**EXHIBIT [\_\_\_]**

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

**(Replacement Reserve – Alternate Funding)**

The foregoing Loan Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement.
2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“**Alternate Funding Replacement Reserve Deposit**” has the meaning set forth in the Summary of Loan Terms.

“**Reduced Monthly Replacement Reserve Deposit**” has the meaning set forth in the Summary of Loan Terms.

1. Section 13.01(a)(1)(A) (Initial Deposits to Replacement Reserve Account, Repairs Escrow Account, and Restoration Reserve Account) of the Loan Agreement is hereby amended and restated as follows:

(A) the [Initial Replacement Reserve Deposit] **and/or** [Alternate Funding Replacement Reserve Deposit] for deposit into the Replacement Reserve Account; and

1. Section 13.01(b) (Monthly Replacement Reserve Deposits) of the Loan Agreement is hereby amended by adding the following provisions to the end thereof:

**(1) Partial or Full Waiver of Monthly Replacement Reserve Deposit**.

Notwithstanding the foregoing or anything in this Loan Agreement to the contrary, on the Effective Date, Lender has agreed to partially reduce, defer or fully waive Borrower’s obligation to make full Monthly Replacement Reserve Deposits. Subject to the provisions of Section 13.01(b)(3) (Reinstatement of Monthly Replacement Reserve Deposit), Borrower shall deposit the applicable Reduced Monthly Replacement Reserve Deposit into the Replacement Reserve Account on each Payment Date.

**(2) Alternate Funding**.

(A)Notwithstanding any other provision of this Loan Agreement, and except as provided in Section 13.01(b)(2)(B) (Alternate Funding) below: (i) Borrower shall be responsible for paying all Replacements and any Borrower Requested Replacements and Additional Lender Replacements out of the operating cash flow from the Mortgaged Property or from other sources, and (ii) Lender shall have no obligation to make disbursements from the Replacement Reserve Account and Lender shall hold the Replacement Reserve Deposits for the Loan Term and release such funds only after the Loan has been fully repaid and the lien of the Security Instrument has been released.

(B) If Lender has identified substantial system replacements for which Borrower will be required to make Replacement Reserve Depositswith Lender (either as part of the Initial Replacement Reserve Deposit or through the Monthly Replacement Reserve Deposit), then Lender will make disbursements from the Replacement Reserve Account to reimburse Borrower for the costs of the Replacements and in accordance with the provisions of this Loan Agreement.

**(3) Reinstatement** **of Monthly Replacement Reserve Deposit**.

In the event that (A) at any time during the Loan Term, Lender provides written notice to Borrower that the Mortgaged Property is not being maintained in accordance with the requirements set forth in the Loan Documents or (B) an Event of Default has occurred and is continuing under any of the Loan Documents, then upon the earlier of the (i) the date specified by Lender in such written notice to Borrower, or (ii) the first day of the first calendar month after the occurrence of such Event of Default, Borrower shall commence paying the full Monthly Replacement Reserve Deposits throughout the remaining Loan Term. In such event, the provisions of Section 13.01(b)(1) (Partial or Full Waiver of Monthly Replacement Reserve Deposit) and Section 13.01(b)(2)(A) (Alternate Funding) shall no longer apply and Lender shall make disbursements from the Replacement Reserve Account to reimburse Borrower for the costs of the Replacements in accordance with the provisions of this Article 13 (Replacements, Repairs, and Restoration).

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