**EXHIBIT [\_\_]**

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

**(1031 Reverse Exchange)**

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:

“**Exchange Accommodator**” means [\_\_\_\_\_\_\_\_\_\_\_], which is a [special purpose] limited liability company that will own one hundred percent (100%) of the membership interests in Borrower as of the Effective Date to facilitate the Reverse Exchange.

**[**“**Exchange Loan**” means the equity funds lent by Key Principal to [Borrower] [the sole member of Borrower] for the acquisition of the Mortgaged Property in connection with the Reverse Exchange.**]**  **[DRAFTING NOTE: DELETE OR REVISE AS NEEDED]**

**[**“**Exchange Loan Documentation**” means the promissory note evidencing the Exchange Loan and the pledge of ownership interests in Borrower securing the Exchange Loan.**]**  **[DRAFTING NOTE: DELETE OR REVISE TO ADD ANY LOAN AGREEMENT OR OTHER DOCUMENTS AS NEEDED]**

**[**“**Exchange Operating Lease**” means that certain [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_] dated as of [\_\_\_\_\_\_\_\_\_\_] between Borrower, as landlord, and Master Lessee, as tenant, pursuant to which Master Lessee master leases the Mortgaged Property from Borrower.**] [DRAFTING NOTE: DELETE OR REVISE AS NEEDED; BORROWER AND MASTER LESSEE MUST EXECUTE A FORM 6446.ML SUBORDINATION, ASSIGNMENT AND SECURITY AGREEMENT IN CONNECTION WITH ANY EXCHANGE OPERATING LEASE]**

“**Exchange Required Transfer**” means the Transfer of the **[DRAFTING NOTE: UPDATE AS NECESSARY]** [sole membership] interest in Borrower to Exchange Transferee.

“**Exchange Termination Date**” means [\_\_\_\_\_\_\_\_\_\_]. **[DRAFTING NOTE: TYPICALLY 180 TO 225 CALENDAR DAYS AFTER THE EFFECTIVE DATE]**

“**Exchange Transferee**”means \_\_\_\_\_\_\_\_\_\_\_ **[DRAFTING NOTE: INSERT SPONSOR’S INTENDED OWNER OF BORROWER’S OWNERSHIP INTERESTS IF THE EXCHANGE IS SUCCESSFUL]** or an entity wholly controlled by Key Principal and approved by Lender **[DRAFTING NOTE: REVISE AS NEEDED TO REFLECT THE POTENTIAL TRANSFEREE IF THE EXCHANGE IS NOT SUCCESSFUL]**

**[**“**Master Lessee**” means [\_\_\_\_\_\_\_\_\_\_\_\_]. **[DRAFTING NOTE: INSERT MASTER TENANT OWNED AND CONTROLLED BY KEY PRINCIPAL, OFTEN THE NON-MEMBER MANAGER OF BORROWER] [DRAFTING NOTE: INCLUDE IF THERE IS AN OPERATING LEASE; DELETE IF NOT APPLICABLE]]**

“**Reverse Exchange**” means a reverse tax-deferred like-kind exchange pursuant to Section 1031 of the Tax Code and Revenue Procedure 2000 – Section 1031.

**[**“**SASA**” means that certain Subordination, Assignment and Security Agreement by and among Borrower, Master Lessee, and Lender, as amended, restated, replaced, supplemented, or otherwise modified from time to time.**]** **[DRAFTING NOTE: INCLUDE IF THERE IS AN OPERATING LEASE; DELETE IF NOT APPLICABLE]**

1. Section 3.01 (Non-Recourse Mortgage Loan; Exceptions) of the Loan Agreement is hereby amended by adding the following paragraph at the end thereof:

Notwithstanding anything to the contrary in this Loan Agreement, the Note or any of the other Loan Documents, Lender hereby waives any right to obtain a money judgment against Exchange Accommodator, its shareholders, directors, officers, partners, or employees, whether by an action brought under this Loan Agreement or any of the other Loan Documents and agrees that the extent of liability on the part of such parties with respect to this Loan Agreement or any of the other Loan Documents is and shall for all purposes be limited to the ownershipinterests of Exchange Accommodator in Borrower, and Lender’s only recourse for the satisfaction of the Indebtedness and the performance of any covenant, stipulation, promise, indemnity, agreement, or obligation contained herein with respect to Exchange Accommodator shall be Lender’s exercise of its rights and remedies with respect to the Mortgaged Property and any other collateral held by Lender as security for the Indebtedness.

1. Section 3.02(a) (Personal Liability Based on Lender’s Loss) of the Loan Agreement is hereby amended by adding the following provision at the end thereof:

[(\_\_)] the Exchange Required Transfer described in Section 11.[\_\_] (Exchange Required Transfer) hereof, or anything associated with the Reverse Exchange.

1. Section 4.01 (Borrower Status – Representations and Warranties) of the Loan Agreement is hereby amended by adding the following provision at the end thereof:

**[(\_\_)] 1031 Reverse Exchange.**

(a) The Exchange Accommodator is not a Prohibited Person, and neither Exchange Accommodator nor any Person Controlling, Controlled by or under common Control with Exchange Accommodator is a Blocked Person.

(b) **[DRAFTING NOTE: INCLUDE IF EXCHANGE ACCOMMODATOR IS A SINGLE PURPOSE ENTITY, WHICH IS PREFERRED BUT NOT REQUIRED**: The Exchange Accommodator is a single purpose entity established only to own the ownership interests in Borrower during the exchange period.**][**Reserved.**]**

1. Section 4.02 (Borrower Status – Covenants) of the Loan Agreement is hereby amended by adding the following provision at the end thereof:

**[(\_\_)] 1031 Reverse Exchange.**

(a) On or before the Exchange Termination Date, Borrower shall complete the Exchange Required Transfer described in Section 11.[\_\_] (Exchange Required Transfer) **[DRAFTING NOTE: DELETE IF THERE IS NO EXCHANGE OPERATING LEASE IN PLACE:** and cause the termination of the Exchange Operating Lease**]**.

(b) **[DRAFTING NOTE: INCLUDE IF EXCHANGE ACCOMMODATOR IS A SINGLE PURPOSE ENTITY, WHICH IS PREFERRED BUT NOT REQUIRED**: The Exchange Accommodator shall remain a single purpose entity and shall only own the ownership interests in Borrower during the exchange period.**][**Reserved.**]**

1. **[DRAFTING NOTE: INCLUDE IF THERE IS AN OPERATING LEASE; DELETE IF NOT APPLICABLE:** Article 7 (Leases and Rents) of the Loan Agreement is hereby amended by adding the following provision at the end thereof:

**Section 7.[\_\_] Exchange Operating Lease.**

Borrower and Master Lessee have entered into the Exchange Operating Lease. Subject to the SASA executed by Borrower and Master Lessee:

(a) Lender shall not be obligated to provide any non-disturbance rights to the Master Lessee under the Exchange Operating Lease; and

(b) as additional security for the Mortgage Loan, the Master Lessee under the Exchange Operating Lease agrees to execute an assignment of all Master Lessee’s interest in and to all (1) Leases, including all subleases assigned to or entered into by Master Lessee covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property, the Exchange Operating Lease, and all modifications, extensions or renewals thereof, and (2) all Rents payable by subtenants and any amounts due to Master Lessee.**]**

1. Section 11.02(d) (No Mezzanine Financing or Preferred Equity) of the Loan Agreement is hereby deleted and restated in its entirety to read as follows:

**(d) No Mezzanine Financing or Preferred Equity.**

Neither Borrower nor any direct or indirect owner of Borrower shall: (1) incur any Mezzanine Financing other than Permitted Mezzanine Financing, (2) issue any Preferred Equity other than Permitted Preferred Equity, or (3) incur any similar indebtedness or issue any similar equity. **[DRAFTING NOTE: DELETE IF THERE IS NO EXCHANGE LOAN:**  Notwithstanding the foregoing, Borrower and Lender acknowledge the Exchange Loan has been made, as evidenced by the Exchange Loan Documentation, and agree that the Exchange Loan is fully subordinate to the Mortgage Loan and will be repaid or forgiven and the Exchange Loan Documentation terminated upon completion of the Exchange Required Transfer.**]**

1. Article 11 (Liens, Transfers, and Assumptions) of the Loan Agreement is hereby amended by adding the following provision at the end thereof:

**Section 11.[\_\_] Exchange Required Transfer.**

Notwithstanding the provisions of Section 11.02(b), the Exchange Required Transfer must be accomplished on or before the Exchange Termination Date and Borrower must satisfy of the following conditions:

(a) Borrower shall deliver to Lender written notice at least thirty (30) days prior to such Exchange Required Transfer, which notice shall include:

(1) the form of documentation intended to complete the proposed Exchange Required Transfer;

(2) drafts of the organizational documents of Exchange Transferee;

(3) a final organizational chart in compliance with the Lender’s then published Organizational Chart Requirements; and

(4) confirmation that the Property Manager approved by Lender will continue to manage the Mortgaged Property following the Exchange Required Transfer.

(b) Borrower shall deliver to Lender prior to completion of the proposed Exchange Required Transfer:

(1) a current good standing certificate for Borrower (which must be dated no more than thirty (30) days prior to the completion of the Exchange Required Transfer); and

(2) fully executed copies of the organizational documents of Exchange Transferee and any changes to the organizational documents of Borrower or any Person Controlling Borrower;

(c) Borrower shall submit to Lender all information required by Lender to make the determination required by this Section 11.[\_\_] **[DRAFTING NOTE: INCLUDE IF APPLICABLE**, including evidence of termination of the Exchange Operating Lease**]**;

(d) at the time of the notice and the completion of the Exchange Required Transfer:

(1) no Event of Default has occurred and is continuing, and no event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default has occurred;

(2) the Exchange Transferee is not a Prohibited Person; and

(3) none of the Exchange Transferee or any Person Controlling such proposed Exchange Transferee or any Person Controlled by such proposed Exchange Transferee that also has a direct or indirect ownership interest in Borrower, new Guarantor, Key Principal or Principal is a Blocked Person;

(e) if such Transfer results in any Person becoming a Principal that was not a Principal prior to such Transfer:

(1) Borrower shall submit to Lender all information (in form and substance approved by Lender) required by Lender to make the determination required by this Section 11.[\_\_](e)(1) prior to the Transfer;

(2) such new Principal shall not be a Prohibited Person; and

(3) such Principal and, to Borrower’s knowledge, any Person Controlling such Principal, and any Person Controlled by such Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, Key Principal, or Principal shall not be a Blocked Person;

(f) following the Exchange Required Transfer, Key Principal shall directly or indirectly manage and Control the day-to-day operations of the Mortgaged Property and Borrower;

(g) Exchange Accommodator, Borrower, Exchange Transferee and any other necessary parties shall execute and deliver to Lender a Consent to Transfer and Ratification of Loan Obligation agreement in a form required by Lender that documents the Exchange Required Transfer;

(h) Guarantor shall ratify its obligations under the Non-Recourse Guaranty (via the Consent to Transfer and Ratification of Loan Obligation agreement or a separate document) in a form acceptable to Lender;

(i) Lender shall have reviewed and approved the documents effectuating the Exchange Required Transfer;

(j) the proposed Exchange Required Transfer shall be completed by no later than the Exchange Termination Date; and

(k) within two (2) Business Days following completion of the proposed Exchange Required Transfer, Borrower shall deliver to Lender finalized and fully executed copies of the documentation effectuating the Exchange Required Transfer in form and substance acceptable to Lender.

If the conditions set forth in this Section 11.[\_\_] are satisfied, the Transfer Fee shall be waived provided Borrower shall pay the Review Fee and out-of-pocket costs (including legal fees) set forth in Section 11.03(g).

1. Section 14.01(a) (Events of Default – Automatic Events of Default) of the Loan Agreement is hereby amended by adding the following provision at the end thereof:

([\_\_]) failure to close the Exchange Required Transfer by the Exchange Termination Date and/or in the event that Lender suffers any loss, damage or liability (as determined by Lender) associated directly or indirectly with the Reverse Exchange.

**[Remainder of Page Intentionally Blank]**