

**OPERATING ADVISOR AGREEMENT**

OPERATING ADVISOR AGREEMENT, dated as of December 29, 2016 (as amended, modified and supplemented from time to time, the “**Agreement**”) between FEDERAL HOME LOAN MORTGAGE CORPORATION (“**Freddie Mac**”), as issuer, and PARK BRIDGE LENDER SERVICES LLC (“**Operating Advisor**”), as operating advisor, in connection with the Freddie Mac Multifamily Structured Credit Risk (Multifamily SCR) Debt Notes, Series 2016-MDN2, Class B (the “**Notes**”). All Exhibits attached hereto are made a part hereof as if their full text were set forth and incorporated herein as part of this Agreement.

**RECITALS**

- A. Freddie Mac intends to issue the Notes pursuant to that certain debt agreement dated as of the Closing Date (the “**Debt Agreement**”) by and among Freddie Mac and the holders of the Notes, a copy of which is attached as Exhibit A hereto.
- B. Freddie Mac desires to engage Operating Advisor to perform certain services relating to the Reference Obligations and Operating Advisor is willing to provide such services to Freddie Mac.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which each party acknowledges, Freddie Mac and Operating Advisor agree as follows:

**1. Definitions.**

The following terms used in this Agreement will have the meanings set forth below in this Section 1. All capitalized terms not otherwise defined in this Section 1 will have the meanings set forth in the Debt Agreement.

“**Affiliate**” with respect to any specified Person, means any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Asset Status Report**” means a report with respect to a Reference Obligation setting forth the following information to the extent reasonably determinable:

- (i) summary of the status of such Reference Obligation;
- (ii) a discussion of any legal considerations reasonably known to Freddie Mac that are applicable to the exercise of remedies and to the enforcement of any related guaranties or other collateral for such Reference Obligation;
- (iii) a summary of the proposed modification of such Reference Obligation, including but not limited to any proposed workout with respect thereto and the status of any negotiations with respect to such workout;
- (iv) any other information that Freddie Mac deems relevant, material and in accordance with the Freddie Mac Servicing Practices; and
- (v) a description of the amounts in any reserve funds or escrow accounts or any other amounts which have been set aside and, in each case, are available for the payment of principal or interest prior to, or upon, a default of such Reference Obligation.

“**Borrower**” with respect to any Reference Obligation, means the obligor or obligors on any related promissory note or notes, including, without limitation, any Person that has acquired the related mortgaged property and assumed the obligations of the original obligor under the promissory note or notes.

“**Business Day**” means any day other than a Saturday, a Sunday or any day on which banking institutions in the City and State of New York, and each city in which the principal office of Freddie Mac and Operating Advisor is located, is authorized or obligated by law, executive order or governmental decree to remain closed.

“**Closing Date**” means December 29, 2016.

“**Freddie Mac Servicing Practices**” means the servicing and administration of multifamily mortgage loans in the same manner in which, and with the same care, skill, prudence and diligence with which, Freddie Mac services and administers multifamily mortgage loans owned by it, which includes, without limitation, servicing and administration in accordance with the Freddie Mac Multifamily Seller/Servicer Guide, as amended from time to time, and any Freddie Mac written policies, bulletins, procedures or other communications made available in writing by Freddie Mac.

“**Noteholder**” means a Holder of Notes.

“**Operating Advisor Fee**” means the fee to be paid to Operating Advisor as compensation for Operating Advisor’s activities under this Agreement.

“**Operating Advisor Loan Report**” is defined in Section 2(d).

“**Operating Advisor Standard**” is defined in Section 2(a).

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

## 2. **Appointment, Duties and Termination of Operating Advisor.**

- (a) Park Bridge Lender Services LLC is hereby appointed to serve as the initial Operating Advisor. Operating Advisor, as an independent contractor, shall perform each obligation of Operating Advisor as set forth in this Agreement in the best interests of, and for the benefit of, the Noteholders and Freddie Mac (as a collective whole as if the Noteholders and Freddie Mac constituted a single lender), as determined by Operating Advisor in the exercise of its good faith and reasonable judgment and without the obligation to independently verify any information provided to it by Freddie Mac (the “**Operating Advisor Standard**”).
- (b) At any time prior to a Reference Obligation becoming 180 days delinquent, if Freddie Mac proposes to modify such Reference Obligation in a manner that would result in a reduction of such Reference Obligation’s unpaid principal balance and/or mortgage interest rate, Freddie Mac will provide written notice to the Global Agent and Operating Advisor. The notice will include the Asset Status Report prepared in connection with the modification of such Reference Obligation. The Asset Status Report will set forth an outline of the proposed modification and/or workout plan, including a preliminary, nonbinding estimate of the related Credit Event Loss Amount.
- (c) Each Asset Status Report sent to Operating Advisor by Freddie Mac will include each net present value calculation used in Freddie Mac’s determination of what course of action to take in connection with the modification of the related Reference Obligation, including any net present value calculations used in any alternative courses of action that were or are being considered. Operating Advisor may review such calculations in support of its Operating Advisor Loan Report and if Operating Advisor discovers a mathematical error contained in such calculations, Operating Advisor shall inform Freddie Mac of such error.
- (d) Within five (5) Business Days after Operating Advisor’s receipt from Freddie Mac of the notice, the Asset Status Report, and other supporting information pursuant to Section 2(b) (the “**Initial Review Period**”), Operating Advisor shall review such Asset Status Report and other supporting information delivered to Operating Advisor. No later than the end of the Initial Review Period, Operating Advisor shall deliver to Freddie Mac in writing any questions for Freddie Mac related to the applicable Asset Status Report (“**ASR Related Questions**”) and request any additional information, documents, or other supporting material (collectively, “**Supplemental Information**” and, together with the ASR Related Questions, the “**Additional Requested Materials**”) that it believes are reasonably necessary to review the Asset Status Report. Freddie Mac shall promptly
  - (i) deliver in writing to Operating Advisor responses to any ASR Related

Questions and (ii)(a) deliver to Operating Advisor the Supplemental Information or (b) respond in writing to Operating Advisor that some or all of the Supplemental Information is not in the possession of Freddie Mac and may not otherwise be reasonably obtained by Freddie Mac or is not reasonably necessary in connection with Operating Advisor's review of the applicable Asset Status Report. No later than the later of (x) five (5) Business Days after the end of the Initial Review Period if Operating Advisor requested no Additional Requested Materials and (y) ten (10) Business Days after Operating Advisor's receipt of all Additional Requested Materials required to be delivered, Operating Advisor shall deliver to Freddie Mac a report (an "**Operating Advisor Loan Report**") substantially in the form of Exhibit B hereto. Each Operating Advisor Loan Report shall include (i) Operating Advisor's comments, if any, to Freddie Mac in respect of the proposed modification and/or workout plan and (ii) any proposed alternative courses of action.

- (e) Within ten (10) Business Days of receipt of the Operating Advisor Loan Report from Operating Advisor, Freddie Mac shall review and consider such comments and written alternative courses of action provided by Operating Advisor. If Freddie Mac agrees with such comments or alternative courses of action and such comments or alternative courses of action are consistent with Freddie Mac Servicing Practices, then Freddie Mac shall revise the Asset Status Report and its course of action as it deems necessary and appropriate to take into account such input and/or comments.
- (f) If an Asset Status Report that was previously sent to, reviewed by and commented on by Operating Advisor is subsequently materially revised or modified by Freddie Mac, then Freddie Mac will resend the written notice specified in Section 2(b) to the Global Agent and Operating Advisor, and include the revised Asset Status Report. Operating Advisor and Freddie Mac shall then repeat the procedures and follow the timing set forth in Sections 2(c), (d) and (e) with respect to the revised Asset Status Report.
- (g) Freddie Mac shall not be required to take or to refrain from taking any action because of an objection or comment by Operating Advisor or a recommendation of Operating Advisor that would require or cause Freddie Mac to violate Freddie Mac Servicing Practices or any other provision of this Agreement. In no event shall the review by Operating Advisor or Freddie Mac's consideration of any alternative courses of action or Operating Advisor comments give any Noteholder the right to delay, or prevent Freddie Mac from moving forward with, the modification of a Reference Obligation.
- (h) Operating Advisor will review only those items or matters provided to it hereunder that are expressly identified to Operating Advisor as being related to a duty or obligation of Operating Advisor hereunder.

- (i) If Operating Advisor fails to perform in any material respect any of its obligations under this Agreement, which such failure in either case shall continue unremedied for a period of thirty (30) calendar days after the date on which written notice of such failure shall have been given to Operating Advisor by Freddie Mac, then Freddie Mac may terminate all of the rights and obligations of Operating Advisor under this Agreement by notice in writing to Operating Advisor, provided, however, that the Operating Advisor shall be entitled to the payment of any and all compensation, indemnities, expenses and reimbursements incurred or accrued by or owing to it on or prior to the date of such termination. Freddie Mac shall also send copies of such written notices to the Noteholders. On or after the receipt by Operating Advisor of such written notice of termination, subject to the foregoing, all of its authority and power under this Agreement shall be terminated and, without limitation, the terminated Operating Advisor shall execute any and all documents and other instruments, and do or accomplish all other acts or things, reasonably necessary or appropriate to effect the purposes of such notice of termination. Subject to Section 5, upon receipt by Operating Advisor of such written notice of termination, it shall have no further liability hereunder to any party. As soon as practicable, but in no event later than ten (10) Business Days after Freddie Mac delivers such written notice of termination to Operating Advisor pursuant to this Section 2(i) or if Operating Advisor resigns pursuant to Section 2(j), Freddie Mac shall appoint a successor Operating Advisor to act as Operating Advisor. Freddie Mac shall provide written notice of the appointment of a successor Operating Advisor to the Global Agent and the Noteholders within five (5) Business Days of such appointment. The appointment of the replacement Operating Advisor shall be in the absolute and sole discretion of Freddie Mac but shall be subject to the consent of the Holders of not less than 50% of the outstanding Class Principal Balance of the Notes, which consent shall not be unreasonably withheld.
- (j) Operating Advisor may resign from its obligations and duties hereby imposed on it as Operating Advisor (i) upon 30 calendar days' prior written notice to Freddie Mac and the Noteholders, and (ii) upon the appointment of, and the acceptance of such appointment by, a successor Operating Advisor to act as Operating Advisor approved by Freddie Mac; *provided, however*, that Operating Advisor shall only be permitted to resign from its obligations and duties imposed hereunder if (x) its duties are no longer permissible under applicable law, (y) a successor Operating Advisor shall have agreed to act in such capacity for no more than the Operating Advisor Fee, or (z) if a successor Operating Advisor has agreed to act in such capacity but the compensation payable to such successor Operating Advisor is more than the Operating Advisor Fee, the Operating Advisor (at its sole cost and expense) shall have agreed to pay to such successor Operating Advisor, during the term remaining, the amount of such excess. No such resignation by Operating Advisor shall become effective until the replacement Operating Advisor shall have assumed Operating Advisor's responsibilities and obligations to act as Operating Advisor. Notwithstanding anything to the contrary in this Agreement, Operating Advisor may resign upon 30 calendar days' prior written notice to

Freddie Mac and without the requirement to pay any cost, penalty, or fee if the Termination Date is extended beyond the Payment Date in December 2031.

- (k) In the event Operating Advisor resigns or is terminated for any reason it shall remain entitled to any accrued and unpaid fees, expenses and indemnification amounts and ongoing rights to indemnification, which shall be payable in accordance with the priorities and subject to the limitations set forth in this Agreement.
- (l) The parties hereto agree, and the Noteholders by their acceptance of their Notes shall be deemed to have agreed, that, subject to and without in any manner limiting Section 8, (i) Operating Advisor shall have no liability to any Noteholder for any actions taken or for refraining from taking any actions under this Agreement, (ii) the agreements of Operating Advisor shall be construed solely as agreements to perform analytical and reporting services, (iii) Operating Advisor shall have no authority or duty to make a determination on behalf of Freddie Mac, nor have any responsibility for decisions made by or on behalf of Freddie Mac, (iv) insofar as the words “consult,” “recommend” or words of similar import are used in this Agreement in respect of Operating Advisor and any servicing action or inaction, such words shall be construed to mean the performance of analysis and reporting services, which Freddie Mac may determine not to accept, (v) the absence of a response by Operating Advisor to an Asset Status Report or other matter in which this Agreement contemplates consultation with Operating Advisor shall not be construed as an approval, endorsement, acquiescence or recommendation for or against any proposed action, and (vi) Operating Advisor shall owe no fiduciary duty to any party to this Agreement, any Noteholder, or any other Person in connection with this Agreement.
- (m) Unless Operating Advisor is terminated or resigns as Operating Advisor pursuant to the terms of this Agreement, it will act as Operating Advisor until the Termination Date.
- (n) Upon request of the Operating Advisor, Freddie Mac shall cause to be delivered, or otherwise made available, to Operating Advisor any of the reporting and other information required to be delivered to the Noteholders pursuant to the Global Agency Agreement.

### **3. Representations, Warranties and Covenants of Operating Advisor.**

- (a) Operating Advisor hereby represents and warrants to the Freddie Mac, as of the Closing Date, that:
  - i. Operating Advisor is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of New York;
  - ii. The execution and delivery of this Agreement by Operating Advisor, and the performance and compliance with the terms of this Agreement by Operating Advisor,

will not (A) violate Operating Advisor's articles of organization and limited liability company agreement or other comparable organizational documents or (B) constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the breach of, any material agreement or other material instrument to which it is a party or by which it is bound, or (C) result in the violation of any law, rule, regulation, order, judgment or decree binding on Operating Advisor which, in the case of either (B) or (C) is likely to materially and adversely affect Operating Advisor's ability to perform hereunder;

iii. Operating Advisor has the full power and authority to enter into and consummate all transactions contemplated by this Agreement to be performed by it, has duly authorized the execution, delivery and performance of this Agreement, and has duly executed and delivered this Agreement;

iv. This Agreement, assuming due authorization, execution and delivery by the other party hereto, constitutes a valid, legal and binding obligation of Operating Advisor, enforceable against Operating Advisor in accordance with the terms hereof, subject to (A) applicable bankruptcy, insolvency, reorganization, receivership, moratorium and other laws affecting the enforcement of creditors' rights generally, (B) general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law and (C) public policy considerations that limit the enforceability of any provision of this Agreement that purports or is construed to provide indemnification or exculpation of liability with respect to securities law violations;

v. Operating Advisor is not in violation with respect to any law, any order or decree of any court, or any order, regulation or demand of any federal, state, municipal or governmental agency, which violations are reasonably likely to have consequences that would materially and adversely affect the financial condition or operations of Operating Advisor or its properties taken as a whole or are reasonably likely to have consequences that would materially and adversely affect its ability to perform its duties and obligations hereunder;

vi. No litigation is pending or, to the best of Operating Advisor's knowledge, threatened against Operating Advisor which, if determined adversely to Operating Advisor, would prohibit Operating Advisor from entering into this Agreement or, in Operating Advisor's good faith and reasonable judgment, is likely to materially and adversely affect either the ability of Operating Advisor to perform its obligations under this Agreement or the financial condition of Operating Advisor;

vii. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by Operating Advisor, or compliance by Operating Advisor with, this Agreement or the consummation of the transactions contemplated by this Agreement, except for any consent, approval, authorization or order which has been obtained or cannot be obtained prior to the actual performance by Operating Advisor of its obligations under this Agreement, or which, if not obtained would not have a materially adverse effect on the ability of Operating Advisor to perform its obligations hereunder; and

viii. Operating Advisor is not, and so long as it is acting as Operating Advisor shall not be, an Affiliate of Freddie Mac and, with respect to any Reference Obligation

that is the subject of a proposed modification described in Section 2(b), Operating Advisor shall not be an Affiliate of the related Borrower.

(b) The representations and warranties set forth in Section 3(a) above shall survive the execution and delivery of this Agreement.

#### **4. Representations, Warranties and Covenants of Freddie Mac.**

(a) Freddie Mac hereby represents and warrants to Operating Advisor, as of the Closing Date, that:

i. Freddie Mac is a corporate instrumentality of the United States created pursuant to an Act of Congress on July 24, 1970 (Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459), with full power and authority to (A) transact any and all business contemplated by this Agreement and (B) execute, deliver and comply with its obligations under the terms of this Agreement;

ii. The execution and delivery of this Agreement by Freddie Mac, and the performance and compliance with the terms of this Agreement by Freddie Mac, will not (A) violate Freddie Mac's charter, certificate of incorporation and by-laws or other comparable organizational documents or (B) constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the breach of, any material agreement or other material instrument to which it is a party or by which it is bound, or (C) result in the violation of any law, rule, regulation, order, judgment or decree binding on Freddie Mac which, in the case of either (B) or (C) is likely to materially and adversely affect Freddie Mac's ability to perform hereunder;

iii. Freddie Mac has the full power and authority to enter into and consummate all transactions contemplated by this Agreement to be performed by it, has duly authorized the execution, delivery and performance of this Agreement, and has duly executed and delivered this Agreement;

iv. This Agreement, assuming due authorization, execution and delivery by the other party hereto, constitutes a valid, legal and binding obligation of Freddie Mac, enforceable against Freddie Mac in accordance with the terms hereof, subject to (A) applicable bankruptcy, insolvency, reorganization, receivership, moratorium and other laws affecting the enforcement of creditors' rights generally, (B) general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law and (C) public policy considerations that limit the enforceability of any provision of this Agreement that purports or is construed to provide indemnification or exculpation of liability with respect to securities law violations;

v. Freddie Mac is not in violation with respect to any law, any order or decree of any court, or any order, regulation or demand of any federal, state, municipal or governmental agency, which violations are reasonably likely to have consequences that would materially and adversely affect the financial condition or operations of Freddie Mac or its properties taken as a whole or are reasonably likely to have consequences that would materially and adversely affect its ability to perform its duties and obligations hereunder;



vi. No litigation is pending or, to the best of Freddie Mac's knowledge, threatened against Freddie Mac which, if determined adversely to Freddie Mac, would prohibit Freddie Mac from entering into this Agreement or, in Freddie Mac's good faith and reasonable judgment, is likely to materially and adversely affect either the ability of Freddie Mac to perform its obligations under this Agreement or the financial condition of Freddie Mac; and

vii. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by Freddie Mac, or compliance by Freddie Mac with, this Agreement or the consummation of the transactions contemplated by this Agreement, except for any consent, approval, authorization or order which has been obtained or cannot be obtained prior to the actual performance by Freddie Mac of its obligations under this Agreement, or which, if not obtained would not have a materially adverse effect on the ability of Freddie Mac to perform its obligations hereunder.

(b) The representations and warranties set forth in Section 4(a) above shall survive the execution and delivery of this Agreement.

**5. Liability of Operating Advisor and Freddie Mac.** Operating Advisor and Freddie Mac shall each be liable in accordance herewith only to the extent of the respective obligations specifically imposed upon and undertaken by Operating Advisor and Freddie Mac herein.

**6. Merger, Consolidation or Conversion of Operating Advisor or Freddie Mac.**

(a) Subject to Section 6(b) below, Operating Advisor and Freddie Mac each will keep in full effect its existence, rights and franchises under the laws of the jurisdiction of its incorporation or organization, and each will obtain and preserve its qualification to do business as a foreign corporation or limited partnership in each jurisdiction in which such qualification is or shall be necessary to perform its respective duties under this Agreement.

(b) Operating Advisor and Freddie Mac may each be merged or consolidated with or into any Person, or transfer all or substantially all of its assets (or with regard to Freddie Mac, commercial mortgage servicing assets) to any Person, in which case any Person resulting from any merger or consolidation to which Operating Advisor or Freddie Mac shall be a party, or any Person succeeding to the business of Operating Advisor or Freddie Mac, shall be the successor of Operating Advisor or Freddie Mac, as the case may be, hereunder, without the execution or filing of any paper (other than an assumption agreement wherein the successor shall agree to perform the obligations of and serve as Operating Advisor or Freddie Mac, as the case may be, in accordance with the terms of this Agreement) or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**7. Compensation.** Freddie Mac agrees to promptly pay Operating Advisor the Operating Advisor Fee as set forth in Exhibit C hereto, or as otherwise agreed upon by Freddie Mac

and Operating Advisor in writing, and to reimburse Operating Advisor for its ordinary, necessary and reasonable out of pocket expenses (including reasonable counsel fees and expenses as set forth in Exhibit C) incurred by Operating Advisor for all services rendered hereunder during the term of the Agreement. The obligations of Freddie Mac under this Section 7 shall survive the termination of this Agreement, including any termination of this Agreement pursuant to any applicable bankruptcy or insolvency law.

**8. Limitation on Liability of Operating Advisor and Freddie Mac; Indemnification.**

- (a) None of Operating Advisor, Freddie Mac or any of the officers, directors, general or limited partners, shareholders, members, managers, employees, agents or Affiliates of any of them shall have any liability to the parties hereto, the Noteholders or any other Person for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement, or for errors in judgment; *provided, however*, that this provision shall not protect Operating Advisor or Freddie Mac against any breach of warranties or representations made herein or protect Operating Advisor or Freddie Mac from any liability which would otherwise be imposed by reason of Operating Advisor's or Freddie Mac's willful misconduct, bad faith, fraud or gross negligence in the performance of its respective duties hereunder or negligent disregard of its respective obligations and duties under this Agreement. In addition, none of the foregoing parties shall be responsible for delays or failures in performance due to force majeure or acts of God. Each of Operating Advisor and Freddie Mac may rely, and shall be protected in acting or refraining from acting upon, any resolution, officer's certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, financial statement, agreement, appraisal, bond or other document (in electronic or paper format) as contemplated by and in accordance with this Agreement and reasonably believed or in good faith believed by Operating Advisor or Freddie Mac, as applicable, to be genuine and to have been signed or presented by the proper party or parties and each of them may consult with counsel, in which case any written advice of counsel or opinion of counsel shall be full and complete authorization and protection with respect to any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel.
- (b) The provisions of Section 8(a) shall survive the termination of this Agreement, the payment of the outstanding Notes and the resignation or removal of Operating Advisor.
- (c) Freddie Mac shall indemnify Operating Advisor and each of its Affiliates and each of its directors, officers, employees, members, managers, representatives and agents (collectively, the "**Operating Advisor Parties**"), and hold each of them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, liabilities, reasonable legal fees and related costs, judgments, and any other costs, fees and expenses that such indemnified party may sustain in connection with this Agreement (including, without limitation, reasonable fees and disbursements of

counsel incurred by such indemnified party in any action or proceeding between Freddie Mac and such indemnified party or between such indemnified party and any third party or otherwise) (collectively, “**Losses**”) that may be imposed on, incurred by or asserted against them in connection with, related to, or arising out of, this Agreement or the Notes, other than any Losses incurred by such party by reason of (x) a breach by Operating Advisor of any representation or warranty hereunder, or (y) willful misconduct, bad faith, fraud or negligence in the performance of duties hereunder, or by reason of negligent disregard of obligations and duties under this Agreement, on the part of Operating Advisor. The provisions of this Section 8(c) shall survive the termination of this Agreement and the payment of the outstanding Notes.

- (d) Operating Advisor shall indemnify Freddie Mac and each of its Affiliates and each of its directors, officers, employees, representatives and agents (collectively, the “**Freddie Mac Parties**”), and hold each of them harmless against any and all Losses resulting from (i) a breach by Operating Advisor of any representation or warranty hereunder, or (ii) Operating Advisor’s willful misconduct, bad faith, fraud or gross negligence in the performance of each of its duties hereunder or by reason of gross negligent disregard of its obligations and duties under this Agreement. The provisions of this Section 8(d) shall survive the termination of this Agreement and the payment of the outstanding Notes.
- (e) Promptly after receipt by any Operating Advisory Party or Freddie Mac Party, as applicable, seeking indemnification under this Agreement (each an “**Indemnified Party**”) of the notice of the commencement of any action or claim, such Indemnified Party shall notify Operating Advisor or Freddie Mac, as applicable (the “**Indemnifying Party**”) in writing of the commencement thereof. Upon either receiving or giving the foregoing notice pursuant to this Section 8(e), the Indemnifying Party shall assume (with the consent of such party who is the subject of any such claim) the defense of any such claim and pay all expenses in connection therewith, including reasonable counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against the Indemnified Party in respect of such claim; *provided*, that the Indemnifying Party may not agree to any settlement involving any Indemnified Party that contains any element other than the payment of money and complete indemnification of such Indemnified Party without the prior written consent of the Indemnified Party. The Indemnified Party shall have the right to employ its own counsel in any such action in addition to the counsel of Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless (i) the employment of counsel by such Indemnified Party has been authorized in writing by the Indemnifying Party, (ii) the Indemnifying Party has not in fact employed counsel to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, or (iii) such Indemnified Party has been advised by counsel that the interests of the Indemnified Party are in conflict with those of the Indemnifying Party. The provisions of this Section

8(e) shall survive the termination of this Agreement and the payment of the outstanding Notes.

- (e) Operating Advisor, Freddie Mac, and any officer, director, shareholder, member, manager, employee, agent or Affiliate of Operating Advisor or Freddie Mac, may rely in good faith on any document of any kind which, *prima facie*, is properly executed and submitted by any appropriate Person with respect to any matters arising hereunder. Notwithstanding anything herein to the contrary, in preparing or furnishing any reports or certifications pursuant to this Agreement, Operating Advisor shall be entitled to rely conclusively on the accuracy of the information or data provided to it by Freddie Mac and shall have no liability for any errors therein.
- (f) Operating Advisor's and Freddie Mac's right to indemnity or reimbursement pursuant to this Section 8 shall survive any resignation, removal or termination of Operating Advisor pursuant to Section 2 with respect to any losses, expenses, costs or liabilities arising prior to such resignation, removal or termination (or arising from events that occurred prior to such resignation, removal or termination).

**9. Miscellaneous.**

- (a) Notices. Any notices pursuant to, or communications with respect to, this Agreement shall be deemed to have been given when delivered in person, or by first class registered or certified mail, postage prepaid, or by facsimile or e-mail transmission; provided, however, in the case of any communication by facsimile or e-mail, written confirmation is dispatched within 24 hours by overnight courier:

- (i) if to Freddie Mac:

Federal Home Loan Mortgage Corporation  
8100 Jones Branch Drive  
McLean, Virginia 22102  
Mail Stop B4V  
Attention: Roy Chun, Director – Multifamily Asset Management  
Reference: Multifamily SCR Series 2016-MDN2

with a copy to:

Federal Home Loan Mortgage Corporation  
8200 Jones Branch Drive  
McLean, Virginia 22102  
Attention: Timothy O'Neill, Vice President and Deputy General Counsel –  
Multifamily Real Estate

- (ii) if to Operating Advisor:

Park Bridge Lender Services LLC  
600 Third Avenue, 40<sup>th</sup> Floor  
New York, New York 10016  
Attention: Surveillance Manager – FREMF SCR 2016-MDN2  
with a copy sent contemporaneously to:  
cmbs.notices@parkbridgefinancial.com

or such other address as either party may in the future provide to the other party by notice pursuant to this Section 9.

- (b) Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.
- (c) Benefit of Agreement. This Agreement is solely for the benefit of the parties hereto, their successors and assigns and no other person shall acquire or have any right hereunder by virtue hereof.
- (d) Agreement; Amendments. This Agreement embodies the complete agreement between the parties regarding the subject matter of this Agreement and may not be varied or terminated except by a written agreement. All prior negotiations or representations of the parties are merged into this Agreement and will have no force or effect unless expressly stated in this Agreement. This Agreement may be amended or supplemented by Freddie Mac and Operating Advisor, without the consent of the Holder of any Note, for the purpose of curing any ambiguity or of correcting or supplementing any provision contained herein which may be defective or inconsistent with any other provision contained herein.
- (e) Further Agreement. Freddie Mac and Operating Advisor will each execute and deliver to the other such reasonable and appropriate additional documents, instruments or agreements as may be necessary or appropriate to effect the purposes of this Agreement.
- (f) Waivers. No term or provision of this Agreement may be waived or modified unless such waiver or modification is in writing and signed by the party against whom such waiver or modification is sought to be enforced.
- (g) Successors and Assigns; Assignment of Agreement. This Agreement will bind and inure to the benefit of and be enforceable by Freddie Mac and Operating Advisor and the respective successors and assigns. Neither this Agreement nor any right or obligation hereunder may be assigned or transferred by one party to any third party without the express written consent of the other party to this Agreement. Any purported assignment or transfer not in compliance with this provision shall be void and of no force or effect.

- (h) Counterparts. This Agreement may be executed simultaneously in any number of counterparts. Each counterpart will be deemed to be an original, and all such counterparts will constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement in Portable Document Format (PDF) or by facsimile transmission will be as effective as delivery of a manually executed original counterpart of this Agreement.
- (i) Severability. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- (j) Governing Law. This Agreement shall be construed in accordance with and governed by the federal laws of the United States. Insofar as there may be no applicable precedent and insofar as to do so would not frustrate the purposes of any provision of this Agreement or the transactions governed thereby, the local laws of the State of New York shall be deemed reflective of the laws of the United States. The parties agree that any judicial proceedings in relation to any matter arising under this Agreement may be instituted against any party to this Agreement in the United States federal courts located in the Borough of Manhattan in such manner as may be permitted by applicable law. EACH PARTY HEREBY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

\* \* \*

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed hereto by their respective officers thereunto duly authorized, in each case as of the day and year first above written.

**FEDERAL HOME LOAN MORTGAGE CORPORATION**

By : \_\_\_\_\_  
Name:  
Title:

**PARK BRIDGE LENDER SERVICES LLC**

By: Park Bridge Advisors LLC  
Its: Sole Member

By:  
Its:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**Debt Agreement**

(Attached)



## EXHIBIT B

### FORM OF OPERATING ADVISOR LOAN REPORT<sup>1</sup>

Federal Home Loan Mortgage Corporation  
8100 Jones Branch Drive  
McLean, Virginia 22102  
Mail Stop B4V  
Attention: Roy Chun, Director – Multifamily Asset Management  
Reference: Multifamily SCR Series 2016-MDN2

with a copy to:

Federal Home Loan Mortgage Corporation  
8200 Jones Branch Drive  
McLean, Virginia 22102  
Attention: Timothy O'Neill, Vice President and Deputy General Counsel – Multifamily Real Estate

Re: Multifamily SCR Notes Series 2016-MDN2

Report Date: [INSERT DATE]

Ladies and Gentlemen:

In accordance with Section 2(d) of the Operating Advisor Agreement, dated as of December [ ], 2016 (as amended, modified and supplemented from time to time, the “**Operating Advisor Agreement**”), between FEDERAL HOME LOAN MORTGAGE CORPORATION (“**Freddie Mac**”), as issuer, and PARK BRIDGE LENDER SERVICES LLC (“**Operating Advisor**”), as operating advisor, in connection with the Freddie Mac Multifamily Structured Credit Risk (Multifamily SCR) Debt Notes, Series 2016-MDN2, Class B, the undersigned, as Operating Advisor, has performed a review of an Asset Status Report and all Additional Requested Materials, as applicable, on each Reference Obligation identified by Freddie Mac, and is hereby issuing the following Operating Advisor Loan Report (the “**Operating Advisor Loan Report**”). Capitalized terms used but not defined in this Operating Advisor Loan Report shall have the meaning set forth in the Operating Advisor Agreement.

#### I. Summary of Reference Obligation Reviewed with Respect to this Operating Advisor Loan Report

<b>Pool ID</b>	<b>Cutoff Date Value</b>
<b>Freddie Mac Loan #</b>	<b>Cutoff Date LTV</b>
<b>Trustee Loan #</b>	<b>Current Appraised Value</b>
<b>Control #</b>	<b>Cutoff NOI DSCR</b>
<b>Special Servicing Date</b>	<b>Cutoff NCF DSCR</b>
<b>Current SPB</b>	<b>Cutoff NCF Debt Yield</b>
<b>Maturity Date</b>	<b>Cutoff Date Cap Rate</b>
<b>IO Period</b>	<b>Current Est. Cap Rate</b>
<b>Amortization</b>	<b>Break-even Occupancy</b>
<b>Mortgage Coupon Rate</b>	
<b>Annual Debt Service</b>	

<sup>1</sup> This report is an indicative report and does not reflect the final form of report to be used in relation to any particular Operating Advisor Loan Report. The Operating Advisor will have the ability to modify or alter the organization and content of any particular report, subject to compliance with the terms of the Operating Advisor Agreement.

**Property Information**

<b>Property Name</b>
<b>Date Prepared</b>
<b>MF Property Sub-type</b>
<b>Building Class (A/B/C)</b>
<b>Property Type</b>
<b>Property Name</b>
<b>Address</b>
<b>City, State</b>
<b>Zip Code</b>
<b>MSA</b>
<b>No. of Buildings</b>
<b>No. of Stories</b>
<b>No. of Elevators</b>
<b>Metering of Utilities</b>
<b>General Property Condition</b>

<b>Studio</b>
<b>1Bdrm/1Bth</b>
<b>2Bdrm/1Bth</b>
<b>2Bdrm/2Bth</b>
<b>3Bdrm/1Bth</b>
<b>3Bdrm/2Bth</b>
<b>Occupancy (%)</b>
<b>Year Built/Renovated</b>
<b>Site Area</b>
<b># of Parking Spaces</b>
<b>Parking Ratio</b>
<b>Cutoff NOI</b>
<b>Cutoff NCF</b>
<b>Fee (or) Leasehold</b>
<b>Leasehold Expiration</b>

**Borrower Information**

<b>Borrower Name</b>
<b>SPE Level</b>
<b>Recourse</b>
<b>Indemnitor(s)</b>
<b>Warm Body Guarantor</b>
<b>Bankruptcy Issues</b>
<b>TIC Structure</b>

**Escrows / Reserves**

	<u>Monthly</u>	<u>Current Balance</u>
<b>Real Estate Taxes</b>		
<b>Insurance</b>		
<b>Capital Expenditures</b>		
<b>Immediate Repairs</b>		

**II. Comments to Proposed Modification and/or Workout; Proposed Alternative Courses of Action**

Based on the requirements and subject to the qualifications set forth in the Operating Advisor Agreement and listed below, the Operating Advisor has undertaken a limited review of Freddie Mac's proposed modification or workout of the Reference Obligation discussed in this Operating Advisor Loan Report and has the following (a) comments to the proposed modification and/or workout (b) proposed alternative courses of action.

1. The following is a synopsis of the circumstances surrounding the delinquency of the Reference Obligation, as outlined to the Operating Advisor by Freddie Mac: [LIST COMMENTS]

2. The following are the Operating Advisor's comments to Freddie Mac with respect to the proposed modification and/or workout: [LIST COMMENTS].

3. The following are the Operating Advisor's proposed alternative courses of action: [LIST ALTERNATIVE COURSES OF ACTION].

**III. Qualifications Related to the Work Product Undertaken Related to this Operating Advisor Loan Report**

1. In accordance with the terms of the Operating Advisor Agreement, the Operating Advisor did not participate in, or have access to, Freddie Mac's discussion(s) regarding any Reference Obligation. The Operating Advisor does not have authority to speak with the applicable Borrower or any party other than Freddie Mac. As such, the Operating Advisor relied exclusively on the applicable Asset Status Report and any Additional Requested Materials related to the Reference Obligation to generate this Operating Advisor Loan Report.

2. Freddie Mac has the legal authority and responsibility to take any actions with respect to the Reference Obligations in accordance with the Multifamily SCR Debt Agreement, dated as of December 29, 2016 between Freddie Mac and the holders of the Multifamily Structured Credit Risk Debt Notes, Series 2016-MDN2. The Operating Advisor has no responsibility or authority to alter the standards set forth therein.

3. Confidentiality and other contractual limitations limit the Operating Advisor's ability to outline the details or substance of certain information it reviewed in connection with its duties under the Operating Advisor Agreement. As a result, this Operating Advisor Loan Report may not reflect all the relevant information that the Operating Advisor is given access to by Freddie Mac.

4. The Operating Advisor is not empowered to directly communicate with Noteholders. If any Noteholder has a question regarding this Operating Advisor Loan Report, they should address such question to Freddie Mac.

**PARK BRIDGE LENDER SERVICES LLC**

By: Park Bridge Advisors LLC  
Its: Sole Member

By: Park Bridge Financial LLC  
Its: Sole Member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_