



PORTFOLIO VALUATION

NATIONAL SMALL BALANCE MFH PORTFOLIO



POOLING SUMMARY ROLLUP BY REGION

| Pool | Region Class | Notes | Cutoff UPB | WAC | WAM | DSCR | Pricing | Potential Market Value |
|----------------------|--------------|------------|----------------------|-------------|--------------|-------------|-------------|------------------------|
| 1 | Midwest | 15 | \$18,769,252 | 4.09 | 75.50 | 1.67 | 1.00 | \$18,766,202 |
| 2 | Northeast | 32 | \$27,075,723 | 4.55 | 30.80 | 1.40 | 0.99 | \$26,700,190 |
| 3 | Northwest | 15 | \$22,831,132 | 5.71 | 84.75 | 1.79 | 1.01 | \$23,159,514 |
| 4 | Southeast | 2 | \$9,769,886 | 5.11 | 49.51 | 1.41 | 1.02 | \$9,990,436 |
| 5 | Southwest | 45 | \$84,344,098 | 4.88 | 69.24 | 1.30 | 0.97 | \$82,169,466 |
| 6 | Texas | 31 | \$58,671,825 | 4.95 | 47.89 | 1.92 | 0.99 | \$58,210,396 |
| 7 | California | 294 | \$356,109,401 | 4.75 | 86.38 | 1.87 | 0.99 | \$352,629,171 |
| 8 | Multiple | 13 | \$23,412,780 | 4.60 | 49.23 | 1.84 | 0.95 | \$22,164,500 |
| Total/Average | | 447 | \$600,984,097 | 4.79 | 75.27 | 1.76 | 0.99 | \$593,789,875 |

Rhenium utilized the data provided by Loan Servicer ABC and XYZ Lender, which included the most recent data tape and all available due diligence documents to determine pricing for the subject Small Balance MFH Performing Note Portfolio in this report. The current valuation considers the information provided and is broken out into regional pools per the request of XYZ Lender. Upon in-depth analysis, Rhenium evaluated pricing of the subject collateral assets to determine the value of the performing note portfolio utilizing national publications of current market spreads for loans originated for similar product.

Regarding the underlying collateral, Rhenium estimated current NOI and debt yield based on the provided DSCRs to stratify the loan pool for pricing purposes. Utilizing these metrics, as well as current occupancy, property condition and the asset management reports provided, Rhenium determined Loan Classes as defined in this Portfolio Valuation Report

VALUATION AND POOLING STRATEGY

National portfolio of performing small balance loans to be sold by XYZ Lender in an open market transaction

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CLASS DEFINITIONS

Class A1 - Performing notes; latest DSCR of 1.15x and above; notes with an estimated debt yield of 10% and greater. 330 notes in total (71% of portfolio balance).

Class A2 – Performing notes; Latest DCSR between 1.10x – 1.15x, fully amortizing notes, estimated Debt Yield 9%+ and estimated performing DCSR. Fully Amortized w/lower DCSR. As well as Class A1 notes w/ less than 1 year of term remaining. 29 notes in total (8% of portfolio balance).

Class B1 - Performing notes (Watch List); latest DSCR sub-1.10x and occupancy data is recent (12/31/2012 and later). Rhenium assumes the properties are performing due to stabilized occupancy of 90%+. Rhenium estimates par value for these notes due to recent occupancy and seasoning; 13 notes in total (5% of portfolio).

Class B2 - Performing notes (Watch List); latest DSCR sub-1.10x and occupancy data is dated (Dec 2012 and earlier) or recent occupancy is below 90%. Rhenium assumes a discount due to uncertainty and historical sub-performance; 48 notes in total (13% of portfolio).

Class C - Performing notes; latest DSCR and occupancy date not provided. Rhenium utilized a discount to these notes due to the uncertainty of performance/lack of information on these assets; 27 notes in total (3% of portfolio).

| LOAN CLASS | | | | | | |
|----------------------|------------|----------------------|-------------|--------------|-------------|----------------|
| Type Class | Notes | Cutoff UPB | WAC | WAM | DSCR | % of Portfolio |
| A1 | 330 | \$428,381,883 | 4.76 | 77.62 | 1.78 | 71% |
| A2 | 29 | \$45,433,312 | 4.34 | 58.76 | 0.92 | 8% |
| B1 | 13 | \$30,302,594 | 5.07 | 62.57 | 2.28 | 5% |
| B2 | 48 | \$76,230,318 | 5.27 | 72.02 | 1.86 | 13% |
| C | 27 | \$20,635,990 | 4.34 | 93.27 | 1.80 | 3% |
| Total/Average | 447 | \$600,984,097 | 4.79 | 75.27 | 1.76 | 100% |

| INTEREST TYPE | | | | | | |
|----------------------|------------|----------------------|-------------|--------------|-------------|----------------|
| Type Class | Notes | Cutoff UPB | WAC | WAM | DSCR | % of Portfolio |
| Fixed | 54 | \$45,111,527 | 6.34 | 49.71 | 2.21 | 8% |
| ARM | 393 | \$555,872,570 | 4.67 | 77.34 | 1.72 | 92% |
| Total/Average | 447 | \$600,984,097 | 4.79 | 75.27 | 1.76 | 100% |

| REMAINING TERM | | | | | | |
|----------------------|------------|----------------------|-------------|--------------|-------------|----------------|
| Type Class | Notes | Cutoff UPB | WAC | WAM | DSCR | % of Portfolio |
| 0mo-50mo | 110 | \$153,180,190 | 4.89 | 35.29 | 1.81 | 25% |
| 50mo-100mo | 268 | \$360,983,446 | 4.57 | 74.58 | 1.73 | 60% |
| 100mo-150mo | 41 | \$57,114,588 | 5.81 | 104.97 | 1.79 | 10% |
| 150mo-200mo | 4 | \$2,091,285 | 5.95 | 193.08 | 1.88 | 0% |
| 200mo-250mo | 15 | \$17,338,222 | 5.49 | 223.67 | 1.85 | 3% |
| 250mo-300mo | 9 | \$10,276,366 | 4.32 | 255.67 | 1.45 | 2% |
| Total/Average | 447 | \$600,984,097 | 4.79 | 75.27 | 1.76 | 100% |

| LOAN SIZE | | | | | | |
|----------------------|------------|----------------------|-------------|--------------|-------------|----------------|
| Type Class | Notes | Cutoff UPB | WAC | WAM | DSCR | % of Portfolio |
| <\$0.5mm | 101 | \$31,033,174 | 5.10 | 90.20 | 1.75 | 5% |
| \$0.5mm - \$1.0mm | 169 | \$122,621,737 | 4.81 | 75.28 | 1.69 | 20% |
| \$1.0mm-\$2.0mm | 94 | \$134,019,323 | 4.63 | 72.80 | 1.63 | 22% |
| \$2.0mm-\$3.0mm | 44 | \$104,508,711 | 4.81 | 67.35 | 1.94 | 17% |
| \$3.0mm-\$4.0mm | 19 | \$67,773,981 | 4.49 | 73.66 | 1.77 | 11% |
| \$4.0mm-\$5.0mm | 6 | \$27,123,755 | 5.41 | 124.80 | 1.38 | 5% |
| \$5.0mm-\$10.0mm | 13 | \$89,533,439 | 5.10 | 66.96 | 1.96 | 15% |
| \$10.0mm-\$30.0mm | 1 | \$24,369,977 | 4.19 | 83.50 | 1.64 | 4% |
| Total/Average | 447 | \$600,984,097 | 4.79 | 75.27 | 1.76 | 100% |

| COLLATERAL LOCATION | | | | | | |
|----------------------|------------|----------------------|-------------|--------------|-------------|----------------|
| Type Class | Notes | Cutoff UPB | WAC | WAM | DSCR | % of Portfolio |
| Midwest | 15 | \$18,769,252 | 4.09 | 75.50 | 1.67 | 3% |
| Northeast | 32 | \$27,075,723 | 4.55 | 30.80 | 1.40 | 5% |
| Northwest | 15 | \$22,831,132 | 5.71 | 84.75 | 1.79 | 4% |
| Southeast | 2 | \$9,769,886 | 5.11 | 49.51 | 1.41 | 2% |
| Southwest | 45 | \$84,344,098 | 4.88 | 69.24 | 1.30 | 14% |
| Texas | 31 | \$58,671,825 | 4.95 | 47.89 | 1.92 | 10% |
| California | 294 | \$356,109,401 | 4.75 | 86.38 | 1.87 | 59% |
| Multiple | 13 | \$23,412,780 | 4.60 | 49.23 | 1.84 | 4% |
| Total/Average | 447 | \$600,984,097 | 4.79 | 75.27 | 1.76 | 100% |

TOTAL POOLING SUMMARY

| Pool | Region Class | Interest Class | Loan Class | Notes | Cutoff UPB | WAC | WAM | DSCR | Pricing | Potential Market Value |
|----------------------|--------------|----------------|------------|------------|----------------------|-------------|--------------|-------------|-------------|------------------------|
| 1 | Midwest | Fixed | A1 | 6 | \$1,464,744 | 6.53 | 98.17 | 1.79 | 1.02 | \$1,493,898 |
| | | Fixed | C | 3 | \$723,738 | 6.67 | 164.17 | 0.99 | 0.85 | \$615,177 |
| | | ARM | A1 | 4 | \$10,669,743 | 4.01 | 70.31 | 1.33 | 1.01 | \$10,776,636 |
| | | ARM | B1 | 1 | \$5,707,457 | 3.34 | 68.23 | 2.33 | 1.00 | \$5,707,457 |
| | | ARM | B2 | 1 | \$203,570 | 2.62 | 73.33 | 2.30 | 0.85 | \$173,035 |
| 2 | Northeast | Fixed | A1 | 12 | \$7,980,135 | 6.29 | 36.73 | 1.64 | 1.03 | \$8,192,966 |
| | | Fixed | A2 | 3 | \$3,118,866 | 6.28 | 38.65 | 0.81 | 1.00 | \$3,118,866 |
| | | Fixed | B2 | 1 | \$378,605 | 6.70 | 32.73 | 1.83 | 0.85 | \$321,814 |
| | | Fixed | C | 2 | \$560,623 | 6.74 | 32.95 | 1.37 | 0.85 | \$476,530 |
| | | ARM | A1 | 5 | \$3,770,041 | 2.63 | 15.53 | 1.92 | 1.00 | \$3,753,047 |
| | | ARM | A2 | 5 | \$8,078,499 | 2.99 | 26.21 | 1.08 | 1.00 | \$8,078,499 |
| | | ARM | B1 | 1 | \$319,049 | 2.81 | 20.53 | 2.47 | 1.00 | \$319,049 |
| | | ARM | B2 | 3 | \$2,869,905 | 4.23 | 39.21 | 1.44 | 0.85 | \$2,439,419 |
| 3 | Northwest | Fixed | A1 | 1 | \$516,148 | 7.08 | 34.80 | 1.13 | 1.02 | \$526,471 |
| | | ARM | A1 | 12 | \$21,380,999 | 5.69 | 85.61 | 1.77 | 1.02 | \$21,839,156 |
| | | ARM | B2 | 2 | \$933,985 | 5.49 | 92.55 | 2.50 | 0.85 | \$793,887 |
| 4 | Southeast | ARM | A1 | 2 | \$9,769,886 | 5.11 | 49.51 | 1.41 | 1.02 | \$9,990,436 |
| 5 | Southwest | Fixed | A1 | 1 | \$524,164 | 6.53 | 38.87 | 1.76 | 1.02 | \$534,647 |
| | | ARM | A1 | 32 | \$45,497,006 | 5.03 | 67.92 | 1.58 | 1.02 | \$46,474,356 |
| | | ARM | A2 | 3 | \$10,566,435 | 3.39 | 75.68 | 0.56 | 1.00 | \$10,566,435 |
| | | ARM | B1 | 3 | \$6,673,392 | 5.16 | 92.67 | 1.14 | 1.00 | \$6,673,392 |
| | | ARM | B2 | 6 | \$21,083,101 | 5.16 | 62.21 | 1.10 | 0.85 | \$17,920,636 |
| 6 | Texas | Fixed | A1 | 3 | \$4,754,121 | 6.27 | 36.20 | 2.29 | 1.02 | \$4,849,203 |
| | | ARM | A1 | 19 | \$34,005,826 | 4.80 | 47.41 | 1.73 | 1.02 | \$34,642,822 |
| | | ARM | A2 | 4 | \$11,955,164 | 4.77 | 47.33 | 1.09 | 1.00 | \$11,955,164 |
| | | ARM | B2 | 5 | \$7,956,714 | 5.02 | 57.76 | 3.78 | 0.85 | \$6,763,207 |
| 7 | California | Fixed | A1 | 18 | \$12,922,791 | 6.27 | 60.67 | 1.91 | 1.04 | \$13,400,363 |
| | | Fixed | B1 | 1 | \$9,218,180 | 6.34 | 44.90 | 3.86 | 1.00 | \$9,218,180 |
| | | Fixed | C | 1 | \$278,175 | 6.63 | 53.00 | 1.06 | 0.85 | \$236,449 |
| | | ARM | A1 | 207 | \$261,217,713 | 4.53 | 89.36 | 1.85 | 1.02 | \$265,157,690 |
| | | ARM | A2 | 14 | \$11,714,348 | 5.15 | 82.96 | 1.01 | 1.00 | \$11,714,348 |
| | | ARM | B1 | 7 | \$8,384,516 | 4.86 | 55.80 | 1.42 | 1.00 | \$8,384,516 |
| | | ARM | B2 | 27 | \$34,325,570 | 5.62 | 89.20 | 1.91 | 0.85 | \$29,176,735 |
| | | ARM | C | 19 | \$18,048,108 | 4.08 | 94.48 | 1.81 | 0.85 | \$15,340,892 |
| 8 | Multiple | Fixed | A1 | 1 | \$2,278,863 | 6.33 | 40.83 | 2.41 | 1.02 | \$2,324,440 |
| | | Fixed | C | 1 | \$392,374 | 7.05 | 49.00 | 1.86 | 0.85 | \$333,518 |
| | | ARM | A1 | 7 | \$11,629,703 | 4.11 | 48.23 | 1.68 | 1.01 | \$11,761,478 |
| | | ARM | B2 | 3 | \$8,478,868 | 4.70 | 50.84 | 1.82 | 0.85 | \$7,207,038 |
| | | ARM | C | 1 | \$632,972 | 4.43 | 76.40 | 2.95 | 0.85 | \$538,026 |
| Total/Average | | | | 447 | \$600,984,097 | 4.79 | 75.27 | 1.76 | 0.99 | \$593,789,875 |



ADDENDUM

CLASSES AND PRICING BY INDIVIDUAL LOAN