**EXHIBIT [\_\_\_]**

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

**(Tax Credit Properties)**

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:

“**Affiliate**” means, as to any particular Person, any Person directly or indirectly, through one or more intermediaries, Controlling, Controlled by or under common Control with the Person or Persons in question.

“**Borrower General Partner/Manager**” means, individually and collectively, any general partner, managing member, manager (if non-member managed) or Controlling shareholder(s) of Borrower. Each Borrower General Partner/Manager as of the Effective Date is identified on the Summary of Loan Terms.

“**Equity Investor**” means a Person that holds a minimum interest of ninety-nine percent (99%) in Borrower as a limited partner (if Borrower is a limited partnership) or as an investor member (if Borrower is a limited liability company) and to whom are allocated (a) Tax Credits, tax losses, depreciation or other federal income tax benefits or (b) any state or local tax credits or other state or local tax benefits of any kind, in each case attributable to use of the Mortgaged Property as a “qualified low-income housing project” within the meaning of Section 42(g) of the Internal Revenue Code. Borrower’s Equity Investor as of the Effective Date is identified on the Summary of Loan Terms.

“**Equity Investor General Partner/Manager**” means, individually and collectively, any general partner(s), managing member(s) or Controlling shareholder(s) of the Equity Investor. Equity Investor General Partner/Manager as of the Effective Date is identified on the Summary of Loan Terms.

“**Extended Use Agreement**” has the meaning set forth in the Security Instrument.

“**Initial Owners**” means, with respect to any entity, the Person or Person(s) that, on the Effective Date, own, directly or indirectly, in the aggregate one hundred percent (100%) of the ownership interests in such entity.

“**IRS Filing Deadline**” means the date set forth on the Summary of Loan Terms.

“**Minimum Set-Aside Test**” means the set-aside test elected by Borrower pursuant to Section 42(g)(1)(A) or (B) of the Internal Revenue Code with respect to the percentage of units built or to be built upon the Mortgaged Property to be occupied by tenants with incomes equal to no more than the designated percentage of area median income. Borrower’s election of either the 40-60 Set-Aside Test (as provided in Section 42(g)(1)(B) of the Internal Revenue Code) or the 20-50 Set-Aside Test as the Minimum Set-Aside Test (as provided in Section 42(g)(1)(A) of the Internal Revenue Code) for the Mortgaged Property is indicated on the Summary of Loan Terms.

“**Permitted Affiliate**” means a single purpose entity that is (a) Equity Investor’s General Partner/Manager; (b) an Affiliate of Equity Investor General Partner/Manager; or (c) an Affiliate of Equity Investor, including a special limited partner in Borrower.

“**Rent Restriction Test**” means the rent restrictions imposed on the low-income units in the Mortgaged Property pursuant to Section 42(g)(2) of the Internal Revenue Code, whereby the gross rent charged to tenant(s) of the low-income units cannot exceed thirty percent (30%) of the imputed income limitation of the applicable units based upon the Minimum Set-Aside Test elected by the Borrower.

“**Tax Credits**” means the tax credits allocated to Borrower pursuant to Section 42 of the Internal Revenue Code in connection with the Mortgaged Property’s operation as a “qualified low-income housing project” within the meaning of Section 42(g)(1) of the Internal Revenue Code. The Tax Credits projected as of the Effective Date is the amount identified on the Summary of Loan Terms. **[STATE TAX CREDITS NOT ADDRESSED IN FORM. MUST BE REVIEWED ON A DEAL BY DEAL BASIS AND REQUIRE A WAIVER.]**

“**Tax Credit Agency**” means the state housing credit agency having responsibility for monitoring compliance of the Mortgaged Property with the requirements of (a) Section 42 of the Internal Revenue Code and (b) the Extended Use Agreement.

1. Section 11.03 (Liens, Transfers, and Assumptions - Mortgage Loan Administration Matters Regarding Liens, Transfers and Assumptions) is hereby amended by adding the following provisions to the end thereof:

**[\_\_\_] Tax Credit Transfers.**

**(1) Approved Transfers.**

Notwithstanding anything in this Loan Agreement to the contrary, provided that (a) the Person identified as “Borrower” on the Summary of Loan Terms owns the Mortgaged Property and remains Borrower under the Note and this Loan Agreement, (b) the Person identified as “Borrower General Partner/Manager” on the Schedule of Loan Terms is the sole general partner or is the managing general partner of Borrower (if Borrower is a limited partnership) or is the managing member or sole manager (if Borrower is a limited liability company), (c) the Person identified as “Equity Investor” on the Schedule of Loan Terms or its Permitted Affiliate continues to maintain its rights to receive the allocation of Tax Credits available to Borrower with respect to the Mortgaged Property, substantially as allocated as of the Effective Date, and (d) the provisions of Section 11.03[(\_\_)](2) regarding additional conditions on Transfer(s) are satisfied, the Transfer of an interest by a Key Principal, Guarantor or Borrower as described in Section 11.02(b)(2) resulting from any of the following Transfers shall not constitute an Event of Default:

(A) the removal of Borrower General Partner/Manager as general partner, managing general partner, sole manager or managing member (as applicable) of Borrower and its replacement as general partner, managing general partner, sole manager or managing member (as applicable) by a Permitted Affiliate in accordance with the terms of the limited partnership agreement or operating agreement (as applicable) of Borrower;

(B) a Transfer of limited partner interests or investor member interests of Equity Investor to a Permitted Affiliate, provided that if such Transfer is of less than the Equity Investor’s entire interest in Borrower, the Equity Investor General Partner/Manager must remain the sole general partner, managing general partner, managing member or sole manager (as applicable) of Equity Investor; or

(C) a Transfer of any of Key Principal’s or Guarantor’s interest in Borrower provided that, upon written notice from Lender to Borrower and Equity Investor, Equity Investor shall identify a Person satisfactory to Lender to serve as substitute Key Principal or Guarantor and such Person is substituted as Key Principal or Guarantor under this Loan Agreement within ten (10) days following the receipt by the Equity Investor of Lender’s approval of such substitute Key Principal or Guarantor.

**(2) Additional Conditions on Transfers**.

The Transfers described in Section 11.03[(\_\_)](1) shall only be permitted if:

(A) Lender shall have received not less than ten (10) days’ prior written notice of the Transfer, together with copies of (i) the documents transferring such entity’s interest to the Permitted Affiliate; (ii) the organizational documents of the Permitted Affiliate; and (iii) an organizational diagram showing the new ownership structure and relationships among the resulting owners and Borrower in compliance with the then published Organizational Chart Requirements;

(B) at the time of the proposed Transfer, no Event of Default shall have occurred and be continuing (and no event that with the giving of notice or passage of time, or both, would constitute an Event of Default shall have occurred and be continuing);

(C) the proposed transferee is not a Prohibited Person; and

(D) such transferee, and, to Borrower’s knowledge, any Person Controlling such transferee, or any Person Controlled by such transferee that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, or Principal is not a Blocked Person.

If the conditions set forth in this Section 11.03[(\_\_)](2) are satisfied, the Transfer Fee shall be waived for any Transfer made pursuant to Section 11.03[(\_\_)](1). Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

**(3) Other Removal of Borrower General Partner/Manager.**

If Borrower General Partner/Manager is removed as a general partner, managing general partner, managing member or sole manager (as applicable) of Borrower, in accordance with the terms of the limited partnership agreement or operating agreement (as applicable) of Borrower, and is replaced by another Person that is not a Permitted Affiliate (to the extent that a Transfer of an interest by Key Principal, Guarantor or Borrower as described in this Article 11 (Liens, Transfers, and Assumptions) is accomplished thereby), the transferor and transferee shall be required to comply with all requirements of this Article 11 (Liens, Transfers, and Assumptions), including payment of the fees set forth in Section 11.03(g).

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

([\_\_]) any default, event of default, or breach (however such terms may be defined in the Extended Use Agreement) after the expiration of any deadline for performance and applicable notice or cure periods, if any, under the Extended Use Agreement.

5. Section 15.02 (Notice) of the Loan Agreement is hereby amended by adding the following provision to the end thereof:

([\_\_]) Lender agrees that effective notice to Borrower under this Loan Agreement and the other Loan Documents shall require delivery of a copy of any such notice to Equity Investor. Equity Investor’s notice address is included in the Summary of Loan Terms.

6. The following article is hereby added to the Loan Agreement as Article [\_\_\_] (Items Related to Tax Credit Properties)]:

**ARTICLE [\_\_\_]** **– ITEMS RELATED TO TAX CREDIT PROPERTIES**

**Section [\_\_].01 Recourse Liability.**

Notwithstanding any provision in this Loan Agreement to the contrary, the provisions of Section 3.02(b)(1) and Section 3.02(b)(2) of this Loan Agreement, as they relate to Events of Default described in Section 14.01(a)(3) and Section 14.01(a)(6) of this Loan Agreement, shall be operative only after the Equity Investor has been givennotice of the applicable Event of Default described in Section 14.01(a)(3) and Section 14.01(a)(6) of this Loan Agreement, together with an opportunity to remedy such Event of Default within thirty (30) days. Further, Lender agrees that, notwithstanding its rights to invoke the remedies permitted by the Loan Documents, upon the breach of any covenant or agreement by Borrower in the Loan Documents (including the covenants to pay the Indebtedness when due), so long as Equity Investor maintains its ownership interest in Borrower, a Foreclosure Event shall not occur until such time as Equity Investor has first been given thirty (30) days’ written notice of such default and has failed to cure such default within such thirty (30) day period; provided, however, that (a) during such thirty (30) day period Lender shall be entitled to accelerate the Note and to pursue its remedies (provided that a Foreclosure Event shall not occur), and (b) no notice or grace period shall apply in the case of any Event of Default where a failure by Lender to exercise a right or remedy under this Loan Agreement, in Lender’s judgment could result in harm to Lender, impairment of Lender’s rights and remedies under the Extended Use Agreement or this Loan Agreement or any other security given under any other Loan Document.

**Section [\_\_].02 Annual LIHTC Reporting Requirements.**

Borrower must submit to Lender, each year on or before the IRS Filing Deadline at the time of annual submission of Borrower’s financial analysis of operations, a copy of Borrower’s federal income tax information return (Internal Revenue Service Form 1065, or any successor form designated by the Internal Revenue Service) and all attached schedules, forms and elections, including Internal Revenue Forms 8586 and 8609-A (and, with the Internal Revenue Service Form 1065 for the first year of the Mortgaged Property’s “Credit Period” (within the meaning of Section 42(f)(1) of the Internal Revenue Code), a copy of each fully completed and signed IRS Form 8609 for the Mortgaged Property), which must reflect the total Tax Credits allocated to the Mortgaged Property and the Tax Credits claimed for the Mortgaged Property in the preceding year.

**Section [\_\_].03 Annual Compliance.**

Borrower shall submit to Lender on an annual basis, evidence that the Mortgaged Property is in ongoing compliance with all income, occupancy and rent restrictions under the Extended Use Agreement relating to the Mortgaged Property. Such submissions shall be made contemporaneously with Borrower’s reports required to be made to the Tax Credit Agency under the Extended Use Agreement. If the Tax Credit Agency issues an Internal Revenue Service Form 8823, Borrower shall provide to Lender a copy of each such form within five (5) Business Days of Borrower’s receipt of such form(s) from the Tax Credit Agency.

**Section [\_\_].04 Tax Credit Representations and Warranties.**

All representations and warranties made by Borrower to Lender in this Section [\_\_].04 are made as of the Effective Date, and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) There are no restrictions on the sale or refinancing of the Mortgaged Property, other than the restrictions set forth in this Loan Agreement and the Extended Use Agreement.

(b) Borrower and the Mortgaged Property satisfies all restrictions and requirements, including tenant income and rent restrictions and record-keeping and retention requirements, applicable to projects generating Tax Credits under Section 42 of the Internal Revenue Code.

(c) Borrower and the Mortgaged Property satisfies all covenants and restrictions set forth in the Extended Use Agreement.

(d) The only tenant eligibility requirements or rent restrictions applicable to the Mortgaged Property or Borrower are those that apply to residential units pursuant to the Minimum Set-Aside Test elected by Borrower for the low-income units in the Mortgaged Property or as set forth in the Extended Use Agreement.

(e) Neither the Extended Use Agreement nor any other document, instrument or agreement to which Borrower is a party restricts, limits or waives the right of Lender to cause a termination of the Extended Use Agreement in accordance with Internal Revenue Code Section 42(h)(6)(E)(i)(I).

**Section [\_\_].05 Tax Credit Covenants.**

(a) Borrower and the Mortgaged Property shall continue to satisfy all restrictions and requirements, including tenant income and rent restrictions and record-keeping and retention requirements, applicable to projects generating Tax Credits under Section 42 of the Internal Revenue Code.

(b) Borrower and the Mortgaged Property shall continue to satisfy all covenants and restrictions set forth in the Extended Use Agreement.

(c) The only tenant eligibility requirements or rent restrictions applicable to the Mortgaged Property or Borrower shall be those that apply to residential units pursuant to the Minimum Set-Aside Test elected by Borrower for the low-income units in the Mortgaged Property or as set forth in the Extended Use Agreement.

(d) Neither the Extended Use Agreement nor any other document, instrument or agreement to which Borrower is a party shall restrict, limit or waive the right of Lender to cause a termination of the Extended Use Agreement in accordance with Internal Revenue Code Section 42(h)(6)(E)(i)(I).

(e) All requirements that are necessary to achieve and maintain (1) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, andany other requirements necessary to initially qualify, and to continue to qualify, for Tax Credits, including all applicable requirements set forth in the Extended Use Agreement, (2) issuance and completion of each required IRS Form 8609 for the Mortgaged Property in a timely fashion and in compliance with Section 42(l) of the Internal Revenue Code, and (3) issuance of all necessary permanent, unconditional certificates of occupancy, including all governmental approvals required to permit occupancy of all the units, shall be met at all times during which such requirements are required to be met to qualify for the full amount of the anticipated Tax Credits.

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