

**Instructions for Closing and Delivery of
Second Mortgages Originated Under the CWCcapital LLC/Freddie Mac
High-Leverage Loan Product
(REVISION DATE 04-06-2006)**

INTRODUCTION:

Under the Federal Home Loan Mortgage Corporation (“Freddie Mac”) High-Leverage Loan Product (“HLP”), Borrowers can obtain financing for up to a combined 85 percent loan-to-value (“LTV”). Freddie Mac and the Freddie Mac Program Plus® lender (the “Seller/Servicer”) structure and underwrite a senior first mortgage up to a 75 percent LTV (the “First Mortgage”) and a second mortgage that brings the combined LTV to 85 percent (the “Second Mortgage”). The First Mortgage is purchased by Freddie Mac and the Second Mortgage is purchased by CWCcapital LLC, a Massachusetts limited liability company (“CWCcapital”).

The First and Second Mortgages are closed and serviced by the Seller/Servicer through which the loans are originated. All waiver requests, including those for changes to the loan documents for the Second Mortgage, are processed through Freddie Mac. Upon delivery, Freddie Mac reviews the Second Mortgage documents (the “Second Mortgage Delivery”) at the same time it reviews the First Mortgage documents (the “First Mortgage Delivery”) and communicates any deficiencies in the Second Mortgage Delivery to the Seller/Servicer.

These instructions (“Instructions”) outline the requirements for closing and delivering a Second Mortgage under the HLP and do not cover the underwriting and servicing requirements for this product. These Instructions are provided for convenience only, and are not meant to replace or modify the requirements of the Guide or the First and Second Mortgage Commitments (defined below).

LOAN DOCUMENTS:

The First Mortgage and the Second Mortgage shall be documented on Freddie Mac’s standard form loan documents for Mortgages as identified in the Freddie Mac Multifamily Seller/Servicer Guide (the “Guide”), together with any other documents required by Freddie Mac’s commitment to purchase the First Mortgage (the “First Mortgage Commitment”) and Freddie Mac’s commitment to purchase the related Second Mortgage (the “Second Mortgage Commitment”). The term “Mortgage Documents” has the meaning set forth in the Guide. Those Mortgage Documents not found in the “Currently Acceptable Multifamily Mortgage Documents” section of the Freddie Mac Web Site (<http://www.freddiemac.com>) are attached hereto for reference. Additionally, these Instructions and the exhibits attached hereto can be found under the “Loan Programs/Freddie Mac HLP” Section of CWCcapital’s Web Site (<http://www.CWCcapital.com>) in a downloadable format. **If the form of an exhibit attached to these Instructions or posted on the CWCcapital web site differs from that attached to either the First or Second Mortgage Commitment, the form attached to the Commitment is to be used.**

In addition to the standard Freddie Mac Mortgage Documents, the following is a list of documents that are required for loans originated under the HLP:

A. The First Mortgage:

- (a) Insert to Exhibit B for First Lien Multifamily Security Instrument (revision Date 12-15-2005) must be attached to the First Mortgage Security Instrument. (See Exhibit 1)
- (b) Insert to Exhibit A of Guaranty for Both the Mortgage and Supplemental (Second) Mortgage (Revision Date 12-15-2005) must be attached to the First Mortgage Guaranty. (See Exhibit 2)

B. The Second Mortgage:

- (a) Insert to Exhibit A of Multifamily Note for Supplemental (Second) Mortgage (Revision Date 12-15-2005) must be attached to the Second Mortgage Note. (See Exhibit 3)
- (b) Insert to Exhibit B of Supplemental Lien Multifamily Security Instrument (Revision Date 12-15-2005) must be attached to the Second Mortgage Security Instrument. (See Exhibit 4)
- (c) Insert to Exhibit C of Replacement Reserve Agreement for Supplemental (Second) Mortgage (Revision Date 12-15-2005) must be attached to the Replacement Reserve Agreement. (See Exhibit 5)
- (d) Insert to Exhibit A of Guaranty for Both the Mortgage and Supplemental (Second) Mortgage (Revision Date 12-15-2005) which must be attached to the Second Mortgage Guaranty. (See Exhibit 2).
- (e) Multifamily Note Register must be submitted. (See Exhibit 6)

C. Assignment Documents related to the Second Mortgage:

- (a) The form of Assignment of Security Instrument attached hereto as Exhibit 7 must be used.
- (b) The form of Assignment Agreement (General) attached hereto as Exhibit 8 must be used to assign the Guaranty, Replacement Reserve Agreement, and any other documents to CWCcapital.

(Note: Exhibits 7 and 8 are not attached to the Commitments; therefore, please confirm with Freddie Mac prior to closing that Exhibits 7 and 8 are the current versions of the required Assignment Documents)

D. Funding related documents:

- (a) The form of Warehouse Lender Release of Security Interest (Multifamily-High Leverage Loan Program) must be submitted for warehoused mortgages. (See Exhibit 9)
- (b) The form of Wire Transfer Authorization for Cash Warehouse Delivery (Multifamily-High Leverage Loan Program) must be submitted for warehoused mortgages. (See Exhibit 10)
- (c) The form of Wire Transfer Authorization (High Leverage Loan Program) must be submitted for all Seller/Service funded mortgages. (See Exhibit 11)

Other deal specific documents may be required. If so, those documents will be identified in the First or Second Mortgage Commitments.

DELIVERY:

On or before the Mandatory Delivery Date specified in Exhibit A of both the First and Second Mortgage Loan Commitments, the Seller/Service must cause the delivery of the First and Second Mortgages. The First Mortgage Delivery will be sent to Freddie Mac, with copies to CWCcapital. The Second Mortgage Delivery will be sent to CWCcapital, with copies to Freddie Mac. The chart on the following page summarizes the delivery requirements for the First Mortgage and Second Mortgage.

FREDDIE MAC DELIVERY	CWCAPITAL DELIVERY
<p>When: On or before the Mandatory Delivery Date specified in Exhibit A of both the First and Second Mortgage Loan Commitments.</p>	<p>When: On the same date as the Freddie Mac Delivery.</p>
<p>Send to: Refer to the Guide.</p>	<p>Send to: CWCcapital LLC 63 Kendrick Street Needham, MA 02494 Attn: Wayne Elibero, VP Tel: (781) 707-9340 Fax: (781) 707-9395 welibero@cwcapital.com</p>
<p>Include:</p> <ol style="list-style-type: none"> 1. First Mortgage Documents: Organize the First Mortgage Documents (the “First Mortgage Delivery Package”) pursuant to instructions in Chapter 32 of the Guide and/or the First Mortgage Commitment. 2. Two Copies of the Second Mortgage Delivery Package, each organized the same as the original and delivered in an accordion or redwell folder. 3. If possible, a CD containing imaged copies of each of the First and Second Mortgage Delivery Packages. 	<p>Include:</p> <ol style="list-style-type: none"> 1. Second Mortgage Documents: Organize the one set of original Second Mortgage Documents (the “Second Mortgage Delivery Package”) pursuant to the Delivery Checklist (as described below) and the Second Mortgage Commitment. These originals are to be fastened with a paperclip, not a staple or rubber band, and placed in an accordion or redwell folder. A table of contents must be included as well as tabs to mark each item being delivered. 2. One copy of the Second Mortgage Delivery Package, organized the same as the original and delivered in an accordion or redwell folder. 3. Two Copies of the First Mortgage Delivery Package, each organized the same as the original and delivered in an accordion or redwell folder. 4. Two Copies of the First Mortgage Commitment (including all amendments thereto and Exhibit A thereto executed by Seller/Servicer). 5. Two Copies of the Second Mortgage Commitment (including all amendments thereto and a copy of Exhibit A attached thereto executed by Seller/Servicer). 6. If possible, a CD containing imaged copies of each of the First and Second Mortgage Delivery Packages. 7. Transaction Fee in the form of a check payable to CWCcapital LLC in the amount of \$5,000.

SECOND MORTGAGE DELIVERY:

Each Second Mortgage Delivery to CWCcapital must comply with the requirements of the Guide, except as expressly provided to the contrary in the Second Mortgage Commitment. The Seller/Servicer is required to arrange the documents in the Second Mortgage Delivery Package in the order listed in the Review Checklist for Final Delivery (Special Products) (5-6-2005) (“Delivery Checklist”) available on the Freddie Mac Web Site at <http://www.freddiemac.com/multifamily/docs/specialproductschecklist.doc>. For this purpose, all references in the Delivery Checklist to “Freddie Mac” or the “Federal Home Loan Mortgage Corporation” are deleted and replaced with “CWCcapital LLC.” The Seller/Servicer must include a table of contents and tabs to mark each item for the Second Mortgage Delivery.

The following highlights modifications to the Delivery Checklist related to requirements that apply only to Second Mortgages originated under the HLP:

(Tab 1) **Written Verification (of UPB and interest paid to date):**

No changes.

(Tab 2) **Warehouse Lending Documents (for warehoused mortgages only)/Wire Transfer Authorization (for Seller/Servicer funded mortgages):**

a. Warehouse Lender Release of Security Interest:

The form of Warehouse Lender Release of Security Interest (Multifamily-High Leverage Loan Program) attached hereto as Exhibit 9 must be submitted.

b. Wire Transfer Authorization for Cash Warehouse Delivery:

The form of Wire Transfer Authorization for Cash Warehouse Delivery (Multifamily-High Leverage Loan Program) attached hereto as Exhibit 10 must be submitted.

c. Wire Transfer Authorization (for Seller/Servicer funded mortgages):

The form of Wire Transfer Authorization (High Leverage Loan Program) attached hereto as Exhibit 11 must be submitted.

(Tab 3) **Note:**

Insert to Exhibit A of Multifamily Note for Supplemental (Second) Mortgage (Revision Date 12-15-2005) must be attached to the Second Mortgage Note. The form of this insert is attached to the Second Mortgage Commitment.

The Second Mortgage Note must bear the following endorsement:

PAY TO THE ORDER OF CWCAPITAL LLC WITHOUT RECOURSE

(NAME OF SELLER-ENDORSER)

By: _____

(Typed name of signatory)

(Typed title of signatory)

Dated: _____

(Tab 4) **Security Instrument:**

Insert to Exhibit B of Supplemental Lien Multifamily Security Instrument (Revision Date 12-15-2005) must be attached to the Second Mortgage Security Instrument. The form of this insert is attached to the Second Mortgage Commitment.

(Tab 5) **Assignment of Security Instrument:**

The Assignment of Security Instrument must be in the form attached hereto as Exhibit 7. (Note: Please confirm with Freddie Mac prior to closing that Exhibit 7 is the current version of the form of Assignment of Security Instrument)

(Tabs 6/7) **Financing Statements/Assignment of Financing Statements:**

The name and address of the assignee shall be CWCapital LLC, 63 Kendrick Street, Needham, Massachusetts 02494, Attn: Loan Admin.

(Tab 8) **Title Policy:**

“CWCapital LLC and/or the [Seller/Service], as their interests may appear” must be the named insured.

The Title Policy must not be dated earlier than the date of recording of the Assignment of Security Instrument and no later than the date of final delivery to CWCapital.

The Title Policy must identify and include the recording information for the Assignment of the Security Instrument to CWCapital LLC.

The Financing Statement recorded in the office in with the Security Instrument is recorded showing the Seller/Service as the secured party and the assignment thereof to CWCapital must be shown as an informational note, and must not be listed as an exception on Schedule B, Part 1.

(Tab 9) **Survey:**

The surveyor’s certification must be for the benefit of the Seller/Service, Freddie Mac, the title insurer issuing the title insurance policy and CWCapital LLC.

(Tab 10) **Repair Escrow Agreement or Repair Agreement:**

Not applicable.

(Tab 11) **Assignment of Repair Escrow Agreement or Repair Agreement:**
Not applicable.

(Tab 12) **Replacement Reserve Agreement:**
A Replacement Reserve Agreement is required for all Second Mortgages. The Insert to Exhibit C of Replacement Reserve Agreement for Supplemental (Second) Mortgage (Revision Date 12-15-2005) must be attached to the Replacement Reserve Agreement. The form of this insert is attached to the Second Mortgage Commitment. The Replacement Reserve Agreement for the Second Mortgage shall provide that Replacement Reserve Deposits shall not be required to be made for the Second Mortgage to the extent that such payments are made by Borrower pursuant to the terms of the related First Mortgage.

(Tab 13) **Assignment of Replacement Reserve Agreement:**
The form of Assignment Agreement (General) attached hereto as Exhibit 8 must be used to assign the Replacement Reserve Agreement to CWCcapital. (Note: Please confirm with Freddie Mac prior to closing that Exhibit 8 is the current version of the form of Assignment Agreement (General)).

(Tab 14) **Guaranty:**
The Insert to Exhibit A of Guaranty for Both the Mortgage and Supplemental (Second) Mortgage (Revision Date 12-15-2005) must be attached to the First Mortgage Guaranty and the Second Mortgage Guaranty. The form of this insert is attached to the First and Second Mortgage Commitments.

(Tab 15) **Assignment of Guaranty:**
The form of Assignment Agreement (General) attached hereto as Exhibit 8 must be used to assign the Guaranty to CWCcapital. (Note: Please confirm with Freddie Mac prior to closing that Exhibit 8 is the current version of the form of Assignment Agreement (General)).

(Tab 16) **Documentation concerning subordinate financing and laundry and commercial leases:**

- a. subordinate financing:**
Not applicable (no subordinate financing is allowed under the HLP while the Second Mortgage is outstanding).
- b. commercial leases or laundry leases or telecommunication lease with non-affiliates:**
No changes.
- c. laundry leases or telecommunications leases with an affiliate:**
No changes.

(Tab 17) **Leasehold:**
Unless a waiver is granted by Freddie Mac, leasehold mortgages are not allowed under the HLP.

(Tab 18) **Opinions of Counsel:**
Opinions of Counsel for the Second Mortgage must be addressed to CWCcapital LLC.

(Tab 19) **Settlement Sheet/Disbursement Statement:**

No changes.

(Tab 20) **Property Insurance:**

CWCapital LLC must be named as an additional insured under all property insurance policies issued with respect to the related First Mortgage.

(Tab 21) **Information on tax and insurance and other Escrow Accounts Held:**

Submission of the Freddie Mac forms required to be delivered with respect to the related First Mortgage is required.

(Tab 22) **Certificate of Occupancy:**

No changes.

(Tab 23) **Illinois Land Trust:**

No changes.

(Tab 24) **Rent Schedule:**

No changes.

(Tab 25) **Flood Hazard Determination Form:**

No changes.

(Tab 26) **Management Agreement:**

No changes.

(Tab 27) **Operations and Maintenance Agreement, if applicable:**

No changes.

(Tab 28) **Moisture Management Plan (unless waived):**

No changes.

(Tab 29) **Product Specific Requirements:**

- a. **Multifamily Note Register.** The form of this document is attached to the Second Mortgage Commitment.
- b. **First Mortgage Commitment.** Two copies of the First Mortgage Commitment (including all amendments thereto and Exhibit A thereto executed by Seller/Servicer).
- c. **Second Mortgage Commitment.** Two copies of the Second Mortgage Commitment (including all amendments thereto and Exhibit A thereto executed by Seller/Servicer).

(Tab 30) **Side Agreements:**

No changes.

(Tab 31) **Copies of all memoranda:**
No changes.

(Tab 32) **Copies of Freddie Mac consents:**
No changes.

(Tab 33) **Additional Documents:**
No changes.

EXHIBIT 1

**INSERT TO EXHIBIT B FOR FIRST LIEN MULTIFAMILY SECURITY
INSTRUMENT (REVISION DATE 12-15-2005)**

EXHIBIT 2

**INSERT TO EXHIBIT A OF GUARANTY FOR BOTH THE MORTGAGE AND
SUPPLEMENTAL (SECOND) MORTGAGE (REVISION DATE 12-15-2005)**

EXHIBIT 3

**INSERT TO EXHIBIT A OF MULTIFAMILY NOTE FOR SUPPLEMENTAL
(SECOND) MORTGAGE (REVISION DATE 12-15-2005)**

EXHIBIT 4

**INSERT TO EXHIBIT B OF SUPPLEMENTAL LIEN MULTIFAMILY SECURITY
INSTRUMENT (REVISION DATE 12-15-2005)**

EXHIBIT 5

**INSERT TO EXHIBIT C OF REPLACEMENT RESERVE AGREEMENT FOR
SUPPLEMENTAL (SECOND) MORTGAGE (REVISION DATE 12-15-2005)**

EXHIBIT 6

MULTIFAMILY NOTE REGISTER

EXHIBIT 7

ASSIGNMENT OF SECURITY INSTRUMENT

EXHIBIT 8

ASSIGNMENT AGREEMENT (GENERAL)

EXHIBIT 9

**WAREHOUSE LENDER RELEASE OF SECURITY INTEREST (MULTIFAMILY-
HIGH LEVERAGE LOAN PROGRAM)**

EXHIBIT 10

**WIRE TRANSFER AUTHORIZATION FOR CASH WAREHOUSE DELIVERY
(MULTIFAMILY-HIGH LEVERAGE LOAN PROGRAM)**

EXHIBIT 11

WIRE TRANSFER AUTHORIZATION (HIGH LEVERAGE LOAN PROGRAM)