

USA Commercial Mortgage Company (“USA”)

Explanatory Notes to the Loan-by-Loan Lender Reconciliation Statements (“Statements”)

The numbered explanations below correspond to the line numbers on the Statements:

1. Line 1 is the total principal amount invested in the loan under each discrete “Vesting Name” (for example, “John Doe IRA” is a different Vesting Name than “John Doe, Trustee of the John Doe Family Trust”).
2. Line 2 is the amount of the principal investment shown on Line 1 that was later assigned out (i.e., sold) by this Lender to another Lender for which USA was the broker for the assignment(s).
3. Line 3 is the difference between Line 1 and Line 2 and represents the Lender’s net principal investment in this loan.
4. Line 4 is the total amount of principal repayments attributable to the Lender in this loan that were made by the Borrower to USA as servicer on the loan.
5. Line 5 is the amount of the principal repayments shown on Line 4 that was remitted by USA to the Lender. Payments made to the Lender after the Borrower paid off the loan in full have been reclassified as principal payments and are included in this Line. These payments may have been originally reported to the Lender as interest.
6. Line 6 is the amount of the principal repayments shown on Line 4 that was not remitted by USA to the Lender. (Line 6 is the difference between Line 4 and Line 5).
7. Line 7 is the total amount of interest payments attributable to the Lender on this loan that were made by the Borrower to USA as servicer on the loan, net of USA’s 1% servicing fee. A 1% annual service fee on the Lenders outstanding principal has been calculated according to the terms of the servicing agreement for the months of uncollected interest. That is, a service fee is being charged on all loans, regardless of pre-petition practice, for the months represented by the interest currently being collected.
8. Line 8 is the total amount in interest payments that USA remitted or advanced to the Lender on account of this loan (whether or not the Borrower had made a corresponding interest payment to USA). This should equal the amount of interest payments the Lender has received.
9. Line 9 is the difference between Line 7 and Line 8. If the number is positive, it represents interest that the Borrower paid to USA as servicer on account of Lender’s interest in this loan that USA has not yet remitted to the Lender. If the number is negative (in parentheses), it represents interest that USA paid to the Lender on this loan above and beyond what the Borrower had paid to USA as servicer.

10. Line 10 is the amount of the unremitted principal shown in Line 6 that is being held in USA's collection account on behalf of the Lender. This figure has not been determined as of the Filing date, but will be shown on future statements. On this statement, all unremitted principal is on Line 13.

11. Line 11 is the same as Line 9.

12. Line 12 is net amount that USA believes is currently due to (or from) the Lender (the sum of Line 10 and Line 11). If the number is positive, it is the net amount USA believes it is holding on behalf of the Lender on this loan. If the number is negative (in parentheses), it represents the net overpayment USA made to the Lender on this loan.

13. Line 13 is the amount of unremitted principal shown on Line 6 that is not held in USA's collection account. Line 13 (unremitted principal not held), when added with Line 10 (unremitted principal held), equals Line 6 (total unremitted principal repayments on this loan).

14. Line 14 is the amount of unpaid interest that the Borrower owes to USA as servicer on this loan that is attributable to this Lender, net of USA's 1% service fee. This amount, if USA is able to collect it from the Borrower, would reduce the amount of overpaid interest (if any) due from the Lender shown on Line 9.