costs, net		1,946,019
		53,246,767
Total Assets	$	802,888,229
Liabilities and Members' Equity		
Mortgage loan payable	$	539,000,000
Construction payables		16,012,410
Accounts payable and accrued expenses		983,647
Accounts payable, affiliates		512,203
Security deposits payable		3,829,233
Total Liabilities		560,337,493
Members' Equity		242,550,736
TOTAL Liabilities and Members' Equity	$	802,888,229

The accompanying notes are an integral part of these financial statements.

FC 8 Spruce Street Residential, LLC
Statements of Operations and Comprehensive Income (Loss)

	Successor December 20, 2012 through January 31, 2013	Predecessor February 1, 2012 through December 19, 2012
Revenues		
Rental income	$ 4,658,041	$ 29,398,037
Other revenues	221,065	1,190,718
Total Revenues	4,879,106	30,588,755
Operating Expenses		
Depreciation and amortization	2,254,655	15,746,420
Operating and maintenance expenses	763,899	6,038,007
Utilities expense	128,624	2,270,943
Advertising	109,021	977,521
Management fee	67,503	693,877
Real estate taxes	33,619	379,237
Total Operating Expenses	3,357,321	26,106,005
Interest expense	1,832,388	12,178,510
Amortization of mortgage procurement costs	108,189	780,557
Net Loss	(418,792)	(8,476,317)
Other Comprehensive Income:		
Amortization of interest rate contract	12,715	38,144
Total Other Comprehensive Income	12,715	38,144
Total Comprehensive Loss	$ (406,077)	$ (8,438,173)

The accompanying notes are an integral part of these financial statements.

FC 8 Spruce Residential, LLC
Statements of Members' Equity

	Members' Equity
	Predecessor
Balance at February 1, 2012	$ 253,659,856
Contributions	10,000,000
Distributions	(13,147,096)
Net Loss	(8,476,317)
Other Comprehensive Income	38,144
Balance at December 19, 2012	$ 242,074,587
	Successor
Contributions	882,226
Net Loss	(418,792)
Other Comprehensive Income	12,715
Balance at January 31, 2013	**$ 242,550,736**

The accompanying notes are an integral part of these financial statements.

FC 8 Spruce Street Residential, LLC
Statements of Cash Flows

	Successor December 20, 2012 through January 31, 2013	Predecessor February 1, 2012 through December 19, 2012
Cash Flows from Operating Activities		
Net loss	$ (418,792)	$ (8,476,317)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,254,655	15,746,420
Amortization of mortgage procurement costs	108,189	780,557
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable, net	148,332	(950,380)
(Increase) decrease in prepaid expenses and other assets	(1,394,709)	1,861,806
Increase (decrease) in accounts payable and accrued expenses	467,670	(720,459)
Decrease in accounts payable, affiliates	(10,063)	(210,334)
(Decrease) increase in security deposits and other payables	(37,466)	1,517,683
Net cash provided by operating activities	1,117,816	9,548,976
Cash Flows from Investing Activities		
Capital expenditures	-	(31,145,470)
Decrease in restricted cash	36,934	17,460,607
Payment of lease procurement costs	(195,787)	(2,607,602)
Net cash used in investing activities	(158,853)	(16,292,465)
Cash Flows from Financing Activities		
Contributions from members	882,226	10,000,000
Distributions to members	-	(13,147,096)
Net cash used in financing activities	882,226	(3,147,096)
Net increase (decrease) in cash and equivalents	1,841,189	(9,890,585)
Cash and equivalents at beginning of period	2,881,414	12,771,999
Cash and equivalents at end of period	$ 4,722,603	$ 2,881,414
Supplemental Disclosure of Cash and Non-cash Activities:		
Cash paid for interest, net of capitalized interest	$ 1,414,750	$ 13,268,273
Capital expenditures included in construction payables	$ -	$ 7,559,755
Capital expenditures included in accounts payable, affiliates	$ -	$ 512,036

The accompanying notes are an integral part of these financial statements.

A. Organization and Summary of Significant Accounting Policies

Organization

FC 8 Spruce Street Residential, LLC ("FC Residential"), a New York limited liability company, was formed for the purpose of owning and operating the Rental and Retail Units (the "Units") of the Spruce Street Condominium located on 8 Spruce Street in Manhattan, New York. FC Residential is wholly-owned by FC 8 Spruce Holdings, LLC ("FC Holdings"), a Delaware limited liability company.

The previous owner of the Units, prior to formation of FC Residential, was FC Beekman Associates, LLC ("FC Beekman"), a New York limited liability company. FC Beekman was formed for the purpose of owning, developing and operating the Units and was wholly-owned by FC Beekman Mezzanine, LLC ("Beekman Mezzanine"), a Delaware limited liability company. On December 17, 2012 (the "Transfer Date"), FC Beekman, the Predecessor, transferred its deed in the Units to FC Residential, the Successor (the "Transaction"). Prior to the Transfer Date, FC Beekman was referred to as the "Company". Concurrent with the Transaction, FC Residential is referred to as the "Company". Profits and losses are allocated and contributions and distributions are made in accordance with each of the respective Company's operating agreements.

The Spruce Street Condominium (or "Project") is a 76-story mixed-use building containing approximately 1,110,800 gross square feet and approximately 675,500 rentable square feet ("RSF"). It is comprised of the following condominium units: (i) 899 apartments, 4 of which are penthouse apartments (the "Rental Units"), and approximately 1,300 RSF of ground level retail space (the "Retail Units"); (ii) an ambulatory care facility located on the 5th floor, together with below-grade parking of approximately 175 spaces (the "Hospital Units"); and (iii) a pre-kindergarten through eighth grade New York City public school located on floors one through four (the "School Units"). The Hospital Units and the School Units are owned by NYU Downtown Hospital and New York City Department of Education (the "School"), respectively. The Hospital Units were constructed as part of the consideration for the purchase of the land. The costs incurred in constructing the Hospital Units are included as part of the land basis in the accompanying Balance Sheet. The School reimbursed the Company up to an agreed upon amount for costs incurred in constructing the School Units.

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP").

A. Organization and Summary of Significant Accounting Policies

Real Estate
The Company's capitalization policy follows the accounting guidance on capitalization of interest cost and accounting for costs and initial rental operations of real estate properties. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. The Company ceases capitalization on the portion substantially completed and occupied or held available for occupancy and capitalizes only those costs associated with the portion under construction. Upon receipt of certificates of occupancy from the City of New York, the Units are deemed substantially complete. The initial apartments became available in March 2011. As of August 2012, the Project was deemed 100% complete.

Real estate is recorded at cost. Depreciation of property is calculated using the straight-line method over the estimated useful lives of the assets which range from 5 to 50 years. The cost of maintenance and repairs is charged to expense as incurred and major improvements are capitalized.

The Company reviews its long-lived assets to determine if its carrying costs will be recovered from future undiscounted cash flows whenever events or changes indicate that the recoverability of long-lived assets may not be supported by current assumptions. In cases where the Company does not expect to recover its carrying costs, an impairment loss is recorded in accordance with accounting guidance on the impairment of long-lived assets. Significant estimates are made in the determination of future undiscounted cash flows. The Company did not record any impairments for the periods presented.

Cash and Equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Concentration of Credit Risk
The Company maintains cash deposits with major financial institutions which from time to time may exceed federally insured limits. The Company periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

A. Organization and Summary of Significant Accounting Policies

Restricted Cash
Restricted cash consists of cash held in escrow as required by the Lender and tenant security deposits as required by tenant leases. Escrow funds are released upon certain conditions being met. At January 31, 2013, restricted cash is comprised of the following:

To fund construction costs	$	14,347,541
To fund lender's escrow account (see Note C)		10,000,123
Tenant security deposits		3,841,538
Other		488,157
Total Restricted Cash	**$**	**28,677,359**

Allowance for Doubtful Accounts
Tenant receivables are periodically evaluated for collectability based on the tenants' past history, their current status and financial condition. As of January 31, 2013, no reserve was required.

Deferred Costs
Mortgage procurement costs are deferred when incurred and amortized over the term of the related financing. Credit enhancement procurement costs are deferred and amortized over the term of the enhancement. Lease procurement costs are deferred when incurred and amortized on a straight-line basis over the term of the related lease. Lease procurement costs related to leases of one year or less are expensed as incurred. At January 31, 2013, accumulated amortization of mortgage and credit enhancement procurement costs was $2,377,427 and accumulated amortization of lease procurement costs was $3,579,525.

Fair Value of Financial Instruments
Management estimates the fair value of its debt instruments by discounting future cash payments at interest rates that the Company believes approximates the current market. The estimated fair value is based upon market prices of public debt, available industry financing data, current treasury rates, recent financing transactions and other factors. The fair value of the Company's debt at January 31, 2013 is further described in the Mortgage Loan Payable section of this Note C. The carrying amount of the Company's accounts payable and accrued expenses at January 31, 2013 approximate fair value based upon the short-term nature of the instruments.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

A. Organization and Summary of Significant Accounting Policies

Rental Income
The Company's primary source of income is from leasing residential apartments, which are leased for terms of 12 months to 24 months. Certain leases provide for rent abatement periods of one to two months. Revenue is recognized on a straight-line basis over the related lease terms. As of January 31, 2013, the straight-line receivable balance was $414,854 and is included in prepaid expenses and other assets in the accompanying Balance Sheet.

Income Taxes
The Company is a limited liability company. No provision or benefit for federal, state and local income taxes has been reflected in the financial statements of the Company since such income taxes, if any, are the responsibility of the individual members.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to report information regarding its exposure to various tax positions taken by the Company. The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax positions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Company are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Real Estate Tax Abatement
The Project has been granted a phased abatement of real estate taxes for a twenty year period after construction in accordance with Section 421-a of the New York State Real Property Tax Law. To receive this abatement, the Company has agreed that all Rental Units in the Project will be subject to the New York City Rent Stabilization Law during the abatement period. The Law restricts the percentage increases in rent charged on new and renewed leases. It also restricts the lease term to be no longer than two years.

Subsequent Events Review
The Company has evaluated events and transactions that occurred between January 31, 2013 and the date of the Report of Independent Auditors, which is the date the financial statements were available to be issued. There were no significant subsequent events.

A. Organization and Summary of Significant Accounting Policies

Accounting for Derivatives Instruments and Hedging Activities
The Company maintains an overall interest rate risk-management strategy that incorporates the use of derivative instruments to minimize unplanned fluctuations in cash flows and earnings that may be caused by interest rate volatility. The principal risk to the Company through its interest rate hedging strategy is the potential inability of the financial institutions from which the interest rate protection was purchased to cover all of its obligations. To mitigate this exposure, the Company purchases its interest rate protection from either the institution that holds the debt or from institutions with a minimum A- credit rating. The Company does not enter into derivative financial instrument contracts for trading or speculative purposes.

B. Derivative Instruments and Hedging Activities

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management strategy for undertaking hedging transactions. The Company formally assesses (both at the hedge's inception and on an ongoing basis) whether the derivatives used in hedging transactions were highly effective in offsetting changes in the cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods.

The Company discontinues hedge accounting prospectively when; (1) it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item; (2) the derivative expires or is sold, terminated, or exercised; (3) it is no longer probable that the forecasted transaction will occur; or (4) management determines that designating the derivative as a hedging instrument is no longer appropriate. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company records the derivative at its fair value on the Balance Sheet, recognizing changes in the fair value in current-period earnings as interest expense in the accompanying Statements of Operations.

The Company purchased a London Interbank Offered Rate ("LIBOR") based interest rate cap on March 26, 2008 for $3,698,000 to reduce its exposure to variability in expected future cash outflows attributable to increases in interest rates on its variable rate debt. The cap has a notional value of $476,100,000. At the time of purchase, the cap qualified and was designated as a cash flow hedge. During 2011, due to the pay down of the Bonds, the cap no longer qualified to receive hedge accounting and the Company wrote off the OCI attributed to the retired Bonds. In accordance with accounting guidance on derivatives and hedging activities, the Company is amortizing the remaining OCI on a straight-line basis over a period of 50 years, which is included in depreciation expense. As of January 31, 2013, the balance of accumulated OCI was $2,453,951. The Company expects that within the next twelve months it will reclassify amounts recorded in accumulated other comprehensive loss as an increase in depreciation expense of approximately $50,000.

B. Derivative Instruments and Hedging Activities

On December 20, 2012, the Company purchased two interest rate caps which do not receive hedge accounting. The cost of those hedges totaled $148,910 and are recorded as prepaid expenses and amortized over the term of the credit enhancement.

The following table presents the impact of losses related to the interest rate cap designated as a cash flow hedge included in the accompanying Statements of Operations and within members' equity on the Balance Sheet:

	On Accompanying Statements of Operations	On Accompanying Balance Sheet
	Depreciation and amortization	Accumulated other comprehensive income (loss)
Balance at February 1, 2012	$ -	$ (2,504,810)
Depreciation expense	38,144	38,144
Balance at December 19, 2012	38,144	(2,466,666)
Depreciation expense	12,715	12,715
Balance at January 31, 2013	**$ 12,715**	**$ (2,453,951)**

C. Mortgage Loan Payable

The Company obtained financing for the Project from the New York City Housing Development Corporation ("HDC"). The following table shows the detail of the bonds issued and outstanding (the "Bonds") at January 31, 2013. The Bonds mature on March 1, 2048.

	Amount Outstanding	Interest Rate
2008 Series A, tax-exempt	$ 203,900,000	0.12%
2009 Series A-1, taxable	123,350,000	0.17%
2009 Series A-2, taxable	61,700,000	0.18%
2010 Series A-1, taxable	76,200,000	0.18%
2010 Series A-2, taxable	73,850,000	0.18%
	$ 539,000,000	

C. Mortgage Loan Payable

Each series of bonds was issued as a variable rate obligation. The interest is calculated weekly based upon the remarketing agent's (the "Agent") determination of the rate required to allow the Bonds to be sold at par plus accrued interest, up to a maximum interest rate of 12% per annum. The rates on the Bonds have historically traded at a rate which closely approximates the Securities Industry and Financial Markets Association Index ("SIFMA"). The Company may elect to convert the interest rate on the Bonds, as defined in the agreement. In general, the Bonds are subject to redemption and payment prior to maturity, in whole or in part, at the option of HDC, which can only be exercised at the Company's request. The Agent earns an annual remarketing fee of 0.07% of the Bonds par value.

The Bonds are enhanced by an irrevocable letter of credit (the "L/C") issued by RBS Citizens, N.A. (the "Lender") in the amount of $545,077,011 (the "Maximum Amount") which represents both the principal amount and a specified amount of interest on the Bonds. The L/C was originally set to expire on June 30, 2016. Concurrent with the Transaction, the maturity date of the L/C changed to June 30, 2015 and the Company was required to fund $10,000,000 into the Lender's escrow account until a certain debt service coverage ratio is achieved as defined in the Lender agreement. The Company pays a monthly L/C fee of 2.20% per annum on the Maximum Amount and pays a monthly fronting fee of 0.15% per annum on the Maximum Amount. In addition, the L/C requires the Company to maintain a certain debt coverage ratio upon achievement of 95% occupancy. The Company is not in default of any covenant as of the issuance of these financial statements.

Based on borrowing rates currently available to the Company for long term debt with similar terms and maturities, the estimated fair value of the Bonds at January 31, 2013 was $535,312,700.

D. Transactions with Affiliates

The Company had the following transactions with affiliates of FC Entities:

- During 2012, a development fee of $6,156,641 was paid to an affiliate of a member of the Company. The fee was capitalized to building in the accompanying Balance Sheet.

- Cumulative site management fees paid in connection with overseeing the development and construction of the Project totaled $30,016,023 and are capitalized to building in the accompanying Balance Sheet.

- Reimbursement for payments made to third party vendors on behalf of the Company.

- Fees related to commissioning services during the design and construction stages totaled $225,000 and are capitalized to building in the accompanying Balance Sheet.

- Execution of Completion Guaranty for the benefit of the Lender, that will be released upon meeting conditions as defined in the Guaranty agreement.

E. Member Capitalization

On December 19, 2012, FC 8 Spruce Mezzanine, LLC ("FC Mezzanine"), a Delaware limited liability company, which is wholly owned by FC Holdings, sold a 49.00% interest in FC Holdings to 8 Spruce Street GA Investor LLC (the "GA Investor"), a Delaware limited liability company, for cash consideration of $250,390,000. In addition, GA Investor funded its share of working capital, restricted cash and various other items in accordance with the operating agreement.

E. Member Capitalization

The following table depicts the capital accounts of the owners of FC Mezzanine, which are FC Entities, which owns 51%, and INDURE, an affiliate of National Electrical Benefit Fund, which owns 49%. Further, the capital account of GA Investor is presented. The Transaction occurred at the FC Mezzanine level and the net cash of $882,226 was contributed to the Company. Therefore, on the accompanying Statements of Members' Equity and Statements of Cash Flows only the contribution to the Company of $882,226 is presented.

	FC Entities Member	INDURE Mezzanine	GA Investor	Cost of Sales	OCI	Accumulated Deficit	Total
Predecessor							
Balance at January 31, 2012	$ 154,866,390	$124,319,361 (1)	$ -	$ -	$ (2,504,810)	$ (23,021,085)	$ 253,659,856
Contributions	5,100,000	4,900,000					10,000,000
Distributions	(5,142,560)	(8,004,536)					(13,147,096)
Net loss					38,144	(8,476,317)	(8,438,173)
Balance at December 19, 2012	$ 154,823,830	$121,214,825	$ -	$ -	$ (2,466,666)	$ (31,497,402)	$ 242,074,587
Successor							
Contributions (Distributions)	(131,535,718)	(121,383,489)	256,215,226	(2,413,793)			882,226
Net loss	(108,928)	(104,656)	(205,208)				(418,792)
OCI	3,307	3,178	6,230				12,715
Balance at January 31, 2013	$ 23,182,491	$ (270,142)	$ 256,016,248	$ (2,413,793)	$ (2,466,666)	$ (31,497,402)	$ 242,550,736

(1) Detail of INDURE Mezzanine balance at January 31, 2012:

Capital Contributions	148,002,584
Prepayment Fee	(6,250,000)
Interest payments on Loan & LOC	(17,433,223)
	124,319,361

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FC 8 Spruce Street Residential, LLC

Consolidated Financial Statements
For the Period From February 1, 2013 to December 31, 2013 and the Period from December 20, 2012 to January 31, 2013.
With Independent Auditors' Report

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FC 8 SPRUCE STREET RESIDENTIAL, LLC

TABLE OF CONTENTS

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NOVOGRADAC
& COMPANY LLP®
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of
FC 8 Spruce Street Residential, LLC:

Report on the Financial Statements

We have audited the accompanying financial statements of FC 8 Spruce Street Residential, LLC, which comprise the balance sheets as of December 31, 2013 and January 31, 2013, and the related statements of operations and comprehensive income (loss), change in members' equity, and cash flows for the period from February 1, 2013 to December 31, 2013, and for the period from December 20, 2012 to January 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FC 8 Spruce Street Residential, LLC as of December 31, 2013 and January 31, 2013, and the results of its operations and its cash flows for the period from February 1, 2013 to December 31, 2013, and for the period from December 20, 2012 to January 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

Novogradac & Company LLP

Long Beach, California
May 30, 2014

FC 8 Spruce Street Residential, LLC
Consolidated Balance Sheets
December 31, 2013 and January 31, 2013

	December 31, 2013	Janaury 31, 2013
Assets		
Real Estate		
Building	$ 635,252,979	$ 639,441,445
Land	115,376,518	115,376,518
Furniture, fixtures and equipment	17,076,100	17,103,091
Total Real Estate	767,705,597	771,921,054
Less accumulated depreciation	(36,976,235)	(22,279,592)
Real Estate, net	730,729,362	749,641,462
Cash and equivalent	2,654,690	4,722,603
Restricted cash	23,439,273	28,662,359
Accounts receivable, net	1,111,667	2,106,025
Prepaid expenses and other assets	2,513,041	1,985,140
Due from affiliates	2,637,440	-
Mortgage procurement costs, net	13,048,407	13,824,621
Lease procurement costs, net	987,323	1,946,019
	46,391,841	53,246,767
Total Assets	$ 777,121,203	$ 802,888,229
Liabilities and Members' Equity		
Mortgage loan payable	$ 539,000,000	$ 539,000,000
Construction payables	3,291,247	16,012,410
Accounts payable and accrued expenses	1,308,646	983,647
Accounts payable, affiliates	965,489	512,203
Security deposits payable	3,807,465	3,829,233
Total Liabilities	548,372,847	$ 560,337,493
Members' Equity	228,748,356	242,550,736
TOTAL Liabilities and Members' Equity	$ 777,121,203	$ 802,888,229

The accompanying notes are an integral part of these consolidated financial statements

FC 8 Spruce Street Residential, LLC
Consolidated Statements of Operations and Comprehensive Income (Loss)
Periods from February 1, 2013 through December 31, 2013
and from December 20, 2012 through January 31, 2013

	February 1, 2013 through December 31, 2013	December 20, 2012 through January 31, 2013
Revenues		
Rental income	$ 41,405,776	$ 4,658,041
Other revenues	2,103,335	221,065
Total Revenues	43,509,111	4,879,106
Operating Expenses		
Depreciation and amortization	16,690,890	2,254,655
Operating and maintenance expenses	8,272,686	762,917
Utilities expense	2,591,081	128,624
Advertising	786,831	982
Management fee	752,744	67,503
Real estate taxes	708,494	109,021
Insurance	369,202	33,619
Total Operating Expenses	30,171,928	3,357,321
Interest expense	13,353,569	1,832,388
Amortization of mortgage procurement costs	776,214	108,189
Net Loss	(792,600)	(418,792)
Other Comprehensive Income:		
Amortization of interest rate contract	46,620	12,715
Total Other Comprehensive Income	46,620	12,715
Total Comprehensive Loss	$ (745,980)	$ (406,077)

The accompanying notes are an integral part of these consolidated financial statements

FC 8 Spruce Street Residential, LLC
Consolidated Statements of Members' Equity
Periods from February 1, 2013 through December 31, 2013
and from December 20, 2012 through January 31, 2013

	Members' Equity
Balance at December 20, 2012	$ 242,074,587
Contributions	256,215,226
Distributions	(255,333,000)
Net Loss	(418,792)
Other Comprehensive Income	12,715
Balance at January 31, 2013	$ 242,550,736
Contributions	-
Distributions	(13,056,400)
Net Loss	(792,600)
Other Comprehensive Income	46,620
Balance at December 31, 2013	**$ 228,748,356**

The accompanying notes are an integral part of these consolidated financial statements

FC 8 Spruce Street Residential, LLC
Consolidated Statements of Cash Flows
Periods from February 1, 2013 through December 31, 2013
and from December 20, 2012 through January 31, 2013

	February 1, 2013 through December 31, 2013	December 20, 2012 through January 31, 2013
Cash Flows from Operating Activities		
Net loss	$ (792,600)	$ (418,792)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	16,690,890	2,254,655
Amortization of mortgage procurement costs	776,214	108,189
Changes in operating assets and liabilities:		
Decrease in accounts receivable, net	994,358	148,332
Inccrease in prepaid expenses and other assets	(527,901)	(1,394,709)
Increase in due to affiliates	(2,637,440)	-
Increase in accounts payable and accrued expenses	324,999	467,670
Increase (decrease) in accounts payable, affiliates	453,286	(10,063)
Decrease in security deposits payable	(21,768)	(37,466)
Net cash provided by operating activities	15,260,038	1,117,816
Cash Flows from Investing Activities		
Capital expenditures	(1,921,896)	-
Decrease in restricted cash	5,223,086	36,934
Decrease in Construction payable	(6,583,810)	-
Payment of lease procurement costs	(988,931)	(195,787)
Net cash used in investing activities	(4,271,551)	(158,853)
Cash Flows from Financing Activities		
Contributions from members	-	256,215,226
Distributions to members	(13,056,400)	(255,333,000)
Net cash (used in) provided by financing activities	(13,056,400)	882,226
Net (decrease) increase in cash and equivalents	(2,067,913)	1,841,189
Cash and equivalents at beginning of period	4,722,603	2,881,414
Cash and equivalents at end of period	$ 2,654,690	$ 4,722,603
Supplemental Disclosure of Cash and Non-cash Activities:		
Cash paid for interest	$ 13,433,918	$ 1,414,750
Write-off of Capitalized Cost included in Construction Payable	$ 6,137,353	$ -

The accompanying notes are an integral part of these consolidated financial statements

A. Organization and Summary of Significant Accounting Policies

Organization

FC 8 Spruce Street Residential, LLC ("FC Residential"), a New York limited liability company, was formed for the purpose of owning and operating the Rental and Retail Units (the "Units") of the Spruce Street Condominium located on 8 Spruce Street in Manhattan, New York. FC Residential is wholly-owned by FC 8 Spruce Holdings, LLC ("FC Holdings"), a Delaware limited liability company, which is owned 51% by FC 8 Spruce Mezzanine, LLC ("FC Mezzanine"), a Delaware limited liability company, and 49% by 8 Spruce Street GA Investor, LLC ("GA Investor").

The previous owner of the Units, prior to formation of FC Residential, was FC Beekman Associates, LLC ("FC Beekman"), a New York limited liability company. FC Beekman was formed for the purpose of owning, developing and operating the Units and was wholly-owned by FC Beekman Mezzanine, LLC ("Beekman Mezzanine"), a Delaware limited liability company. On December 17, 2012 (the "Transfer Date"), FC Beekman, the Predecessor, transferred its deed in the Units to FC Residential, the Successor, (the "Transaction"). Prior to the Transfer Date, FC Beekman and its wholly owned subsidiary are referred to as the "Company". Concurrent with the Transaction, FC Residential and its subsidiaries are referred to as the "Company". Profits and losses are allocated and contributions and distributions are made in accordance with each of the respective Company's operating agreements.

The Spruce Street Condominium (or "Project") is a 76-story mixed-use building containing approximately 1,110,800 gross square feet and approximately 675,500 rentable square feet ("RSF"). It is comprised of the following condominium units: (i) 899 apartments, 4 of which are penthouse apartments (the "Rental Units"), and approximately 1,300 RSF of ground level retail space (the "Retail Units"); (ii) an ambulatory care facility located on the 5th floor, together with below-grade parking of approximately 175 spaces (the "Hospital Units"); and (iii) a pre-kindergarten through eighth grade New York City public school located on floors one through four (the "School Units"). The Hospital Units and the School Units are owned by NYU Downtown Hospital and New York City Department of Education (the "School"), respectively. The Hospital Units were constructed as part of the consideration for the purchase of the land. The costs incurred in constructing the Hospital Units are included as part of the land basis in the accompanying Consolidated Balance Sheets. The School reimbursed the Company up to an agreed upon amount for costs incurred in constructing the School Units.

Basis of Accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

A. Organization and Summary of Significant Accounting Policies

Basis of Presentation
The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In accordance with accounting guidance for consolidation, prior to the Deconsolidation Date (as defined and discussed in Note C), the accompanying financial statements present the consolidated results of the Company. On the Deconsolidation Date in accordance with the voting model, FC Residential commenced accounting for its investments in FC Holdings in accordance with the equity method of accounting (the "Deconsolidation").

The Company changed its year-end from January 31 to December 31, effective December 31, 2013. As a result, these financial statements reflect the results of operations of the Company for the period from February 1, 2013 to December 31, 2013, and for the period from December 20, 2012 to January 31, 2013.

Economic Concentrations
The Company operates one property in New York, New York. Future operations could be affected by changes in the economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

Real Estate
The Company's capitalization policy follows the accounting guidance on capitalization of interest cost and accounting for costs and initial rental operations of real estate properties. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. The Company ceases capitalization on the portion substantially completed and occupied or held available for occupancy and capitalizes only those costs associated with the portion under construction. Upon receipt of certificates of occupancy from the City of New York, the Units are deemed substantially complete. The initial apartments became available in March 2011. As of August 2012, the Project was deemed 100% complete.

Real estate is recorded at cost. Depreciation of property is calculated using the straight-line method over the estimated useful lives of the assets which range from 5 to 50 years. The cost of maintenance and repairs is charged to expense as incurred and major improvements are capitalized. For the period from February 1, 2013 to December 31, 2013, and for the period from December 20, 2012 to January 31, 2013, depreciation expense was $14,743,262 and $15,258,088, respectively.

The Company reviews its long-lived assets to determine if its carrying costs will be recovered from future undiscounted cash flows whenever events or changes indicate that the recoverability of long-lived assets may not be supported by current assumptions. In cases where the Company does not expect to recover its carrying costs, an impairment loss is recorded in accordance with accounting guidance on the impairment of long-lived assets. Significant estimates are made in the determination of future undiscounted cash flows. The Company did not record any impairments for the periods presented.

A. Organization and Summary of Significant Accounting Policies

Deferred Costs
Mortgage procurement costs are deferred when incurred and amortized over the term of the related financing. Credit enhancement procurement costs are deferred and amortized over the term of the enhancement. Lease procurement costs are deferred when incurred and amortized on a straight-line basis over the term of the related lease. Lease procurement costs related to leases of one year or less are expensed as incurred. At December 31, 2013 and January 31, 2013, accumulated amortization of mortgage and credit enhancement procurement costs was $3,153,640 and $2,377,427, respectively, and accumulated amortization of lease procurement costs was $5,527,152 and $3,579,525, respectively.

Cash and Cash Equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted Cash
Restricted cash is not considered cash and cash equivalents and consists of cash held in escrow as required by the Lender and tenant security deposits as required by tenant leases. Escrow funds are released upon certain conditions being met. At December 31, 2013 and January 31, 2013, respectively, restricted cash is comprised of the following:

	12/31/2013	1/31/2013
To fund construction costs	$ 9,288,389	$ 14,347,541
To fund operating needs	10,001,664	10,000,123
Tenant security deposits	3,813,305	3,841,538
Other	335,915	473,157
Total Restricted Cash	**$ 23,439,273**	**$ 28,662,359**

Concentration of Credit Risk
The Company maintains cash deposits with major financial institutions which from time to time may exceed federally insured limits. The Company periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

Accounts Receivable
Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of December 31, 2013 and January 31, 2013, reserves for doubtful accounts were $205,510 and $129,763, respectively.

A. Organization and Summary of Significant Accounting Policies

Fair Value of Financial Instruments
Management estimates the fair value of its debt instruments by discounting future cash payments at interest rates that the Company believes approximates the current market. The estimated fair value is based upon market prices of public debt, available industry financing data, current treasury rates, recent financing transactions and other factors. The fair value of the Company's debt at December 31, 2013 and January 31, 2013 is further described in the Mortgage Loan Payable section of this Note B.

The carrying amount of the Company's accounts payable and accrued expenses at December 31, 2013 and January 31, 2013 approximate fair value based upon the short-term nature of the instruments.

Estimates
The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Rental Income
The Company's primary source of income is from leasing residential apartments, which are leased for terms of 12 months to 24 months. Revenue from minimum annual rentals is recognized on an accrual basis in accordance with the terms of the related leases. For those first generation leases that provided for rent abatement periods of one to two months, revenue is recognized on a straight-line basis over the related lease terms. As of December 31, 2013 and January 31, 2013, the straight-line receivable balance was $17,447 and $414,854, respectively, and is included in accounts receivable, net in the accompanying Consolidated Balance Sheets.

Income Taxes
The Company is a limited liability company. No provision or benefit for federal, state and local income taxes has been reflected in the consolidated financial statements of the Company since such income taxes, if any, are the responsibility of the individual members.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Company to report information regarding its exposure to various tax positions taken by the Company. Management has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax positions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Company are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

A. Organization and Summary of Significant Accounting Policies

Real Estate Tax Abatement
The Project has been granted a phased abatement of real estate taxes for a twenty year period after construction in accordance with Section 421-a of the New York State Real Property Tax Law. To receive this abatement, the Company has agreed that all Rental Units in the Project will be subject to the New York City Rent Stabilization Law during the abatement period. The Law restricts the percentage increases in rent charged on new and renewed leases. It also restricts the lease term to be no longer than two years.

Prepaid Expenses and Other Assets
Prepaid expenses and other assets include prepaid expenses relating to Spruce Street Condominium monthly charges, letter of credit fees due to Wells Fargo Bank, N.A., real estate taxes, and a Con Edison vault deposit. At December 31, 2013 and January 31, 2013, respectively, prepaid expenses and other assets are comprised of the following:

	12/31/2013	1/31/2013
Con Edison Vault Deposits	$ 276,620	$ 276,620
Prepaid Real Estate Tax	201,106	168,095
Prepaid Interest Rate Caps	7,344	79,860
Prepaid Letter of Credit and Interest	1,095,457	936,854
Prepaid Condo Fees	851,521	412,940
Prepaid Amenties Fees	80,993	110,770
Total Prepaid Expense & Other Assets	**$ 2,513,041**	**$ 1,985,141**

Advertising
Advertising costs are expensed as incurred. For the period from February 1, 2013 to December 31, 2013, and for the period from December 20, 2012 to January 31, 2013, the Company incurred $786,831 and $982, respectively, in advertising costs.

Reclassifications
Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent Events Review
The Company has evaluated events and transactions that occurred between December 31, 2013 and the date of the Independent Auditors' Report, which is the date the consolidated financial statements were available to be issued. There were no significant subsequent events.

B. Derivative Instruments and Hedging Activities

The Company maintains an overall interest rate risk-management strategy that incorporates the use of derivative instruments to minimize unplanned fluctuations in cash flows and earnings that may be caused by interest rate volatility. The principal risk to the Company through its interest rate hedging strategy is the potential inability of the financial institutions from which the interest rate protection was purchased to cover all of its obligations. To mitigate this exposure, the Company purchases its interest rate protection from either the institution that holds the debt or from institutions with a minimum A- credit rating. The Company does not enter into derivative financial instrument contracts for trading or speculative purposes.

As required by accounting guidance for derivative instruments and hedging activities, all derivatives are recognized on the Consolidated Balance Sheets at their fair value. On the date that the Company enters into a derivative contract, it designates the derivative as either a hedge of a forecasted transaction or the variability of cash flows that are to be received or paid in connection with a recognized asset or liability ("a cash flow hedge"). Changes in the fair value of a derivative that is designated and qualifies as a cash flow hedge, to the extent that the hedge is highly effective, are recorded in other comprehensive income (loss) until earnings are affected by the variability of cash flows of the hedged transaction. Any hedge ineffectiveness (which represents the amount by which the changes in fair value of the derivative exceed the variability in the cash flows of the forecasted transaction) is recorded in current-period earnings as interest expense in the accompanying Consolidated Statements of Operations.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management strategy for undertaking hedging transactions. The Company formally assesses (both at the hedge's inception and on an ongoing basis) whether the derivatives used in hedging transactions were highly effective in offsetting changes in the cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods.

The Company discontinues hedge accounting prospectively when; (1) it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item; (2) the derivative expires or is sold, terminated, or exercised; (3) it is no longer probable that the forecasted transaction will occur; or (4) management determines that designating the derivative as a hedging instrument is no longer appropriate. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company records the derivative at its fair value in Prepaid expenses and other assets on the Consolidated Balance Sheets, recognizing changes in the fair value in current-period earnings as interest expense in the accompanying Consolidated Statements of Operations.

FC Beekman purchased a London Interbank Offered Rate ("LIBOR") based interest rate cap on March 26, 2008 for $3,698,000 to reduce its exposure to variability in expected future cash outflows attributable to increases in interest rates on its variable rate debt. The cap has a notional value of $476,100,000, an effective date of April 1, 2011 and a maturity date of April 1, 2013.

B. Derivative Instruments and Hedging Activities

At the time of purchase, the cap qualified and was designated as a cash flow hedge. During 2011, due to the pay down of the Bonds (see the Mortgage Loan Payable section of this Note D), the cap no longer qualified to receive hedge accounting and the Company reclassified other comprehensive income ("OCI") in the amount of $1,071,077 as an increase to interest expense representing a missed forecasted future transaction. After the reclassification, the remaining balance of OCI related to the interest rate cap during the time it was designated as a cash flow hedge which was during the development phase of the property. In accordance with accounting guidance on derivatives and hedging activities, the Company is amortizing the remaining OCI on a straight-line basis over a period of 50 years, which is included in depreciation expense. As of December 31, 2013 and January 31, 2013, the balance of accumulated OCI was $2,407,331 and $2,453,951, respectively. The Company expects that within the next twelve months it will reclassify amounts recorded in accumulated other comprehensive loss as an increase in depreciation expense of approximately $50,859.

On December 20, 2012, the Company purchased two interest rate caps. The first was purchased for $67,700 with a notional value of $335,100,000 and strike rate of 2.5% LIBOR. The second cap was purchased for $81,210 with a notional value of $203,900,000 and a strike rate of 1.5% Securities Industry and Financial Markets Association ("SIFMA") Municipal Swap Index. Both caps have an effective date of December 20, 2012 and a maturity date of December 20, 2014. The Company did not designate either cap as a hedging instrument; therefore, changes in the fair value of both caps are recognized in the Statement of Operations.

At December 31, 2013, FC Residential's interest rate caps are included in accounts receivable, net in the accompanying Consolidated Balance Sheets. At December 31, 2013, the current notional and fair value of interest rate caps not designated as hedging instruments is as follows:

	December 31, 2013	January 31, 2013
Notional	$ 539,000,000	$ 539,000,000
Fair Value	$ 17	$ 65,818

The following table presents the impact of losses related to the interest rate cap designated as a cash flow hedge included in the accompanying Consolidated Statements of Operations and within members' equity on the Consolidated Balance Sheets:

B. Derivative Instruments and Hedging Activities

	On Accompanying Consolidated Statements of Operations		On Accompanying Consolidated Balance Sheet	
	Depreciation and amortization	Interest expense	Prepaid expenses and other assets	Accumulated other comprehensive income (loss)
Balance at December 20, 2012	$ 38,144	$ -	$ 8	$ (2,466,666)
Market to Market - effective portion			(83,100)	
Market to Market - ineffective portion		83,100		
Depreciation expense	12,715	-	-	12,715
Balance at January 31, 2013	12,715	83,100	(83,092)	(2,453,951)
Market to Market - effective portion	-	-		-
Market to Market - ineffective portion	-		-	-
Depreciation expense	46,620	-	-	46,620
Balance at December 31, 2013	**$ 46,620**	**$ -**	**$ (83,092)**	**$ (2,407,331)**

C. Member Capitalization

Prior to July 1, 2011, Forest City Enterprises, Inc. ("FCE"), a publicly traded company, and an affiliate held an effective ownership interest in Beekman Mezzanine of 69.60% while the National Electrical Benefit Fund ("NEBF") held an ownership interest of 30.40%. Beekman Mezzanine was deemed to be a variable interest entity ("VIE") and FCE was deemed to be the primary beneficiary, which resulted in FCE accounting for its interest in Beekman Mezzanine under full consolidation. On July 1, 2011, Beekman Mezzanine was recapitalized which resulted in NEBF assigning its 30.40% interest to its affiliate, INDURE. INDURE contributed $107,120,584, comprised of cash of $72,120,584 and conversion of a mezzanine loan of $35,000,000 into its equity, and its ownership in Beekman Mezzanine increased from 30.40% to 49.00%. FCE contributed $57,879,416 and its interest together with its affiliate's interest in Beekman Mezzanine decreased from 69.60% to 51.00%. The $130,000,000 raised was used to pay down the Bonds (see Note D) and establish an escrow account with the Lender to fund remaining construction costs. Beekman Mezzanine was no longer considered a VIE and under the voting model FCE was required to account for its membership interest in accordance with the equity method of accounting.

On December 20, 2012 (the "Deconsolidation Date"), FC Mezzanine sold a 49.00% interest in FC Holdings to 8 Spruce Street GA Investor LLC (the "GA Investor"), a Delaware limited liability company for cash consideration of $250,390,000 and recognized a net gain on disposition of partial interest in FC Holdings of $123,790,358, under accounting guidance related to real estate sales, in the accompanying Consolidated Statements of Operations. The proceeds from the sale, net of closing costs totaled $248,019,207.

C. Member Capitalization

The following table depicts the capitalization of FC Mezzanine and capital flows to the Company. Also, presented is the Company's accumulated deficit account in order for the total to reconcile to the Members' equity presented in the accompanying Consolidated Balance Sheets.

		INDURE Mezzanine								
	FC Entities Member	Capital Contributions	Capital Distributions	Prepayment Fee	Interest payments on Loan & LOC	Cost of Sales	GA Investor	OCI	Accumulated Deficit	Total
Predecessor										
Balance at December 19, 2012	154,823,830	152,902,584	(8,004,536)	(6,250,000)	(17,433,223)	-	-	(2,466,666)	(31,497,402)	242,074,587
Contributions							256,215,226			256,215,226
Distributions	(131,535,718)		(121,383,489)			(2,413,793)				(255,333,000)
Net loss								12,715	(418,792)	(406,077)
Balance at January 31, 2013	$ 23,288,112	$ 152,902,584	$ (129,388,025)	$ (6,250,000)	$ (17,433,223)	$ (2,413,793)	$ 256,215,226	$ (2,453,951)	$ (31,916,194)	$ 242,550,736
Contributions										-
Distributions	(3,395,971)		(3,262,794)				(6,397,635)			(13,056,400)
Net loss								46,620	(792,600)	(745,980)
Balance at December 31, 2013	$ 19,892,141	$ 152,902,584	$ (132,650,819)	$ (6,250,000)	$ (17,433,223)	$ (2,413,793)	$ 249,817,591	$ (2,407,331)	$ (32,708,794)	$ 228,748,356

GA INVESTOR	
Balance at January 31, 2013	**256,016,248**
2013 Net Loss	**(60,552)**
OCI	**22,844**
Distribution	**(6,397,635)**
GA Investor Equity(12/31/13)	**249,558,060**

D. Mortgage Loan Payable

The Company obtained financing for the Project from the New York City Housing Development Corporation ("HDC"). The following table shows the detail of the bonds issued and outstanding (the "Bonds") at December 31, 2013:

	Pre-July 1, 2011		December 31, 2013	
	Amount	July 1, 2011 Payment	Amount Outstanding	Interest Rate
2008 Series A, tax-exempt	$ 203,900,000	$ -	$ 203,900,000	0.27%
2009 Series A-1, taxable	158,700,000	(35,350,000)	123,350,000	0.39%
2009 Series A-2, taxable	79,350,000	(17,650,000)	61,700,000	0.40%
2010 Series A-1, taxable	98,050,000	(21,850,000)	76,200,000	0.40%
2010 Series A-2, taxable	95,000,000	(21,150,000)	73,850,000	0.40%
	$ 635,000,000	$ (96,000,000)	$ 539,000,000	

D. Mortgage Loan Payable

On May 28, 2008, HDC issued $203,900,000 principal amount of 2008 Series A Revenue Bonds. On March 4, 2009, HDC issued $158,700,000 principal amount of 2009 Series A-1 Revenue Bonds and $79,350,000 principal amount of 2009 Series A-2 Revenue Bonds. On May 12, 2010, HDC issued $98,050,000 principal amount of 2010 Series A-1 Revenue Bonds and $95,000,000 principal amount of 2010 Series A-2 Revenue Bonds. On July 1, 2011, the Company retired $96,000,000 of the Bonds, as depicted in the table above. The Bonds are scheduled to mature on March 1, 2048.

Each series of bonds was issued as a variable rate obligation. The interest is calculated weekly based upon the remarketing agent's (the "Agent") determination of the rate required to allow the Bonds to be sold at par plus accrued interest, up to a maximum interest rate of 12% per annum. The rates on the Bonds have historically traded at a rate which closely approximates the SIFMA. The Company may elect to convert the interest rate on the Bonds, as defined in the agreement. In general, the Bonds are subject to redemption and payment prior to maturity, in whole or in part, at the option of HDC, which can only be exercised at the Company's request. The Agent earns an annual remarketing fee of 0.07% of the Bonds par value.

The Bonds are enhanced by an irrevocable letter of credit (the "L/C") issued by RBS Citizens, N.A. (the "Lender") in the amount of $545,077,011 (the "Maximum Amount") which represents both the principal amount and a specified amount of interest on the Bonds. The L/C was originally set to expire on June 30, 2016. Concurrent with the Transaction, the maturity date of the L/C changed to June 30, 2015, and the Company, was required to fund $10,000,000 into the Lender's escrow account until a certain debt service coverage ratio is achieved as defined in the Lender agreement. The Company pays a monthly L/C fee of 2.20% per annum on the Maximum Amount and pays a monthly fronting fee of 0.15% per annum on the Maximum Amount. In addition, the L/C requires the Company to maintain a certain debt coverage ratio upon achievement of 95% occupancy. The Company is not in default of any covenant as of the issuance of these consolidated financial statements.

Based on borrowing rates currently available to the Company for long term debt with similar terms and maturities, the estimated fair value of the Bonds at December 31, 2013 and January 31, 2013 was $539,259,600 and $535,212,700.

E. Transactions with Affiliates

The Company had the following transactions with affiliates of FCE:

- During 2012, a development fee of $6,156,641 was paid to an affiliate of a member of the Company. The fee was capitalized to building in the accompanying Consolidated Balance Sheets.

- Cumulative site management fees paid in connection with overseeing the development and construction of the Project totaled $30,016,023 and are capitalized to building in the accompanying Consolidated Balance Sheets.

E. Transactions with Affiliates

- Fees related to commissioning services during the design and construction stages totaled $225,000 and are capitalized to building in the accompanying Consolidated Balance Sheets.

- Execution of Completion Guaranty for the benefit of the Lender, that will be released upon meeting conditions as defined in the Guaranty agreement.

- During 2013, the Company advance $2,637,440 to FC Mezzanine and is recorded as due from affiliate in the accompanying Consolidated Balance Sheets.

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APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE CORPORATION RELATING TO THE SERIES 2014 BONDS

Upon delivery of the Series 2014 Bonds, Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, proposes to deliver its approving opinion in substantially the following form:

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION
110 William Street
New York, New York 10038

Ladies and Gentlemen:

We, as bond counsel to the New York City Housing Development Corporation (the "Corporation"), a corporate governmental agency, constituting a public benefit corporation, created and existing under and pursuant to the New York City Housing Development Corporation Act, Article XII of the Private Housing Finance Law (Chapter 44-b of the Consolidated Laws of New York), as amended (the "Act"), have examined a record of proceedings relating to the issuance by the Corporation of $550,000,000 Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014, comprised of Class A, Class B and Class C (collectively, the "Taxable Bonds") and Class D, Class E and Class F (collectively, the "Tax-Exempt Bonds"; the Taxable Bonds and the Tax-Exempt Bonds being collectively referred to as the "Bonds").

The Bonds are authorized to be issued pursuant to the Act, a resolution of the Corporation adopted on September 22, 2014, and the Indenture of Trust, dated as of November 13, 2014, by and between the Corporation and U.S. Bank National Association, as indenture trustee (herein called the "Indenture"). The Bonds are being issued for the purpose of refunding the Corporation's Multi-Family Mortgage Revenue Bonds (Beekman Tower), 2008 Series A, 2009 Series A-1, 2009 Series A-2, 2010 Series A-1 and 2010 Series A-2 (collectively, the "Prior Bonds").

The Bonds are dated, mature, are payable, bear interest and are subject to redemption and tender as provided in the Indenture.

We have not examined nor are we passing upon matters relating to the real and personal property referred to in the Mortgage, nor are we passing upon the Loan Agreement, the Mortgage or the other Loan Documents (as such terms are defined in the Indenture). In rendering this opinion, we have assumed the validity and enforceability of the Loan Agreement, the Mortgage and the other Loan Documents.

Upon the basis of the foregoing, we are of the opinion that:

1. The Corporation has been duly created and validly exists as a corporate governmental agency, constituting a public benefit corporation, under and pursuant to the laws of the State of New York (including the Act), and has good right and lawful authority, among other things, to refund the Prior Bonds, to provide sufficient funds therefor by the execution and delivery of the Indenture and the issuance and sale of the Bonds, and to perform its obligations under the terms and conditions of the Indenture.

2. The Indenture has been duly authorized, executed and delivered by the Corporation, is in full force and effect, and is valid and binding upon the Corporation and enforceable against the Corporation in accordance with its terms.

3. The Bonds have been duly authorized, sold and issued by the Corporation in accordance with the Indenture and the laws of the State of New York (the "State"), including the Act.

4. The Bonds are valid and legally binding special revenue obligations of the Corporation payable solely from the revenues, funds or moneys pledged for the payment thereof pursuant to the Indenture, are enforceable in accordance with their terms and the terms of the Indenture, and are entitled to the benefit, protection and security of the provisions, covenants and agreements of the Indenture.

5. The Bonds are secured by a pledge in the manner and to the extent set forth in the Indenture. The Indenture creates the valid pledge of and lien on the Indenture Trust Estate (as defined in the Indenture), which the Indenture purports to create, subject only to the provisions of the Indenture permitting the use and application thereof for or to the purposes and on the terms and conditions set forth in the Indenture.

6. The Bonds are not a debt of the State of New York or The City of New York and neither is liable thereon, nor shall the Bonds be payable out of any funds of the Corporation other than those of the Corporation pledged for the payment thereof.

7. Under existing statutes and court decisions, (i) interest on the Tax-Exempt Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any Tax-Exempt Bond for any period during which such Tax-Exempt Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Tax-Exempt Bonds or a "related person," and (ii) interest on the Tax-Exempt Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Corporation, the Borrower (as defined in the Indenture) and others, in connection with the Tax-Exempt Bonds, and we have assumed compliance by the Corporation and the Borrower with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Bonds from gross income under Section 103 of the Code.

8. Interest on the Taxable Bonds is included in gross income for Federal income tax purposes pursuant to the Code.

9. Under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

We express no opinion regarding any other Federal or state tax consequences with respect to the Bonds. No opinion is expressed with respect to any Deferred Interest, Excess Interest or ARD Payment Premium (as such terms are defined in the Indenture) payable with respect to the Bonds. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update our opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation or otherwise. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Tax-Exempt Bonds, or the exemption from personal income taxes of interest on the Bonds under state and local tax law.

We express no opinion herein with respect to any offering document or other information pertaining to the offering for sale of the Bonds.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the Bonds and the Indenture may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to the general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have examined an executed Bond of each Class and in our opinion the form of each such Bond and its execution are regular and proper.

Very truly yours,

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APPENDIX F

TERM SHEET

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CONFIDENTIAL

STRUCTURAL AND COLLATERAL INFORMATION

$550,000,000

New York City Housing Development Corporation
Bond Issuer

Multi-Family Mortgage Revenue Bonds (8 Spruce Street),
Series 2014

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Barclays Capital Inc.
Citigroup Global Markets Inc.
Underwriters

Bank of America Merrill Lynch

BARCLAYS

citi

October 23, 2014

No Bonds are being offered by these summary materials. If the Bonds described herein or other bonds are ultimately offered, they will only be offered pursuant to a final offering document (the "Official Statement"), including all exhibits thereto, and prospective investors who consider purchasing any such Bonds should make their investment decisions based only upon the information provided therein and in consultation with their own advisors. Information contained in this material is current only as of the date appearing on this material. All information in this Structural and Collateral Information whether regarding the Bonds or the related Mortgage Loan, will be superseded by the information contained in the final Official Statement, including all exhibits thereto, for any Bonds actually sold.

THE CLASS F BONDS ARE BEING OFFERED ONLY TO "QUALIFIED PURCHASERS" AS DEFINED IN THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

In preparing this term sheet, the Underwriters have relied upon and assumed, without independent verification, the accuracy and completeness of all information provided to the Underwriters by or on behalf of the Sponsors (each as defined in this term sheet). All numerical and statistical information contained in this term sheet is provided on an approximate basis.

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The attached information contains certain tables and other statistical analyses (the "Computational Materials") which have been prepared in reliance upon information furnished by the Underwriters. The Computational Materials are illustrative and are not intended to predict actual results which may differ substantially from those reflected in the Computational Materials. Performance analysis is based on certain assumptions, which may or may not be stated in this material, with respect to significant factors that may prove not to be as assumed. As such, no assurance can be given as to the Computational Materials' accuracy, appropriateness or completeness in any particular context, or as to whether the Computational Materials and/or the assumptions upon which they are based reflect present market conditions or future market performance. You should understand the assumptions and evaluate whether they are appropriate for your purposes. Performance results are based on mathematical models that use inputs to calculate results. As with all models, results may vary significantly depending upon the value of the inputs given. Models used in any analysis may be proprietary, making the results difficult for any third party to reproduce. Contact your registered representative for detailed explanations of such modeling techniques. The Computational Materials address only certain aspects of the applicable Class of Bonds' characteristics and thus do not provide a complete assessment and may not reflect the impact of all structural characteristics of a Class of Bonds, including call events and cash flow priorities at all prepayment speeds and/or interest rates. You should consider whether the behavior of the Bonds should be tested at assumptions different from those included in the Computational Materials. The assumptions underlying the Computational Materials, including structure and collateral, may be modified from time to time to reflect changed circumstances. The Computational Materials should not be construed as either projections or predictions or as legal, tax, financial or accounting advice. You should consult your own counsel, accountant and other advisors as to the legal, tax, business, financial and related aspects of a purchase of these Bonds. None of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., and Citigroup Global Markets Inc. (collectively, the "Underwriters") or any of their respective affiliates makes any representation or warranty as to the actual rate or timing of payments or losses on the underlying asset or the payments or yield on the Bonds.

These materials contain forward-looking statements. Those statements are subject to certain risks and uncertainties that could cause the success of collections and the actual cash flow generated to differ materially from the information set forth herein. While such information reflects projections prepared in good faith based upon methods and data that are believed to be reasonable and accurate as of the dates thereof, the Underwriters undertake no obligation to revise these forward-looking statements to reflect subsequent events or circumstances. Individuals should not place undue reliance on forward-looking statements and are advised to make their own independent analysis and determination with respect to the forecasted periods, which reflect the Underwriter's view only as of the date hereof.

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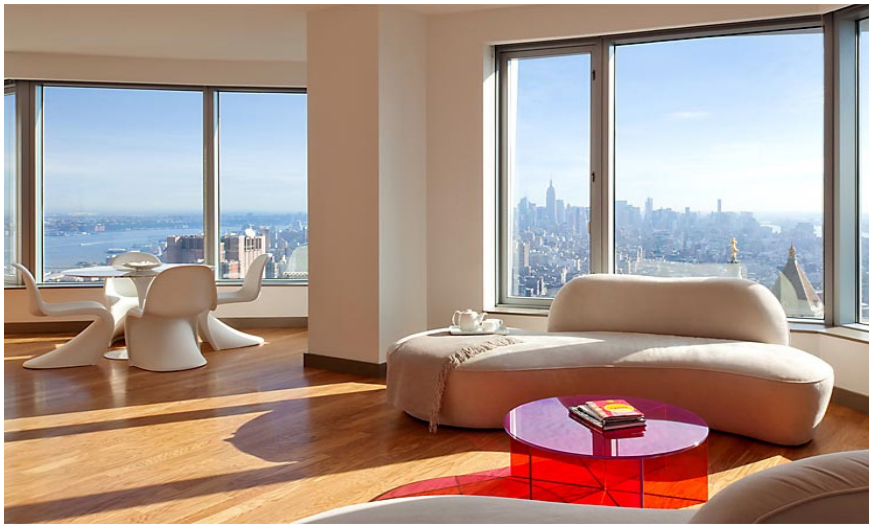
THIS MATERIAL IS NOT TO BE CONSTRUED AS AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY IN ANY JURISDICTION WHERE SUCH AN OFFER OR SOLICITATION WOULD BE ILLEGAL. THE BONDS WHEN OFFERED, WILL BE OFFERED BY AN OFFICIAL STATEMENT ON A "WHEN, AS AND IF ISSUED" BASIS. THE BONDS AND THE MORTGAGE LOAN THAT IS EXPECTED TO BACK THEM, ARE SUBJECT TO MODIFICATION OR REVISION. YOU UNDERSTAND THAT, WHEN YOU ARE CONSIDERING THE PURCHASE OF BONDS, A CONTRACT OF SALE WILL COME INTO BEING NO SOONER THAN THE DATE ON WHICH THE RELEVANT CLASS HAS BEEN PRICED AND THE UNDERWRITERS HAVE CONFIRMED THE ALLOCATION OF BONDS TO BE MADE TO YOU. ANY "INDICATIONS OF INTEREST" EXPRESSED BY YOU, AND ANY "SOFT CIRCLES" GENERATED BY US, WILL NOT CREATE BINDING CONTRACTUAL OBLIGATIONS FOR YOU OR FOR THE BOND ISSUER OR THE UNDERWRITERS. AS A RESULT OF THE FOREGOING, YOU MAY COMMIT TO PURCHASE BONDS THAT HAVE CHARACTERISTICS THAT MAY CHANGE, AND YOU ARE ADVISED THAT ALL OR A PORTION OF THE BONDS MAY NOT BE ISSUED THAT HAVE THE CHARACTERISTICS DESCRIBED IN THESE MATERIALS.

ALL OR A PORTION OF THE BONDS THAT HAVE THE CHARACTERISTICS DESCRIBED IN THESE MATERIALS MAY NOT BE ISSUED. THE OBLIGATION OF THE BOND ISSUER AND THE UNDERWRITERS TO SELL BONDS TO YOU IS CONDITIONED ON THE BONDS THAT ARE ACTUALLY ISSUED HAVING THE CHARACTERISTICS DESCRIBED IN THESE MATERIALS. IF THE BOND ISSUER OR ANY UNDERWRITER DETERMINES THAT SUCH CONDITION IS NOT SATISFIED IN ANY MATERIAL RESPECT, THE APPLICABLE UNDERWRITER WILL NOTIFY YOU, AND NEITHER THE BOND ISSUER NOR SUCH UNDERWRITER WILL HAVE ANY OBLIGATION TO YOU TO DELIVER ANY PORTION OF THE BONDS WHICH YOU HAVE COMMITTED TO PURCHASE. NO PERSON WILL HAVE ANY LIABILITY TO YOU AS A CONSEQUENCE OF SUCH NON-DELIVERY. THE UNDERWRITERS AND THEIR AFFILIATES AND EMPLOYEES MAY FROM TIME TO TIME HAVE A LONG OR SHORT POSITION WITH RESPECT TO ANY BOND DISCUSSED IN THIS STRUCTURAL AND COLLATERAL INFORMATION.




New York By Gehry
8 Spruce Street
New York, NY 10038
MANHATTAN
Tribeca
Chinatown
Financial District
Battery Park City
Battery Park
BROOKLYN
Hudson River
East River
Brooklyn Bridge
Brooklyn-Battery Tunnel
Brooklyn-Queens Expwy
FDR Drive
Spruce St.
Beekman St.
Park Row
Broadway
Chambers St.
Canal St.
Water St.
Fulton St.
John St.
Wall St.
Pine St.
Maiden Ln.
Old Slip
Vesey St.
Murray St.
Warren St.
Barclay St.
Rector St.
Battery St.
Gov. Nelson A. Rockefeller Park
Washington Market Park
Borough of Manhattan Community College
BMCC Tribeca Performing Arts Center
St. Johns University-Manhattan Campus
Goldman Sachs Tower
New York Commodities Exchange
4 World Financial Center
3 World Financial Center
2 World Financial Center
1 World Financial Center
7 World Trade Ctr.
1 World Trade Ctr.
2 World Trade Ctr.
3 World Trade Ctr.
4 World Trade Ctr.
5 World Trade Ctr.
National September 11 Memorial
WORLD TRADE CTR.
CORTLANDT ST.-WTC
CORTLANDT ST.
NY Public Library
CITY HALL
NYC City Hall
NYC Municipal Building
BROOKLYN BR.-CITY HALL
1 Police Plaza (NYC Police HQ)
Woolworth Building
PARK PLACE
Pace University
BROADWAY-NASSAU
New York Downtown Hospital
FULTON ST.
55 John Street
Federal Reserve Bank
1 Chase Manhattan Plaza
40 Wall Street
WALL-WILLIAM ST.
Trinity Church
WALL ST.
BROAD ST.
NY Stock Exchange
RECTOR ST.
60 Broad Street
85 Broad Street
7 Hanover Square
1 Financial Square
120 Wall Street
60 Wall St.
Continental Tower
Fulton Market
South Street Seaport
Cadman Plaza
BOWLING GREEN
2 Broadway
Fort Amsterdam
WHITEHALL ST.-SOUTH FERRY
2 & 4 New York Plaza
1 New York Plaza
17 State Street
SOUTH FERRY TERMINAL
Whitehall Terminal (South Ferry)
Maritime Battery Building
Downtown Manhattan Heliport
Castle Clinton Natl. Monument
Museum of Jewish Heritage
1st Pl.
388 Greenwich Street
33 Thomas Street
Ted Weiss Federal Bldg.
US District Court
NYC Criminal Court
Columbus Park
Franklin St.
Leonard St.
White St.
Walker St.
Worth St.
Bayard St.
Division St.
Catherine St.
St. James Pl.
Lafayette St.
Centre St.
Church St.
West Broadway
Greenwich St.
Hudson St.
West St.
Trinity Pl.
State St.
New St.
Broad St.
Water St.
Front St.
South St.
PATH
9A
278
495
Upper West Side
Upper East Side
Central Park
Astoria
QUEENS
West New York
North Bergen
Weehawken
Union City
Hoboken
NEW JERSEY
JERSEY CITY
Long Island City
Midtown
Chelsea
Greenwich Village
SoHo
Tribeca
Chinatown
Financial District
BROOKLYN
Brooklyn Heights
Park Slope
Williamsburg
Liberty State Park
Ellis Island
Governors Island

Table of Contents

I. Executive Summary

Executive Summary

New York City Housing Development Corporation ("Bond Issuer") is issuing $550,000,000 of Multi-Family Mortgage Revenue Bonds (8 Spruce Street), Series 2014 (the "Bonds") under an Indenture of Trust (the "Indenture") for the purpose of providing funds to make a $550,000,000 loan (the "Mortgage Loan") to FC 8 Spruce Street Residential, LLC (the "Borrower") secured by a first-lien mortgage on the Borrower's fee simple interest in one condominium unit (the "Mortgaged Property") of the property known as New York by Gehry. The proceeds of the Mortgage Loan will be used in part to refund in whole certain prior bonds that were issued to finance the construction of a 76-story, 899-unit luxury multifamily rental housing development and ancillary retail space located at 8 Spruce Street in New York, New York. The Mortgage Loan will be a fixed-rate, interest only mortgage loan with a 10-year anticipated repayment date ("ARD") followed by amortization from excess cash generated by the Mortgaged Property until the 30 year final maturity.

The Mortgage Loan and all payments thereunder will be pledged by the Bond Issuer to U.S. Bank National Association, as trustee under the Indenture, and will secure repayment of the Bonds.

The Class A, Class B and Class C Bonds in the approximate aggregate principal amount of $346,100,000 will be offered as taxable bonds (the "Taxable Bonds"), interest on which is included in gross income for federal income tax purposes, based on the opinion of bond counsel to the Bond Issuer. The Class D, Class E and Class F Bonds in the approximate aggregate principal amount of $203,900,000 will be offered as tax-exempt bonds (the "Tax-Exempt Bonds"), interest on which is excluded from gross income for federal income tax purposes, based on the opinion of bond counsel to the Bond Issuer. Interest on the Taxable Bonds and Tax-Exempt Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), based on the opinion of bond counsel to the Bond Issuer. See "TAX MATTERS" in the Official Statement. The Tax-Exempt Bonds will have a payment priority that is subordinate to the Taxable Bonds.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE BOND ISSUER, ARE NOT A DEBT OF THE STATE OF NEW YORK OR THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE FOR REPAYMENT THEREON, NOR SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OTHER THAN AMOUNTS DUE UNDER THE MORTGAGE LOAN AND PLEDGED UNDER THE INDENTURE. THE BOND ISSUER HAS NO TAXING POWER.

Executive Summary

Mortgaged Property Description

- The Mortgaged Property is comprised of the residential and retail condominium unit of the 76-story, 899-unit luxury multifamily complex known as New York By Gehry located at 8 Spruce Street, New York, New York. New York By Gehry consists of the Mortgaged Property and the following three condominium units (which are not part of the Mortgaged Property) which collectively comprise the condominium known as Spruce Street Condominium: (i) an ambulatory care center on a portion of floors 1 and 5 (the "Care Center Unit") owned and operated by an entity affiliated with the New York Presbyterian Hospital (the "Hospital"), (ii) a below grade parking garage (the "Garage Unit") located on floors P1, P1M and 1 and owned by an entity affiliated with the Hospital and (iii) a pre-K through 8th grade New York City public school located on a portion of floors 1 through 4 (the "School Unit") owned by the New York City School Construction Authority.

- The Mortgaged Property consists of (a) 899 residential units located on floors 7 through 12 and floors 14 through 76 (PH), 896 units of which are leasable at market rates (but subject to New York City rent stabilization laws), one unit that is currently used as a management/leasing office and two units that are currently used as model units, and (b) approximately 1,200 leasable SF of retail space on floor 1. Spruce Street Condominium is situated between William and Nassau Streets within the Downtown submarket of Manhattan and in close proximity to City Hall Plaza, TriBeCa and the Brooklyn Bridge. Completed in 2011, the Mortgaged Property was designed by world-renowned architect Frank Gehry - his only skyscraper. The Mortgaged Property offers an array of amenities including a porte-cochère driveway entrance, a sky-lit approximately 50 foot swimming pool and wraparound sun deck, a full range of fitness facilities, a grilling terrace, a drawing room, a game room with golf simulators, a children's playroom, a library, a chef's kitchen and dining room and a Gehry-designed amphitheater screening room. As of June 30, 2014, the Mortgaged Property was 99.1% leased.

Mortgage Loan

- **Mortgage Loan Amount:** $550,000,000.
- **Term:** 10-year ARD with a 30 year final maturity.
- **Amortization:** Interest only for first 10 years, followed by amortization from excess cash flow generated from the Mortgaged Property.
- **Voluntary Prepayment:** Permitted in whole on or prior to the last day of the calendar month immediately preceding the Mortgage Loan Payment Date occurring in May 2024 (such last day, the "Lockout End Date") solely in connection with full defeasance of Bonds. Permitted in whole at par after the Lockout End Date.
- **Cash Management:** Soft lockbox with springing cash management.
- **Ownership Interest:** Fee simple interest (condominium).
- **Additional Debt:** None permitted.
- **Recourse:** Non-recourse to the Borrower, subject to standard carve-outs.

Executive Summary

Financial Information

- **LTV:** The current loan-to-value ("LTV") ratio is 50.0% for the Mortgage Loan based on the Mortgaged Property's appraised value of $1,100,000,000 ($1,223,582 per unit) as of June 16, 2014.
- **Net Operating Income:** The most recent net operating income ("NOI") for the Mortgaged Property is $37,330,521 (TTM 6/30/2014)[1].
- **Debt Yield:** The Mortgage Loan UW NCF Debt Yield is 7.2%.
- **DSCR:** The Mortgage Loan UW NCF DSCR is 1.87x.

Strengths

- **Asset Quality/Design:** The Mortgaged Property, which opened in 2011, was designed by world-renowned architect Frank Gehry. The Mortgaged Property features amenities including unobstructed views of the New York City skyline and the Brooklyn Bridge, high quality interior design and luxury finishes.
- **LTV/Loan Metrics:** The Mortgaged Property was appraised by CBRE, Inc. for $1,100,000,000 ($1,223,582 per unit) as of June 16, 2014, resulting in a LTV ratio of 50.0% for the Mortgage Loan. The Mortgage Loan represents an UW NCF Debt Yield of 7.2% and an UW NCF DSCR of 1.87x.
- **Location**: The Mortgaged Property is situated between William and Nassau Streets within the Downtown submarket of Manhattan and in close proximity to City Hall Plaza, TriBeCa and the Brooklyn Bridge. The Mortgaged Property is located just two blocks north of the integrated Fulton Street Transit Center and three blocks from the Brooklyn Bridge / City Hall station, providing access to the A, C, J, R, Z, 2, 3, 4, 5 and 6 trains. Direct service along both the east and west sides of Manhattan is available, including express two-stop service to Grand Central Terminal and access to Port Authority, in addition to convenient access to the FDR Drive.
- **Occupancy:** The Mortgaged Property's 899 units were approximately 99.1% leased as of June 30, 2014.
- **Mortgaged Property Sponsorship:** The Mortgaged Property benefits from institutional ownership with significant experience in developing, owning and operating multifamily properties in Forest City Enterprises, Inc. ("Forest City"), Teachers Insurance and Annuity Association of America and INDURE Build-to-CORE Fund, LLC (f/k/a the IBEW-NECA Diversified Real Estate Fund, LLC), a commingled real estate fund managed by National Real Estate Advisors ("NREA").
- **Bond Issuer:** The Bonds will be issued by New York City Housing Development Corporation ("HDC"), a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York. HDC commenced operations in 1972[2].

(1) Excludes $119,447 of one-time security expenses which were incurred in October 2013. If included, NOI would be $37,211,074.

(2) The Bonds are special revenue obligations of the New York City HDC. The Bonds are not a debt of the State of New York or The City of New York, and neither the State of New York nor The City of New York will be liable thereon, nor will the Bonds be payable out of any funds other than those of the Corporation pledged therefor. The Corporation has no taxing power.

Executive Summary

Sources and Uses

- This loan refinances in-place debt of $539.0 million and closing costs for the Mortgaged Property.

Sources and Uses ($MMs)			
Sources of Funds		**Uses of Funds**	
Mortgage Loan	$550.0	Refinancing of Existing Debt[(1)]	$539.0
		Estimated Closing Costs and Escrows	$11.0
Total Sources:	**$550.0**	**Total Uses:**	**$550.0**

(1) Comprised of $335,100,000 in taxable bonds and $203,900,000 in tax-exempt bonds.

II. Bond Overview

Bond Overview

Class of Bonds	Initial Principal Amount[(1)]	Class Type	Expected Ratings (Fitch/S&P)[(2)]	Interest Rate Description	Assumed Final Bond Payment Date[(3)]	Expected Weighted Average Life (Yrs)[(3)]	Approximate Cumulative Bond LTV Ratio (%)[(4)]	Approximate Underwritten NCF Debt Yield (%)[(5)]
Class A	$276,900,000	Taxable	AAAsf / AAA(sf)	Fixed	November 2024	10.03	25.2%	14.3%
Class B	$65,900,000	Taxable	NR / AA-(sf)	Fixed	November 2024	10.03	31.2%	11.6%
Class C	$3,300,000	Taxable	NR / A+(sf)	Fixed	November 2024	10.03	31.5%	11.5%
Class D	$45,700,000	Tax-Exempt	NR / A-(sf)	Fixed	November 2024	10.03	35.6%	10.1%
Class E	$50,100,000	Tax-Exempt	NR / BBB-(sf)	Fixed	November 2024	10.03	40.2%	9.0%
Class F	$108,100,000	Tax-Exempt	NR / NR	Fixed	November 2024	10.03	50.0%	7.2%

(1) Approximate, subject to a variance of plus or minus 5%.

(2) It is a condition to issuance of the Bonds that the Bonds receive the ratings set forth above. Ratings shown are, as indicated, those of Fitch Ratings, Inc. ("Fitch") and Standard & Poor's Rating Services ("S&P" and together with Fitch, the "Rating Agencies"). Certain nationally recognized statistical rating organizations ("NRSROs"), as such term is defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that were not hired by the Underwriters may use information they receive pursuant to Rule 17g-5 under the Exchange Act ("Rule 17g-5") or otherwise to rate the Bonds. There can be no assurance as to what ratings a non-hired NRSRO would assign. See "CERTAIN RISK FACTORS—Bondholders Should Not Rely on the Current Ratings by the Rating Agencies" and "RATINGS" in the Official Statement. The Bond Issuer and Underwriters have not verified, do not adopt and accept no responsibility for any statements made by the Rating Agencies on those internet websites. The Rating Agencies have informed us that the "sf" designation represents an identifier of structured finance products. For additional information about this identifier, prospective investors may go to *www.fitchratings.com* and *www.standardandpoors.com*, respectively. "NR" means not rated. Credit ratings referenced throughout this material are forward-looking opinions about credit risk and express an agency's opinion about the ability and willingness of an issuer of securities to meet its financial obligations in full and on time. Ratings are not indications of investment merit and are not buy, sell or hold recommendations, or measure of asset value, or a signal of the suitability of an investment.

(3) Assuming no prepayments, no extensions, no defaults, no repurchases, no modifications and no acceleration of the maturity of the Mortgage Loan. Additionally, assumes that the bonds pay off on the Bond Payment Date immediately following the ARD.

(4) "Approximate Cumulative Bond LTV Ratio" means with respect to each of the Class A, Class B, Class C, Class D, Class E and Class F Bonds, (x) the aggregate principal balance of such Class of Bonds and all of the Classes with an earlier alphabetical designation to such Class of Bonds divided by (y) $1.1 billion, which is the "As-Is" appraised value of the Mortgaged Property as determined by CBRE, Inc. as of June 16, 2014.

(5) "Approximate Underwritten NCF Debt Yield" means, with respect to each of the Class A, Class B, Class C, Class D, Class E and Class F Bonds, (x) the Underwritten Net Cash Flow (as defined in "DESCRIPTION OF THE MORTGAGED PROPERTY—Additional Information Regarding the Loan and the Mortgaged Property" in the Official Statement) divided by (y) the aggregate principal balance of such Class of Bonds and all of the Classes with an earlier alphabetical designation to such Class of Bonds.

III. Transaction Terms

Transaction Terms

Issue:	$550,000,000 of Multi-Family Mortgage Revenue Bonds (8 Spruce), Series 2014, consisting of Class A, Class B, Class C, Class D, Class E and Class F sequential pay bonds (collectively, the "Bonds"), will be issued under and pursuant to an Indenture of Trust and will be offered pursuant to an official statement (the "Official Statement").
Issuer:	New York City Housing Development Corporation, a corporate governmental agency, constituting a public benefit corporation, organized and existing under the laws of the State of New York (the "State").
Underwriters:	Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPFS"), Barclays Capital Inc. ("Barclays") and Citigroup Global Markets Inc. ("Citigroup").
Mortgage Loan Collateral:	The Mortgage Loan is secured by a first-lien mortgage on the Borrower's fee interest in one condominium unit consisting of 899 residential units and approximately 1,200 SF of retail space at the property known as New York by Gehry and located at 8 Spruce Street, New York, New York.
Servicer and Special Servicer:	Wells Fargo Bank, National Association.
Special Servicer Termination:	The Special Servicer may be removed if the holders of at least 25% of the voting rights of the Bondholders request a vote to replace the Special Servicer and the holders of Bonds evidencing at least 75% of a "Bondholder Quorum" (*i.e.*, 66-2/3% of the aggregate voting rights of all sequential pay Bonds on an aggregate basis, taking into account realized losses and appraisal reduction amounts to notionally reduce the principal balance of such Bonds) vote affirmatively to so replace the Special Servicer. See "DESCRIPTION OF THE SERVICING AGREEMENT–Replacement of the Special Servicer" in the Official Statement.
Indenture Trustee, Bond Registrar and Paying Agent:	U.S. Bank National Association.
Operating Advisor:	Trimont Real Estate Advisors, Inc.
Rating Agencies:	Fitch Ratings, Inc. ("Fitch") (for Class A Bonds only) and Standard & Poor's Ratings Services ("S&P").
Anticipated Closing Date:	On or about November 13, 2014.
Rated Final Bond Payment Date:	The Bond Payment Date in November 2046.
Offering:	The Class F Bonds are being offered only to "Qualified Purchasers" as defined in the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

Transaction Terms

Form of Registration:	Book-entry form, same day funds through DTC in the United States.
Denominations:	The Class A, Class B, Class C, Class D and Class E Bonds that are initially offered and sold to purchasers will be issued in minimum denominations of $100,000 initial principal balance and integral multiples of $1 in excess of $100,000. The Class F Bonds will be issued in minimum notional amount denominations of $500,000 initial principal balance and integral multiples of $1 in excess of $500,000.
Security for Bonds:	The security for Bonds will consist primarily of the Mortgage Loan pledged to the Indenture Trustee and certain related assets and certain accounts established pursuant to the Indenture.
Determination Date:	With respect to each Bond Payment Date, the 4th Business Day prior to such Bond Payment Date.
Bond Payment Date:	The 15th day of each calendar month or, if such day is not a Business Day, the next succeeding Business Day, commencing in December 2014.
Mortgage Loan Payment Date:	The 9th day of each calendar month, without any grace period; *provided* that if such day is not a Business Day, the immediately preceding Business Day.
Maturity Date:	The Mortgage Loan matures on the Mortgage Loan Payment Date in November 2044. The Bonds mature on the Bond Payment Date in February 2048.
Business Day:	Any day other than a Saturday, Sunday or a day on which the New York Stock Exchange or banking institutions in any city in which the principal place of business of the Master Servicer, Special Servicer, the Operating Advisor or the Indenture Trustee is located are authorized or obligated by law or executive order to remain closed.
Interest Accrual Period/Accrual Methodology:	With respect to the first Mortgage Loan Payment Date and Bond Payment Date, the period from and including the Closing Date and ending on and including the last day of the calendar month in November 2014, and for each Mortgage Loan Payment Date and Bond Payment Date thereafter, the calendar month preceding the month in which such Mortgage Loan Payment Date or Bond Payment Date occurs. Interest on the Mortgage Loan and the Bonds will be paid in arrears and accrue on the basis of a 360-day year consisting of twelve months of 30 days each.

Transaction Terms

Payments on the Bonds:	On each Bond Payment Date, payments on the Bonds (other than Excess Interest or ARD Payment Premiums) will be made in the following order of priority, to the extent of available funds: *first* to the Class A Bonds, *second*, to the Class B Bonds, *third*, to the Class C Bonds, *fourth*, to the Class D Bonds, *fifth*, to the Class E Bonds, and *sixth*, to the Class F Bonds, in the case of each Class in respect of accrued and unpaid interest, then principal due and payable, and then to reimburse for realized losses previously allocated to such Class. As further described under "Loan Terms—Amortization" below, in certain circumstances after the ARD, the Borrower will be obligated to pay Excess Interest or ARD Payment Premiums. On the Bond Payment Date after the Mortgage Loan is paid in full or upon the earlier optional redemption of the Bonds in whole, any Excess Interest actually collected on the Loan Components that correspond to the Class A, Class B or Class C Bonds will be paid to the Bondholders of the related Class of Bonds. On the Bond Payment Date after the Mortgage Loan is paid in full or upon the earlier optional redemption of the Bonds in whole, any ARD Payment Premiums actually collected on Loan Components that correspond to the Class D, Class E or Class F Bonds will be paid to the Bondholders of the related Class of Bonds.
Optional Redemption:	The Bonds are subject to redemption at the option of the Bond Issuer, in whole only, on any date after the Bond Payment Date that immediately follows the Lockout End Date (as defined under "Loan Terms–Prepayment" below) at a redemption price equal to 100% of the outstanding principal balance of the Bonds, plus accrued interest to the date of redemption.
Defeasance:	The Bond Issuer may defease the Bonds at any time prior to the end of the Lockout End Date by irrevocably depositing with the Indenture Trustee either cash or government obligations the principal of and the interest on which when due will provide moneys that, together with the moneys, if any, deposited by the Bond Issuer with the Indenture Trustee at the same time, would be sufficient to pay interest due and to become due on the Bonds on each Bond Payment Date to and including the Bond Payment Date that immediately follows the Lockout End Date and the outstanding principal amount of the Bonds on such Bond Payment Date.
Allocation of Realized Losses:	Realized losses resulting from any reduction in the principal balance of the Mortgage Loan due to bankruptcy will be allocated *first*, to the Class F Bonds, *second*, to the Class E Bonds, *third*, to the Class D Bonds, *fourth*, to the Class C Bonds, *fifth*, to the Class B Bonds, and *sixth*, to the Class A Bonds, in each case until the principal balance of such Class has been reduced to zero.
Advancing:	The Servicer will be obligated to make advances ("Advances"), provided such Advances are deemed recoverable from future collections on the Mortgage Loan, of (a) delinquent interest payments on the Mortgage Loan (but not including default interest or Excess Interest), (b) certain costs and expenses necessary to preserve the lien priority of the mortgage or otherwise to protect the Mortgaged Property and its operation, and (c) to pay certain trust expenses it deems recoverable. If the Servicer fails to make a required Advance, the Indenture Trustee is obligated to make such Advance unless it determines that any such Advance would not be recoverable.

Transaction Terms

Allocation of Interest Shortfalls:	Interest shortfalls may arise from delinquencies on the Mortgage Loan that are not advanced, appraisal reductions and the incurrence of trust fund expenses. As a result of the priority of payments of interest on the Bonds, such interest shortfalls will be borne by the Bonds in reverse sequential order from which interest is paid.
Tax Status:	See "TAX MATTERS" in the Official Statement.
Analytical Support:	Analytical support is expected to be available on BlackRock Financial Management, Inc., Bloomberg, L.P., CMBS.com, Inc., Interactive Data Corporation, Intex Solutions, Inc., Markit Group Limited, Thompson Reuters and Trepp, LLC.
Deal Website:	The Indenture Trustee will make available through its internet website, which is located at *https://usbank.com/abs*, among other items: (i) Payment Date Statements, (ii) CREFC® Reports, (iii) summaries of asset status reports, (iv) appraisals, (v) various special notices, (vi) the Investor Q&A Forum and (vii) the Investor Registry; each as described and/or defined in the Official Statement. Investors, and except with respect to items (vi) and (vii) above, national recognized statistical rating organizations ("NRSROs") may access the deal website following execution of an Investor Certification or NRSRO Certification, as applicable, as described in the Official Statement.
Additional Information:	See the Official Statement for definitions and information relating to the calculation of loan-to-value and debt service coverage ratios. The sum of aggregate percentage calculations may not equal 100% due to rounding.

IV. Loan Terms

Loan Terms

Mortgage Loan Amount:	$550,000,000.
Interest Rate:	The Mortgage Loan will be comprised of six principal components (each, a "Loan Component"), each corresponding to an individual Class of Bonds, and each having a *per annum* interest rate at which interest accrues prior to the ARD (the "Initial Rate"). After the end of the calendar month prior to the ARD, each Loan Component corresponding to a Class of Taxable Bonds (the "Taxable Components") will accrue interest at a *per annum* rate equal to its Initial Rate plus 5% (the "Revised Rate"), such additional interest, plus interest thereafter, payable at the time the Mortgage Loan is paid in full or upon the earlier optional redemption of the Bonds in whole. Each Loan Component corresponding to a Class of Tax-Exempt Bonds (the "Tax-Exempt Components") will continue to accrue interest at its Initial Rate after the end of the calendar month prior to the ARD, *provided*, however, to the extent the Tax-Exempt Components are not paid in full on or prior to the ARD, a payment premium ("ARD Payment Premium") calculated as described below will be payable at the time the Mortgage Loan is paid in full or upon the earlier optional redemption of the Bonds in whole.
Term:	30-year term with a final maturity date of November 9, 2044 and a 10-year anticipated repayment date of November 9, 2024 ("ARD"). The Borrower's failure to pay off the Mortgage Loan by the ARD does not constitute an event of default.

Loan Terms

Amortization after ARD:

Interest only until the ARD at the Initial Rate. Following the ARD, monthly payments of interest at the Revised Rate (as described above), together with monthly payments of principal equal to all excess cash flow collected with respect to the Mortgaged Property (after payment of all operating expenses and loan escrows and reserves), will be required. All interest accrued in excess of the Initial Rate ("Excess Interest") on the Taxable Components, to the extent permitted by applicable law, will be added to the principal amount of each such Taxable Component, and will be due and payable upon repayment in full of the entire principal amount of the Mortgage Loan or upon the earlier optional redemption of the Bonds in whole. With respect to the Tax-Exempt Components that are not paid in full on or prior to the ARD, an ARD Payment Premium calculated as described below will be payable at the time the Mortgage Loan is paid in full or upon the earlier optional redemption of the Bonds in whole, but no interest in excess of the Initial Rate will be accruing. The ARD Payment Premium will be equal to the outstanding principal balance of the applicable Tax-Exempt Component as of the ARD multiplied by the percentage set forth below applicable to the date on which such Tax-Exempt Component is paid in full (the "Full Payment Date"):

If Full Payment Date occurs:	Percentage
From and including November 10, 2024 through and including December 9, 2024	0.5%
From and including December 10, 2024 through and including February 9, 2025	2.0%
From and including February 10, 2025 through and including November 9, 2027	5.0%
From and including November 10, 2027 through and including November 9, 2030	10.0%
From and including November 10, 2030 through and including November 9, 2033	20.0%
From and including November 10, 2033 and thereafter	30.0%

Loan Terms

Prepayment:	The Mortgage Loan may be prepaid voluntarily in whole but not in part (a) on or prior to last day of the calendar month immediately preceding the Mortgage Loan Payment Date occurring in May 2024 (such last day, the "Lockout End Date") upon payment of such amount as is necessary to purchase defeasance collateral sufficient to defease in full all outstanding Bonds and satisfaction of other typical conditions and payment of fees owing to HDC, and (b) after the Lockout End Date at par without premium or penalty. Involuntary prepayments of the Mortgage Loan due to casualty or condemnation (the proceeds of which, in accordance with the terms of the loan documents, are not used to restore the Mortgaged Property) will be applied to reduce the outstanding principal balance of the Mortgage Loan and the Bonds in sequential order without penalty.
Security:	First mortgage lien on the Borrower's fee simple interest in the Mortgaged Property.
Borrower:	FC 8 Spruce Street Residential, LLC, a Delaware single member limited liability company which is 49% indirectly owned by Teachers Insurance and Annuity Association of America ("TIAA") and 51% indirectly owned, and controlled, by a joint venture that is 51% indirectly owned, and controlled, by Forest City Enterprises, Inc. ("Forest City") and its affiliates and 49% directly owned by INDURE Build-to-CORE Fund, LLC (f/k/a the IBEW-NECA Diversified Real Estate Fund, LLC), a commingled real estate fund managed by National Real Estate Advisors ("NREA").

Loan Terms

Recourse:

The Mortgage Loan is non-recourse to the Borrower, except for the following "recourse carve-outs" with respect to which the Borrower is liable for all losses actually incurred by the Lender resulting therefrom: fraud or intentional misrepresentation, willful misconduct, misapplication, misappropriation or conversion of insurance proceeds, condemnation awards, tenant security deposits or rents collected in advance or following an event of default, any act or arson by the Borrower or any affiliate, actual physical waste to the Mortgaged Property caused by the intentional acts or omissions of the Borrower or the removal of any of the Mortgaged Property after an event of default, failure to pay real property taxes or insurance premiums to the extent there is sufficient cash flow available to the Borrower from the operation of the Mortgaged Property, collected tenant security deposits which are not delivered to the Lender upon a foreclosure or action in lieu thereof, indemnification by the Borrower in favor of the Lender relating to (i) untrue statements or omissions of material facts contained in Lender's bond offering documents as set forth in a separate indemnification agreement and/or (ii) transfer taxes incurred following an exercise of Lender's remedies, litigation or other legal proceedings filed by the Borrower in bad faith and that delays or interferes with Lender's exercise of its rights or remedies, the incurrence by the Borrower of any indebtedness no permitted under the terms of the loan documents, or breach of any representation, warranty, covenant or indemnification obligation set forth in the environmental indemnity agreement.

The Mortgage Loan will become fully recourse to the Borrower for the following: (i) the Mortgaged Property becomes an asset in a bankruptcy proceeding filed by the Borrower, (ii) the Borrower, or any affiliate, officer, director or representative which controls the Borrower files, or joins in the filing of, an involuntary bankruptcy petition against the Borrower, (iii) the Borrower files an answer consenting to or joining in, any involuntary bankruptcy petition filed against it, (iv) any affiliate, officer, director, partner, member, principal, shareholder or agent of the Borrower consents to or joins in an application for the appointment of a custodian, receiver, trustee, or examiner for the Borrower or any portion of the Mortgaged Property (other than as may be consented to or requested by the Lender), (v) any violation of the special purpose entity covenants set forth in the loan documents that is cited as a factor in a court's decision that results in a substantive consolidation (other than a substantive consolidation petitioned for or joined in by Lender) and (vi) transfer or pledges of any legal or beneficial ownership interests in the Mortgaged Property not expressly permitted in the loan documents.

Loan Terms

Cash Management:	The Borrower has established an account with Capital One Bank, N.A. for the benefit of the Lender as a secured party (the "Deposit Account") into which rental revenues from the operation of the Mortgaged Property are to be deposited by the Borrower or property manager. All amounts on deposit in the Deposit Account are required to be transferred on each Business Day (i) other than during a Cash Sweep Period, to an account designated by the Borrower and (ii) during a Cash Sweep Period, to an account established by the Lender (the "Cash Management Account"). During a Cash Sweep Period funds on deposit in the Cash Management Account will be applied to the tax and insurance escrow, debt service on the Mortgage Loan, the replacement reserve, and payment of operating expenses and extraordinary expenses pursuant to a budget or otherwise approved by the lender, with any excess amounts applied as follows: (a) on or prior to the ARD, such amounts will be held by the lender as additional collateral for the Mortgage Loan, and (b) after the ARD, such amounts will be applied to the reduction of the principal balance of the Mortgage Loan. "Cash Sweep Period" means the earlier of (i) the period following the ARD, (ii) the period during the continuation of an event of default or (iii) the period commencing on the first day of the month following when the debt service coverage ratio is less than 1.10x for two (2) consecutive calendar quarters and ending on the last day of the calendar month when the debt service coverage ratio equals or exceeds 1.15x for two (2) consecutive calendar quarters.
Escrows/Reserves:	Monthly deposits to a tax and insurance and replacement reserve accounts will be required.

Loan Terms

Borrower Reimbursable Expenses:

Pursuant to the loan documents and subject to the limitations set forth therein, the Borrower will be responsible for certain fees and expenses (including attorneys' fees and disbursements) of the Lender, any servicer, special servicer, trustee and trust advisor incurred or arising as a result of or following a request by the Borrower, an event of default under the Mortgage Loan, a failure to pay sums when due as and when required under the loan documents, the Mortgage Loan being transferred to the special servicer and while the Mortgage Loan is a specially serviced loan, including, without limitation, (a) interest on advances made by the servicer or trustee; (b) special servicer fees, workout fees, liquidation fees, as well as other compensation payable to the special servicer as a result of the Mortgaged Property becoming a foreclosed property; (c) indemnification obligations to any such persons and any of their respective directors, officers, members, managers, partners, employees, agents, affiliates or other "controlling persons" within the meaning of the Securities Act of 1933; and (d) taxes payable from the assets of the trust and tax related expenses, but only to the extent the Borrower is otherwise required to pay the same under the loan documents or by law. Notwithstanding the foregoing, all of the foregoing costs and expenses shall exclude (i) the regular monthly fee due to the servicer and the trustee (but will include such regular monthly fees that the Borrower is expressly obligated to pay with respect to the components of the Mortgage Loan corresponding to the Tax-Exempt Bonds) and (ii) those costs and expenses which are identified pursuant to the servicing agreement as expenses to be borne by the servicer, special servicer, trust advisor or trustee without reimbursement as an advance or otherwise from the indenture trust (including without limitation such person's ordinary overhead expenses and the expenses of such person associated with maintaining a fidelity bond or errors and omissions insurance with respect to itself, preparing annual compliance statements with respect to its own performance and preparing and filing and maintaining ordinary tax information reports and returns for the indenture trust) and (iii) those costs and expenses incurred as a result of the gross negligence or willful misconduct of the servicer, special servicer or trustee.

Condominium:

Spruce Street Condominium is managed and operated by the Condominium board of managers, which includes representatives of the Mortgagor, the Hospital and NYC SCA. In addition, certain decisions relating to the Condominium, including, but not limited to, decisions relating to restoration following casualty and condemnation are governed by the terms of the Condominium declaration and by-laws.

Loan Terms

Permitted Transfers/Assumption of Loan:

Provided no event of default has occurred and is continuing, commencing six months after the closing date, a transfer of the Mortgaged Property (or the entire ownership interests in Borrower) and corresponding assumption of the Mortgage Loan shall be permitted with the prior consent of Lender and Bond Issuer upon payment of an assumption fee equal to 0.25% of the outstanding principal balance of the Mortgage Loan for the first such assumption and 0.50% for each subsequent assumption. Each assumption will be conditioned upon the Mortgaged Property continuing to be managed by the manager or a replacement manager reasonably approved by Lender, and obtaining no downgrade confirmations from the Rating Agencies.

Except as provided below, transfers and pledges of legal or beneficial interests in Borrower or the direct or indirect owners of Borrower are generally prohibited without the prior consent of Lender and Bond Issuer. Provided the consent of Bond Issuer, to the extent required under the terms of the Regulatory Agreement, is obtained, the following transfers are expressly permitted pursuant to the terms of the loan documents subject to satisfaction of the conditions set forth in the Loan Documents without prior consent of the lender: transfers by devise or descent or operation of law upon the death or as a result of the legal incapacity of a direct or indirect legal or beneficial owner of Borrower; transfers made in good faith for estate planning purposes; transfers of interests between Forest City, NREA and TIAA and any entities owned and controlled by them; transfers of interests in entities whose stock is publicly traded on a nationally recognized stock exchange; the merger of any direct or indirect owner of Borrower with or into another entity; transfers of interests in connection with the formation of a publicly traded REIT; and transfers of not more than 49% of the Borrower provided any of Forest City, NREA or TIAA shall continue to control Borrower. In addition to the foregoing, pledges of interests by indirect upper tier owners of the Borrower who own substantial assets other than an indirect interest in Borrower shall be permitted if such pledge secures indebtedness that is also secured by such substantial assets.

Loan Terms

Insurance:

The Mortgage Loan documents require the Borrower to maintain property insurance against those risks and hazards commonly insured against under a "special causes of loss" form of policy in an amount equal to the full insurable value on a replacement cost basis and providing for no "all other perils" deductible in excess of the greater of $100,000 or 5% of underwritten net cash flow for all such coverage, excluding named windstorm which may have a deductible up to 5% of the total insurable value, law and ordinance coverage, flood insurance if any portion of the Mortgaged Property is located in a special flood hazard area (together with excess flood coverage as must be acceptable to the Lender), commercial general liability (including excess/umbrella coverage in amounts reasonably required by Lender) insurance on an "occurrence" basis form with a limit of not less than general aggregate limit of $2,000,000 with a per occurrence limit of $1,000,000 and a self-insured retention per occurrence not to exceed $500,000, business income or loss of rents insurance covering the period until completion of restoration or the expiration of 24 months (whichever occurs first), together with a twelve month extended period of indemnity endorsement, boiler and machinery insurance, and worker's compensation insurance. The property insurance shall cover perils of terrorism and Borrower shall maintain such insurance during the term of the Mortgage Loan; provided, however, if the Terrorism Risk Insurance Program Reauthorization Act or similar or subsequent statute ("TRIPRA") is no longer in effect, Borrower shall not be required to pay annual premiums in excess of an amount equal to two times the premium for a separate "special form" or "all risk" policy insuring only the Mortgaged Property on a stand-alone basis, as such amount shall be adjusted annually by the consumer price index. The Mortgage Loan documents require the insurance policies to be issued by insurers that have a financial strength rating of at least "A" and a financial size category of at least "VIII" from A.M. Best Company, Inc. and a claims paying ability and financial strength rating of at least "A" by S&P (and the equivalent ratings for Moody's and Fitch to the extent each such rating agency rates the insurance company and is rating the bonds) or such other ratings approved by the Lender; *provided*, *however*, for policies issued by more than one insurance company, then it shall be sufficient that (1) at least seventy-five percent (75%) of the coverage (if there are four (4) or fewer insurance companies issuing the policies) or (2) at least sixty percent (60%) of the coverage (if there are five (5) or more insurance companies issuing the policies) shall be provided by insurance companies having a claims paying ability rating of not less than "A" by S&P (and the equivalent ratings for Moody's and Fitch to the extent each such rating agency rates the insurance company and is rating the bonds), with no insurer rated below "BBB" by S&P (and the equivalent ratings for Moody's and Fitch to the extent each such rating agency rates the insurance company and is rating the bonds); *provided further, however*, notwithstanding the foregoing ratings requirements, prior the policy year commencing November 1, 2015 the following insurers shall be permitted up to the amounts and in the layer locations provided by such insurers on the closing date: Surplus Lines Insurance company; Landmark American Insurance Company; Ironshore Specialty Insurance Company; and Maxum Casualty Insurance Company.

Financial Reporting:

The Borrower is required to keep adequate books and records in accordance with GAAP or such other reasonable method of accounting reasonably acceptable to the Lender and will furnish to the Lender: (i) quarterly certified rent rolls, (ii) quarterly (including year-to-date) unaudited operating statements, (iii) annual audited financial statements, including balance sheet and income and expense statement, prepared by a "Big Four" accounting firm, Novogradac & Company LLP or another independent certified public accountant reasonably acceptable to the Lender, and (iv) an annual budget prior to the commencement of each fiscal year of the Borrower.

V. Property Overview

Property Overview

- The Mortgaged Property is comprised of the 899-unit residential condominium component of the 76-story luxury multifamily complex known as New York By Gehry located at 8 Spruce Street, New York, New York. New York By Gehry consists of four units: (i) the Care Center Unit, an ambulatory care center on a portion of floors 1 and 5 owned and operated by a New York Presbyterian Hospital affiliated New York Presbyterian Hospital, (ii) the Garage Unit, a below grade parking garage located on floors P1, P1M and one owned by a Hospital-affiliated entity, (iii) the School Unit, a pre-K through 8th grade New York City public school located on a portion of floors 1 through 5 owned by the New York City School Construction Authority and (iv) the Mortgaged Property. The Mortgaged Property consists of 899 residential units located on floors 7 through 12 and floors 14 through PH as well as approximately 1,200 leasable SF of retail space on floor 1. The Mortgaged Property, which was completed in 2011, was designed by the renowned architect Frank Gehry. As of June 30, 2014, the Mortgaged Property was approximately 99.1% leased.

- The apartments are located on floors 7 through 12 and floors 14 through 76 (PH) whose standard unit sizes average approximately 755 SF. Units feature brushed stainless steel appliances, quartz composite countertops, vertical-grain Douglas fir cabinets, in-unit washer/dryers, and 9'0" ceilings. The bathrooms are finished with top-of-the-line fixtures which include Kohler toilets and tubs, Vitreous china customer sinks, and Moen 90˚ faucets and shower heads. Moreover, there are custom-designed chrome finished towel bars, robe hooks and hotel towel racks. Open kitchens feature quartz composite countertops, porcelain tile floors and stainless steel appliances. Closets are uniquely fitted with double rods and shelves. Each window within the units is equipped with solar shades with 3% opacity. All finishes and fixtures have all been designed and selected by Gehry himself. There are more than 350 different apartment layouts due to the varied floor plates that result from his iconic façade, which provide magnificent views from all exposures and from every floor. The following table presents a summary of the unit configurations:

Unit Breakout[(1)]

Unit Type	Total	Occupancy Rate	Avg. Unit Size (SF)	SF	% of Total	Base Rent PSF
Studio	189	99%	468	88,449	13%	$80.36
1 BR	512	99%	688	352,167	52%	77.05
2 BR	166	99%	1,120	185,952	27%	81.83
3 BR	24	100%	1,630	39,114	6%	91.56
PH	4	100%	2,243	8,973	1%	111.00
Other[(2)]	4	100%	910	3,641	1%	0.00
Total	**899**	**99%**	**755**	**678,296**	**100%**	**$80.11[(3)]**

(1) Based on the Borrower rent roll dated June 30, 2014.

(2) The other units consist of the following: an Employee Apartment (2BR; 908 SF), a Management/Leasing Office (2BR; 1,110 SF), and two units that are model units (2BR; 1,069 SF and Studio; 554 SF). Per information received from the Borrower, after June 30, 2014 the Employee Apartment has been made available for rent.

(3) Base Rent PSF excludes the four other units that are not available for rent.

Property Overview

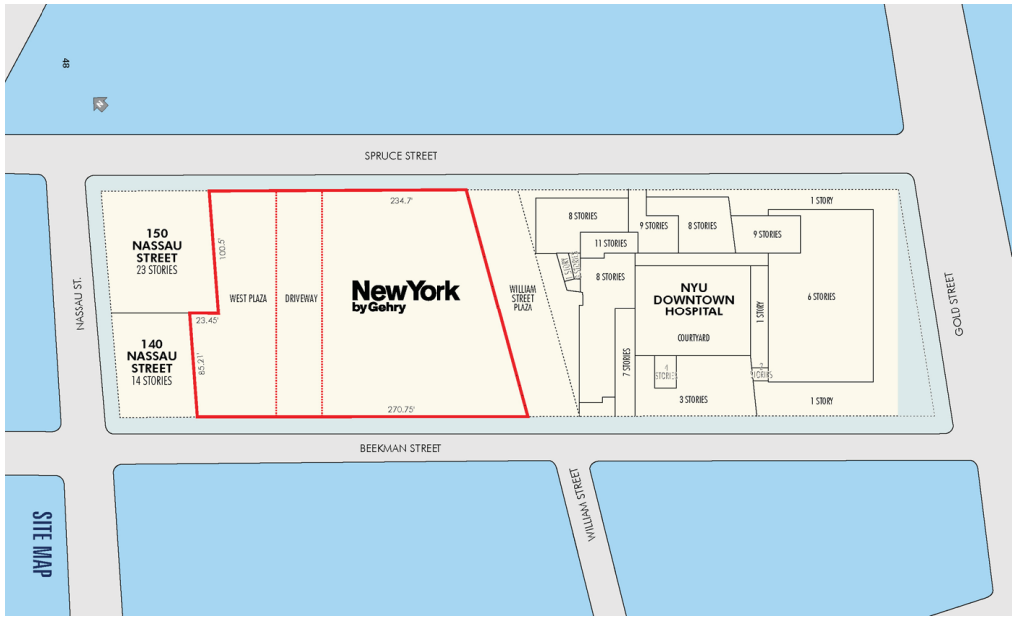
- The Mortgaged Property offers an array of amenities including on-site representatives from Luxury Attaché to help move-in coordination, shopping, dog walking, housekeeping, travel plans and scheduling, among other services, a porte-cochère driveway entrance between Spruce and Beekman Streets, a sky-lit approximately 50 foot swimming pool and wraparound sun deck, a full range of fitness facilities, a grilling terrace, a drawing room, a game room with golf simulators and billiards tables, a children's playroom, a library, a chef's kitchen and dining room and a Gehry-designed amphitheater screening room. In addition, there are two public plazas on the eastern and western flanks of the tower, a collaboration between Gehry and James Corner, the landscape architect that led the award-winning design of the High Line. Residential amenities occupy 22,165 SF, including the outdoor amenity areas. There are also two sizable plazas, the Williams Street Plaza and West Plaza, right outside the Mortgaged Property.

Amenities & Features	
Building Amenities	**Unit Features & Finishes[(1)]**
- 24 Hour Doormen	- Chrome fixtures, porcelain tile flooring, and quartz countertops in the kitchen
- 24 On-Site Security	- Building wide water filtration system
- 24 Hour On-Site Maintenance Service	- Custom cabinetry in kitchens and bathrooms with vertical grain Douglas Fir veneer
- Over 22,000 SF of amenity spaces on the 6th, 7th and 8th floors including:	- Luxury appliances on floors 7-51: GE gas ranges and microwaves, Haier Dishwashers and refrigerators and Asko washers and dryers
- Lobby access via a porte-cochere between Spruce and Beekman Streets	- Premium appliances on floors 52-75: GE Café gas ranges, Bosch dishwashers, KitchenAid microwaves, Sub-Zero refrigerators, and Asko washers and dryers
- Sky lit 50-foot swimming pool with surrounding sun deck	- Custom cabinetry in kitchens and bathrooms with vertical grain Douglas Fir veneer
- 3,300 SF fitness center overlooking the Brooklyn Bridge	- Kohler toilets and tubs, Vitreous china sinks, and Moen 90˚ faucets and shower heads
- Spa suite with private treatment rooms	- Central heating and cooling
- 1,200 SF group fitness studio, spin and pilates studios	- 9' 0" ceilings, amplifying the Mortgaged Property's outstanding light, air, and views
- Grilling terrace with dining cabanas, picnic tables, café seating and grills	
- Chef's demonstration and catering kitchen with private dining room	
- Drawing room with multiple seating areas and a grand piano	
- Game room with golf simulator, ping pong and pool tables	
- Screening room with Gehry-designed amphitheater seating	
- Children's playroom and Tween's den	
- Library with books and periodicals	
- Dedicated concierge program - on-site representatives from Luxury Attaché	
- Two public plazas on the eastern and western flanks of the tower	

(1) Select units.

Property Overview

- The Mortgaged Property is bounded by Gold Street to the east, Beekman Street to the south, Nassau Street to the west and Spruce Street to the north. The Mortgaged Property is in close proximity to various retailers, dining destinations and City Hall Park.



- The Mortgaged Property is managed by FirstService Residential New York, Inc. (f/k/a Cooper Square Realty, Inc.) ("FirstService Residential"), a high-end residential management company that specializes in luxury condominium management. FirstService Residential operates as a subsidiary of FirstService Corporation (NASDAQ: FSRV; TSX: FSV). FirstService Residential has grown to become the largest residential property management firm in the New York City area, managing a client portfolio of over 500 properties comprising more than 70,000 apartments. FirstService Residential, in aggregate, is the largest manager of residential communities in North America, overseeing more than 1.5 million residential units contained within 6,000 properties and over $6 billion in operating budgets annually. Founded over 25 years ago, FirstService Residential manages more than 2.3 billion SF of residential and commercial properties, generates over $2.3 billion in annual revenues and has more than 23,000 employees worldwide.

VI. Market Overview

Market Overview

- The Mortgaged Property is located at 8 Spruce Street in the Manhattan borough of New York City. The Mortgaged Property is bounded by Gold Street to the east, Beekman Street to the south, Nassau Street to the west and Spruce Street to the north. Located in the Downtown submarket, which consists of the area south of 14th Street, the Mortgaged Property is proximate to TriBeCa, which is to home to many cultural and entertainment offerings including the TriBeCa Film Festival, the Brooklyn Bridge Promenade, City Hall Park, the Front Street Restaurant Row and the spectacular new retail and outdoor concert facilities to be built at South Street Seaport.

Market Overview

- New York City had an estimated 8,436,104 residents in 2014, and is expected to grow to 8,728,543 by 2019, a 3.5% increase. New York City is predominantly a service-oriented economy, with approximately 95% of the current employment within the services producing sector. New York City has returned to stable growth post-recession in the last three years, as total employment has grown by 2.3%, 2.3%, and 2.1% in 2011, 2012 and 2013, respectively. As of May 2014, the unemployment rate in New York City was 7.7%, which represents a decrease of 90 basis points on a year over year basis. New York City has a highly educated population with approximately 49% of the residents 25 years of age or older graduated from college. The Mortgaged Property generally caters to an international tenant base as well as wealthy New Yorkers.

- Numerous transportation options are located in close proximity to the Mortgaged Property. The Mortgaged Property is within two blocks of the A, C, J, M, Z, 2, 3, 4 and 5 trains via the Fulton Street subway station. The 4, 5 and 6 trains are two blocks north of the Mortgaged Property at Brooklyn Bridge/City Hall subway station. By car, the Mortgaged Property is accessible from the Brooklyn Bridge and Chambers Street. Highway access is provided via West Street which has access to the Upper West Side of Manhattan. Traveling south, West Street connects with the South Street Viaduct which becomes the FDR Drive. Both of these roadways connect with all of the major roadways throughout Manhattan and bridges heading to the outer boroughs of New York and New Jersey.

- As of the second quarter of 2014, the Downtown submarket contains 23,619 units. Per REIS, the Downtown submarket vacancy rate is 2.2% as of the second quarter of 2014, a decrease of 0.1% from the year-end 2013 vacancy rate of 2.3%. The average second quarter asking rent is $4,160 per month, a 0.2% increase from first quarter asking rent of $4,153 per month. The average effective rent also increased by 0.2% from first quarter 2014 to $4,153 per month. REIS's five year annualized forecast estimates a vacancy rate of 2.5%. REIS forecasts annual asking rent growth over the next five years up to an estimated $4,876 per month, representing a 17.2% growth over the second quarter 2014 asking rents.

Downtown Submarket Avg. Rent Summary – 2Q 2014(1)

Location	Average	Studio	1 BR	2 BR	3 BR
Downtown	$4,160	$3,086	$3,836	$5,685	$8,070
New York Metro	$3,210	$2,340	$2,931	$4,176	$4,460

(1) Figures based on 2nd Quarter 2014 REIS Report.

Market Overview

- The following table presents the sales information for comparable properties to the Mortgaged Property.

Comparable Property Sales Summary[1]

Location	Adjusted Sale Price	Sale Date	Year Built	NRA (SF)	Adjusted Price Per Unit[2]	Units	Avg Unit Size	NOI Per Unit
229 Chrystie Street	$380,000,000	May-14	2003	436,979 SF	$1,052,632	361	737 SF	$33,263
15 Cliff Street	$95,000,000	Jan-14	2001	127,552 SF	$608,974	156	818 SF	$21,667
60 Riverside Boulevard	$401,000,000	Apr-13	2010	286,256 SF	$1,162,319	345	830 SF	$45,217
555 West 53rd Street	$156,000,000	Feb-13	2011	120,644 SF	$962,963	162	745 SF	$25,602
10 East 29th Street	$300,000,000	Dec-12	1998	234,966 SF	$742,574	404	582 SF	$23,896
450-460 West 42nd Street	$637,600,000	Nov-12	2011	648,710 SF	$818,485	779	833 SF	$30,809

(1) Competitive set numbers based on CBRE, Inc. appraisal dated July 21, 2014.

(2) Transaction amount adjusted for cash equivalency and/or deferred maintenance (where applicable).

Market Overview

- The following table presents competing properties to the Mortgaged Property.

Competitive Property Summary[1]

Property	Address	Floors	Year Built	Occupancy Rate	Distance from Mortgaged Property	Units	Unit Type	Base Rent PSF
New York By Gehry	**8 Spruce Street**	**76**	**2011**	**99.11%[2]**	**N/A**	**899**	**0BR** **1BR** **2BR** **3BR** **PH**	**$80.36** **$77.05** **$81.83** **$91.56** **$111.00**
Liberty Luxe	200 North End Avenue	35	2008	97.00%	0.29 miles	280	0BR 1BR 2BR 3BR	N/A $68.94 $78.77 $88.99
NAV	50 Murray Street	22	2003	98.72%	0.30 miles	390	0BR 1BR 2BR 3BR	$93.48 $95.90 $101.16 N/A
Morton Square	600 Washington Street	7	2004	98.52%	1.20 miles	135	0BR 1BR 2BR 3BR	$85.01 $87.80 $69.95 N/A
The Beatrice	105 West 29th Street	54	2010	97.35%	2.57 miles	302	0BR 1BR 2BR 3BR	$81.75 $93.24 $91.70 $122.86
MiMA Tower	440-460 West 42nd Street	63	2011	98.68%	3.32 miles	151	0BR 1BR 2BR 3BR	N/A $89.90 $85.05 N/A
ICON	306 West 48th Street	43	2012	95.90%	3.55 miles	121	0BR 1BR 2BR 3BR	$83.71 $82.92 $95.11 N/A

(1) Competitive set numbers based on CBRE, Inc. appraisal dated July 21, 2014.

(2) Per Borrower rent roll dated June 30, 2014.

VII. Financials and Underwriting

Financials and Underwriting

Cash Flow Analysis	TTM June-14[1]		T3 Annualized		2014 Reforecast[2]		CBRE, Inc. - Year 1[3]		Underwriting	
	$	Per Unit	$	Per Unit	$	Per Unit	$	Per Unit	$	Per Unit
Gross Potential Rent	$54,264,108	$60,361	$54,192,702	$60,281	$54,752,107	$60,903	$56,595,432	$62,954	$54,097,402	$60,175
Less: Vacancy	2,735,313	3,043	1,133,325	1,261	2,398,848	2,668	1,747,663	1,944	2,178,936	2,424
Less: Collection Loss	118,215	131	(360,341)	(401)	246,691	274	0	0	118,215	131
Less: Concessions	2,271,646	2,527	407,719	454	1,372,828	1,527	0	0	407,719	454
Total Residential Revenue	**$49,138,935**	**$54,660**	**$53,011,998**	**$58,968**	**$50,733,740**	**$56,434**	**$54,847,769**	**$61,010**	**$51,392,532**	**$57,166**
Total Other Income	2,236,472	2,488	2,264,368	2,519	1,803,788	2,006	1,660,000	1,846	1,706,786	1,899
Non-Allowable Other Income	(456,724)	(508)	328,907	366	40,498	45	0	0	0	0
Effective Gross Revenue	**$50,918,683**	**$56,639**	**$55,605,274**	**$61,852**	**$52,578,025**	**$58,485**	**$56,507,769**	**$62,856**	**$53,099,318**	**$59,065**
Expenses										
Real Estate Tax	$402,422	$448	$403,051	$448	$411,016	$457	$11,451,072	$12,738	$738,672	$822
Insurance	729,697	812	646,571	719	719,105	800	775,000	862	703,818	783
Utilities	3,016,024	3,355	1,957,065	2,177	2,989,480	3,325	2,900,000	3,226	2,900,000	3,226
Leasing & Marketing	1,333,539	1,483	1,022,920	1,138	1,134,617	1,262	450,000	501	450,000	501
Professional Fees	162,506	181	185,126	206	153,080	170	150,000	167	150,000	167
Administrative	257,608	287	195,293	217	205,174	228	250,000	278	250,000	278
Repairs & Maintenance	2,743,447	3,052	2,308,116	2,567	2,226,443	2,477	2,800,000	3,115	2,800,000	3,115
Management Fee	839,730	934	851,117	947	864,002	961	1,130,155	1,257	1,000,000	1,112
Payroll	3,100,392	3,449	3,054,029	3,397	3,018,112	3,357	3,075,000	3,420	3,075,000	3,420
Amenities Management	1,002,797	1,115	1,015,458	1,130	1,046,942	1,165	1,000,000	1,112	1,000,000	1,112
Total Operating Expenses	**$13,588,161**	**$15,115**	**$11,638,745**	**$12,946**	**$12,767,972**	**$14,202**	**$23,981,227**	**$26,675**	**$13,067,490**	**$14,536**
Net Operating Income	**$37,330,521**	**$41,524**	**$43,966,528**	**$48,906**	**$39,810,053**	**$44,283**	**$32,526,542**	**$36,181**	**$40,031,828**	**$44,529**
Capital Expenditures									325,087	362
Net Cash Flow	**$37,330,521**	**$41,524**	**$43,966,528**	**$48,906**	**$39,810,053**	**$44,283**	**$32,526,542**	**$36,181**	**$39,706,741**	**$44,168**

Note: Totals may not sum due to rounding.

(1) TTM June 2014 excludes $119,447 of one-time security expenses which were incurred in October 2013. If included, Net Operating Income and Net Cash Flow would be $37,211,074.

(2) Based on the borrower's 2014 budget reforecast based on actual year-to-date financials through June 2014.

(3) The appraiser's year 1 projection based on CBRE, Inc. appraisal dated July 21, 2014.

Financials and Underwriting

- **Gross Potential Rent:** Gross Potential Rent is based on the current occupied unit rent as of the June 30, 2014 rent roll plus the vacant unit rent grossed up at the appraiser's concluded market rent for each unit type (1BR, 2BR, etc).

- **Vacancy:** Vacancy underwritten to a total vacancy loss of 5.0% inclusive of Collection Loss and Credit Loss. Collection Loss and Credit Loss shown in-line with the annualized T3 figure as of June 2014. The total vacancy loss of 5.0% is higher than the appraiser's concluded stabilized vacancy and credit loss rate of 3.1% for the Mortgaged Property.

- **Other Income:** Other Income is based on the TTM figure as of June 2014 and excludes $495,341 of Lease Termination Income. Other Income is comprised of Electrical reimbursement fees, amenity revenue, storage fees, legal fee income, late fees, damage and cleaning fees, and other various items.

- **Real Estate Taxes:** Real Estate Taxes are based on the projected average tax payable projected over the loan term. The Mortgaged Property is subject to a 421-a tax abatement that fully expires in June 2031. The Appraiser's Year 1 Projection reflects a projection of the Annual Tax Liability excluding the abatement.

- **Insurance:** Insurance is underwritten to in-place insurance premiums.

- **Operating Expenses:** Operating Expenses based on the Appraiser's Year 1 Projection. The historical statements reflect a higher figure given the recent construction and lease-up nature of the Mortgaged Property. The Appraiser concluded a figure of $450,000 as a more accurate reflection of the stabilized leasing and marketing expense.

- **Management Fee:** Management Fee underwritten to $1,000,000, which is higher than the in-place management fee. The appraiser concluded 2.0% as the appropriate management fee. Additionally, the Mortgaged Property has an amenities management fee which, when added to the underwritten Management Fee totals 3.8% of Effective Gross Revenue.

- **Replacement Reserves:** Underwritten to $362 per unit.

VIII. Issuer

Issuer

- New York City Housing Development Corporation ("HDC" or the "Corporation") is a corporate governmental agency constituting a public benefit corporation, organized and existing under the laws of the State of New York. The powers granted the Corporation under its statute include the ability to issue bonds, notes and other obligations to obtain funds to carry out its corporate purposes, and to refund the same; acquire, hold and dispose of real and personal property; make mortgage loans to specified private entities; purchase loans from lending institutions; make loans insured or co-insured by the Federal government for new construction and rehabilitation of multiple dwellings; make and contract for the making of loans for the purpose of financing the acquisition, construction or rehabilitation of multi-family housing accommodations; acquire and contract to acquire any Federally-guaranteed security evidencing indebtedness on a mortgage securing a loan; acquire mortgages from New York City, obtain Federal insurance thereon and either sell such insured mortgages or issue its obligations secured by said insured mortgages and to pay the net proceeds of such sale of mortgages or issuance of obligations to the City; and any and all things necessary or convenient to carry out its purposes.

- The sale of the Bonds and the terms of such sale are subject to the approval of the Comptroller of the City. The Corporation is a "covered organization" as such term is defined in the New York State Financial Emergency Act for The City of New York, as amended, and the issuance of the Bonds is subject to the review of the New York State Financial Control Board for The City of New York.

- The Bonds are special revenue obligations of the Corporation. The Bonds are not a debt of the State of New York or The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the Bonds be payable out of any funds other than those of the Corporation pledged therefor. The Corporation has no taxing power.

IX. Sponsorship

Sponsorship

- The Borrower, FC 8 Spruce Street Residential, LLC, is a Delaware single member limited liability company which is 49% indirectly owned by Teachers Insurance and Annuity Association of America ("TIAA") and 51% indirectly owned, and controlled, by a joint venture that is 51% indirectly owned, and controlled, by Forest City Enterprises, Inc. ("Forest City") and its affiliates and 49% directly owned by INDURE Build-to-CORE Fund, LLC (f/k/a the IBEW-NECA Diversified Real Estate Fund, LLC), a commingled real estate fund managed by National Real Estate Advisors ("NREA" and together with Forest City and TIAA, each a "Sponsor", and collectively, the "Sponsors").

FOREST CITY

- Forest City (NYSE: FCEA and FCEB) owns, develops, manages and acquires commercial and residential real estate and land. Founded in 1920 and based in Cleveland, Ohio, Forest City's portfolio includes hundreds of premier properties located throughout the United States, including 25,571 units contained within 77 multifamily properties. As of June 30, 2014, Forest City had approximately $8.6 billion in total assets.

TIAA CREF

- Teachers Insurance and Annuity Association of America is part of TIAA-CREF, a diversified financial services company. Founded in 1918 and headquartered in New York, New York, TIAA-CREF, following its acquisition of Nuveen Investments, manages approximately $844 billion in assets as of June 30, 2014 and is a leading provider of retirement services in the academic, research, medical and cultural fields.

National REAL ESTATE ADVISORS

- NREA manages more than $2.0 billion of client capital invested in more than $10.5 billion of property nationwide for more than 40 pension fund clients and other institutional investors. Founded in 2000, NREA is owned by the National Electrical Benefit Fund, a major pension plan sponsor with more than $12.5 billion in assets under management.