EXHIBIT [\_\_\_]

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

**(Single Asset Entity Waiver – Additional Assets Permitted)**

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:

“**Additional Property**” means other real property, personal property, and/or assets related to the ownership of multifamily property other than the Mortgaged Property and the Disclosed Assets.

“**Additional Property Net Cash Flow**” means, for any specified period, the total of (a) the net rental income for the Additional Property, plus (b) other allowable income for the Additional Property, if any, minus (c) operating expenses for the Additional Property, minus (d) underwritten reserves with respect to capital expenditures, and as adjusted for economic vacancy and other factors by Lender for the specific asset class or loan type.

“**Debt Coverage Ratio**” means the ratio of Additional Property Net Cash Flow to the annual debt service of the mortgage(s) or loans(s) secured by such Additional Property, as determined by Lender in its reasonable discretion.

“**Disclosed Assets**” means real property, personal property and assets related to the ownership of multifamily property currently owned by Borrower in addition to the Mortgaged Property, information about which has been disclosed in writing to Lender on or before the Effective Date.

“**Loan-to-Value Ratio**” means the ratio of the principal amount of the mortgage(s) or loan(s) secured by an Additional Property and the fair market value of such Additional Property, expressed as a percentage of the value thereof as determined by Lender in its reasonable discretion.

1. Section 4.01(h) (Borrower Status – Representations and Warranties – Borrower Single Asset Status) of the Loan Agreement is hereby deleted and restated in its entirety to read as follows:

**(h) Borrower Single Asset Status.**

Notwithstanding anything to the contrary contained in this Loan Agreement, Lender hereby acknowledges that Borrower is not a single asset entity and agrees that Borrower may continue to own and operate the Disclosed Assets and any Additional Property hereinafter acquired under Section 4.02(d)(1), subject to the terms and conditions of this Loan Agreement. Borrower:

(1) has disclosed to and provided Lender with information about the Disclosed Assets in writing;

(2) has not owned or leased any real property, personal property, or assets other than the Mortgaged Property and the Disclosed Assets;

(3) has not owned, operated, or participated in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property and the Disclosed Assets;

(4) has no material financial obligation under or secured by any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, or other agreement, or instrument to which Borrower is a party, or by which Borrower is otherwise bound, or to which the Mortgaged Property or Disclosed Assets are subject or by which they are otherwise encumbered, other than:

(A) Permitted Equipment Financing and unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property or the Disclosed Assets (exclusive of amounts for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or the Disclosed Assets) so long as such trade payables (i) are not evidenced by a promissory note, (ii) are payable within sixty (60) days of the date incurred, and (iii) as of the Effective Date, do not exceed, in the aggregate, four percent (4%) of the original principal balance of the Mortgage Loan;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower’s obligations as lessee under the ground lease creating such leasehold estate;

(C) with respect to the Mortgaged Property, obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents;

(D) obligations under the Permitted Encumbrances; and

(E) with respect to the Disclosed Assets, obligations secured by the Disclosed Assets and approved in writing by Lender;

(5) has maintained its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless Borrower’s assets have been included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(6) has not commingled its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(7) has been adequately capitalized in light of its contemplated business operations;

(8) has not assumed, guaranteed, or pledged its assets to secure the liabilities or obligations of any other Person (except in connection with the Mortgage Loan, other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement or similar instrument, or the Disclosed Assets) or held out its credit as being available to satisfy the obligations of any other Person;

(9) has not made loans or advances to any other Person;

(10) has not entered into, and is not a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm’s-length transaction with an unrelated third party;

(11) has not sought and has no plans to Divide at any time during the Loan Term;

(12) has not identified any recognized environmental conditions with respect to the Disclosed Assets or Additional Property that require further investigation or remediation;

(13) has no contingent or actual obligations or liabilities relating to any Disclosed Assets or Additional Property;

(14) is not a party to any lawsuit, arbitration, or other legal proceeding relating to any Disclosed Assets or Additional Property that is still pending or that resulted in a judgment against Borrower that has not been paid in full; and

(15) is not Insolvent because of the transfer of, or any transaction related to, any Disclosed Assets or Additional Property.

1. Section 4.02(d) (Borrower Status – Covenants – Borrower Single Asset Status) of the Loan Agreement is hereby deleted and restated in its entirety to read as follows:

**(d) Future Asset Acquisition.**

(1) Borrower shall not acquire or lease Additional Property after the Effective Date unless the following conditions have been met:

(A) Borrower shall not be in default under the Note, this Loan Agreement, the Security Instrument or any other Loan Document;

(B) Borrower shall notify Lender in writing of its intention to acquire Additional Property, not less than thirty (30) days prior to the acquisition of an Additional Property; and

(C) each Additional Property shall not be leveraged by more than a **[DRAFTING NOTE - INSERT THE TIER, LTV, AND DSCR FOR THE MORTGAGE LOAN FROM FORM 4660:**[\_\_\_\_\_\_] percent (\_\_%)**]** Loan-to-Value Ratio or, for any income-producing Additional Property, less than a [1.XX] Debt Coverage Ratio (provided that for the purposes of this Section 4.02(d)(1)(C) the term “Additional Property” shall not include Borrower’s personal residence(s), if applicable, or any personal property having an acquisition price of less than $50,000).

(2) Until the Indebtedness is fully paid, Borrower:

(A) shall not acquire or lease any real property, personal property or assets other than the Mortgaged Property, the Disclosed Assets, the Additional Property acquired under (and to the extent permitted by) Section 4.02(d)(1) and personal property related to the operation and maintenance of the Mortgaged Property, the Disclosed Assets and the Additional Property;

(B) shall not acquire, own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property, the Disclosed Assets and Additional Property acquired under (and to the extent permitted by) Section 4.02(d)(1);

(C) shall not commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(D) shall maintain its financial statements, accounting records and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person (unless Borrower’s assets are included in a consolidated financial statement prepared in accordance with generally accepted accounting principles);

(E) except to the extent permitted by Section 4.02(d)(1), shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, other agreement or instrument to which Borrower is a party or by which Borrower is otherwise bound, or to which the Mortgaged Property or Disclosed Assets are subject or by which they are otherwise encumbered, other than:

(i) Permitted Equipment Financing and unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property or the Disclosed Assets (exclusive of amounts (1) to be paid out of the Replacement Reserve Account or Repairs Escrow Account, or (2) for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or the Disclosed Assets or otherwise approved by Lender) so long as such trade payables (A) are not evidenced by a promissory note, (B) are payable within sixty (60) days of the date incurred, and (C) as of any date, do not exceed, in the aggregate, two percent (2%) of the original principal balance of the Mortgage Loan; provided, however, that otherwise compliant outstanding trade payables may exceed two percent (2%) up to an aggregate amount of four percent (4%) of the original principal balance of the Mortgage Loan for a period (beginning on or after the Effective Date) not to exceed ninety (90) consecutive days;

(ii) if the Security Instrument grants a lien on a leasehold estate, Borrower’s obligations as lessee under the ground lease creating such leasehold estate;

(iii) with respect to the Mortgaged Property, obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents;

(iv) obligations under the Permitted Encumbrances; and

(v) with respect to the Disclosed Assets, obligations secured by the Disclosed Assets and approved in writing by Lender;

(F) shall not assume, guaranty, or pledge its assets to secure the liabilities or obligations of any other Person (except in connection with Additional Property acquired pursuant to the terms of Section 4.02(d)(1), mortgage loans on such Additional Property that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person;

(G) shall not make loans or advances to any other Person;

(H) shall not enter into, or become a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm’s-length transaction with an unrelated third party; or

(I) shall not Divide.

1. Section 4.02(f) (Notice of Litigation or Insolvency) of the Loan Agreement is hereby amended by adding the following to the end thereof:

Borrower shall give immediate written notice to Lender of any claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority pending or, to Borrower’s knowledge, threatened against or affecting the Disclosed Assets or Additional Property which claims, actions, suits, or proceedings, if adversely determined reasonably would be expected to materially adversely affect the financial condition or business of Borrower, Guarantor, or Key Principal, or the condition, operation, or ownership of the Mortgaged Property (including any investigation or remediation related to any recognized environmental condition at any Disclosed Asset or Additional Property, which shall always be deemed material).

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