**MULTIFAMILY UNDERWRITING CERTIFICATE**

**(Borrower)**

The undersigned, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“**Borrower**”), represents, warrants, and certifies to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“**Lender**”) and to **FANNIE MAE**, a corporation duly organized under the Federal National Mortgage Association Charter Act, as amended, 12 U.S.C. §1716 et seq., and existing under the laws of the United States (“**Fannie Mae**”), and each of their respective transferees, successors and assigns, in connection with a proposed or existing loan (the “**Mortgage Loan**”) evidenced by and secured in part by the certain Multifamily Loan and Security Agreement by and between Lender and Borrower (the “**Loan Agreement**”) and further secured or to be secured by a lien on that certain real property and improvements located thereon known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and having a street address of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, in the County of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, Zip Code: \_\_\_\_\_\_\_\_\_ (the “**Mortgaged** **Property**”), that the following statements and all attachments hereto are true, complete and correct to the best of Borrower’s knowledge:

1. The state in which Borrower is organized is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [or, if Borrower is a general partnership or trust: The state(s) in which Borrower’s principal place of business is/are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_] [or, if Borrower is an individual: The state in which Borrower’s principal residence is located is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_].
2. Borrower is not presently insolvent. If Borrower has checked box 11(A) or 11(B) below, the proposed Mortgage Loan will not render Borrower insolvent. As used in this Certificate, the term “**insolvent**” means that the sum total of all of an entity’s liabilities (whether secured or unsecured, contingent or fixed, or liquidated or unliquidated) is in excess of the value of all of such entity’s non-exempt assets (i.e., all of the assets of the entity that are available to satisfy claims of creditors).
3. The following documents are attached hereto (check all that apply) (individually and collectively, the “**Attachments**”):

|  |  |  |
| --- | --- | --- |
|  | **Item** | **Date of document (OR PERIOD COVERED)** |
|  | Rent Roll, and if Borrower is a Cooperative Party, any separate Maintenance Fee Schedule |  |
|  | Property Operating Statement |  |
|  | Borrower Financial Statement |  |
|  | Other: |  |
|  | Other: |  |
|  | Other: |  |

1. With respect to the Attachments:

(a) in the case of (i) each Borrower Financial Statement and Property Operating Statement, each covers a period the last day of which must be no more than fifteen (15) months prior to the date of this Certificate, and (ii) each other Attachment, the most recently prepared is dated no more than fifteen (15) months prior to the date of this Certificate;

(b) each (i) was prepared by Borrower or by its independent accounting firm, and (ii) is true, correct, and provides a current and accurate account of the financial condition of Borrower or the Mortgaged Property as of the date of such Attachment; and

(c) no material adverse change in any of the matters reflected in the most recently prepared of each Attachment has occurred since the date of each Attachment or, if any, such change is detailed in Exhibit A attached hereto.

1. Borrower has no contingent liabilities, or if Borrower does have contingent liabilities, such contingent liabilities are either quantified in Borrower’s financial statement, or if not quantified, are described in detail on **Exhibit A** attached hereto.
2. No Bankruptcy Event has occurred within the previous ten (10) years involving Borrower or any Person Controlled by, under common Control with, or which Controls, Borrower, except as may be reflected in Exhibit A attached hereto.
3. No pending or current litigation or adverse judgment exists which could materially and adversely impact Borrower’s financial condition involving (a) Borrower’s ownership or operation of the Mortgaged Property or any other real estate, (b) Borrower’s ownership of a significant interest in any Person, or (c) any Person Controlled by, under common Control with, or which Controls, Borrower, except as may be reflected in Exhibit A attached hereto.
4. No litigation has occurred in the previous ten (10) years involving (a) Fannie Mae and Borrower, or (b) Fannie Mae and any Person Controlled by, under common Control with, or which Controls, Borrower, except as may be reflected in Exhibit A attached hereto.
5. If applicable, attached hereto in Exhibit A is an explanation as to the cause and resolution of any delinquencies, defaults, foreclosures, or deeds-in-lieu of foreclosure occurring during the previous ten (10) years in connection with loans to Borrower or to any Person Controlled by, under common Control with, or which Controls, Borrower.
6. If applicable, attached hereto in Exhibit A is a schedule of the terms of any investment(s) of any kind by Borrower in a cannabis business or cannabis businesses that are legal under any relevant laws governing cannabis production and distribution in the state(s) in which the cannabis business is located. None of the proceeds of such investment(s) are being used or will be used in any manner to fund equity or any other investment in the Mortgaged Property, including reserves and escrows.

**[NOT APPLICABLE IF BORROWER IS A COOPERATIVE PROPERTY:**

1. Check as many as are applicable:

A. Refinance Mortgage Loan: The Mortgage Loan is a refinancing of existing indebtedness and no change in the ownership of the Mortgaged Property or of any interest of any general partner or of twenty percent (20%) or more of the limited partnership interests in Borrower will occur in connection with the refinancing.

B. Acquisition Mortgage Loan: All of the consideration given or received or to be given or received in connection with the acquisition of the MortgagedProperty has been fully disclosed to Lender. The Mortgaged Property was purchased from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“**Seller**”). Neither Borrower, nor any general partner (if a limited partnership), nor any other party who owns ten percent (10%) or more ownership interest in Borrower has or had, directly or indirectly (through a family member or otherwise), any interest in Seller.

C. Transfer of any General Partner Interest: All of the consideration given or received or to be given or received in connection with the transfer of the interest in Borrower has been fully disclosed to Lender.

D. Transfer of more than twenty percent (20%) of any Ownership Interest (other than General Partner Interest): All of the consideration given or received or to be given or received in connection with the transfer of the interest in Borrower has been fully disclosed to Lender.**]**

1. No UCC financing statements are on file in the state of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ naming Borrower as the debtor, or if any, such UCC filings do not cover any personal property at the Mortgaged Property or relate solely to any loan which is to be paid off with the proceeds of the Mortgage Loan.
2. All information regarding the condition of the Mortgaged Property provided by Borrower or by any Person Controlled by, under common Control with, or which Controls, Borrower to Lender or to Lender’s consultant in connection with the preparation of the property condition assessment was true and correct as of the date provided.
3. Borrower owns all of the tangible personal property associated with the Mortgaged Property (other than personal property owned by tenants of the Mortgaged Property). Except as otherwise disclosed by Borrower to Lender in writing in the course of the transaction leading to the advance of the Mortgage Loan, Borrower has not acquired any tangible personal property used in connection with the Mortgaged Property (and, therefore, in which Lender expects to have a UCC security interest) other than from merchants selling those goods in transactions in the ordinary course of their business **[DRAFTING NOTE: INSERT ONLY IF BOX 11.B ABOVE IS APPLICABLE:** or, if Borrower acquired tangible personal property used in connection with the Mortgaged Property from Seller, Borrower conducted appropriate UCC searches of Seller and there were no UCC filings on file naming Seller as the debtor and covering the goods purchased from Seller by Borrower**]**.

**[FOR A SMALL MORTGAGE LOAN ONLY AND BORROWER IS AN INDIVIDUAL:**

1. Borrower personally inspected the Mortgaged Property immediately prior to completing its Mortgage Loan application with Lender.**]**
2. Borrower [ has or intends] / [ does not have or does not intend] to obtain preferred equity to finance the Mortgaged Property. For purposes herein, “preferred equity” means direct or indirect equity ownership interest in, economic interests in or rights with respect to a Borrower that provide an equity investor preferred dividend, distribution, payment or return treatment relative to other equity owners.

If Borrower has or intends to obtain preferred equity:

the holder of the preferred equity is only entitled to payment priority over the other equity holders (i.e., preferential “waterfall” or “promote” distributions/payments) and **does not have** any other rights or remedies on account of non-payment on such preferred equity or failure to achieve a stated return on such preferred equity; or

the holder of the preferred equity **has** rights or remedies on account of non-payment or failure to achieve a stated return on the preferred equity [**IF THIS BOX IS CHECKED, COMPLETION AND EXECUTION OF EXHIBIT B ATTACHED HERETO IS REQUIRED].**

Capitalized terms not otherwise defined herein shall have the meanings set forth in the applicable Definitions Schedule (Form 6101) as published on Fannie Mae’s website.

**[Remainder of Page Intentionally Blank]**

IN WITNESS WHEREOF, Borrower has signed and delivered this Certificate under seal (where applicable) or has caused this Certificate to be signed and delivered under seal (where applicable) by its duly authorized representative. Where applicable law so provides, Borrower intends that this Certificate shall be deemed to be signed and delivered as a sealed instrument.

Date:

**BORROWER**:

By: (SEAL)

Name:

Title:

**EXHIBIT A**

**If applicable, complete an explanation of any relevant matters**

**involving the issues addressed in Items 4, 5, 6, 7, 8, 9 or 10 of this Certificate**

**EXHIBIT B**

**Preferred Equity**

Borrower represents, warrants, and certifies that all of the following statements are true, complete and correct to the best of Borrower’s knowledge:

**Preferred Equity**

1. The organizational structure of Borrower is as set forth on Schedule 1.
2. [Borrower/[\_\_\_\_\_\_\_\_\_\_], which is a direct/indirect owner of Borrower] has obtained or will obtain, simultaneously with the closing of the Mortgage Loan, preferred equity financing in the amount of [$\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_] from [\_\_\_\_\_\_\_\_\_\_\_\_\_\_] (the “**Preferred Equity Investor**”). The organizational structure of Preferred Equity Investor is set forth on Schedule 2. The documents listed in Schedule 3 contain all of the terms pertaining to and rights and remedies of Preferred Equity Investor (the “**Preferred Equity Documents**”) in respect of the preferred equity, and there are no other documents or agreements that relate to the preferred equity. The copies of the Preferred Equity Documents attached to Schedule 3 are true, correct, and complete.
3. The Preferred Equity terms set forth on Schedule 4 attached hereto are true and correct, and, in the case of the terms contained in Part II of Schedule 4, were extracted from the Preferred Equity Documents and are identical to the terms set forth in the Preferred Equity Documents.
4. If the Preferred Equity Documents have been executed, there is no event of default or event that could, upon the giving of notice or passage of time or both, constitute an event of default under the Preferred Equity Documents by any party thereto.
5. The Preferred Equity (check all that apply):

requires payments even if cash flow from the Mortgaged Property is not sufficient to make such payments.

is redeemable or subject to acceleration (or an increase in payments through a dilution provision or otherwise) or a “buy/sell” arrangement if payments are not made or returns not achieved when required by the Preferred Equity Documents.

is secured by a pledge of direct or indirect interests in Borrower.

is collateralized or secured by a guaranty or indemnity from Borrower or a direct or indirect owner of Borrower.

benefits from rights or remedies similar to the above (other than a forced sale provision) that effectively accelerate amounts owing to Preferred Equity Investor.

**[IF ANY BOX ABOVE IS CHECKED, PREFERRED EQUITY INVESTOR ALSO MUST EXECUTE THIS EXHIBIT B.]**

1. Preferred Equity Investor may, if payments are not made or returns not achieved when required under the Preferred Equity Documents (check all that apply):

### Remove or replace the managing member/general partner of Borrower or cause a direct or indirect change of control of Borrower.

### [IF THE BOX ABOVE IS CHECKED AND PREFERRED EQUITY INVESTOR REQUESTS MODIFICATIONS TO THE TRANSFER PROVISIONS OF THE MULTIFAMILY LOAN AND SECURITY AGREEMENT, FORM 6001 ET SEQ. (INCLUDING USE OF THE MODIFICATIONS TO LOAN AND SECURITY AGREEMENT (PREFERRED EQUITY TRANSACTIONS), FORM 6236), PREFERRED EQUITY INVESTOR ALSO MUST EXECUTE THIS EXHIBIT B.]

### Cause a forced sale of the Mortgaged Property.

Borrower shall immediately, and in no event later than ten (10) business days prior to rate lock of the Mortgage Loan, notify Lender of any changes to the representations and warranties contained in this Exhibit B. Such notification must include a revised Exhibit B that is true and correct as of the date made as well as copies of all Preferred Equity Documents blacklined against the versions attached hereto and reflecting all changes made to such documents since the date hereof. Borrower also understands that the approval of the Mortgage Loan may be delayed as a result of any such changes.

**IN WITNESS WHEREOF**, Borrower and Preferred Equity Investor have signed and delivered this Certificate under seal (where applicable) or have caused this Certificate to be signed and delivered under seal (where applicable) by its duly authorized representative to be effective as of the date written below. Where applicable law so provides, Borrower and Preferred Equity Investorintend that this Certificate shall be deemed to be signed and delivered as a sealed instrument.

Date:

**BORROWER**:

By: (SEAL)

Name:

Title:

**[INCLUDE, IF APPLICABLE]**

**[PREFERRED EQUITY INVESTOR**:

By: (SEAL)

Name:

Title: ]

**SCHEDULE 1**

**Organizational Chart of Borrower**

**SCHEDULE 2**

**Organizational Chart of Preferred Equity Investor**

**SCHEDULE 3**

**List of Preferred Equity Documents**

[LIST AND ATTACH TRUE, CORRECT, AND COMPLETE COPIES OF THE PREFERRED EQUITY DOCUMENTS]

**SCHEDULE 4**

**Preferred Equity Data Extract**

Part I

Preferred Equity Type: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Preferred Equity Provider: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Comments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Part II

Preferred Equity Return Rate: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Source of Preferred Return Payments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Preferred Equity Maturity Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Preferred Equity Payment Due Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Preferred Equity Maximum Extended Maturity Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_