**EXHIBIT [\_\_\_]**

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

**(Tax Credit Properties - No Equity Investor)**

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:

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

“**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.

“**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.

“**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 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.

1. 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 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 [\_\_].02 Tax Credit Representations and Warranties.**

All representations and warranties made by Borrower to Lender in this Section [\_\_].02 (Tax Credit Representations and Warranties) 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 [\_\_].03 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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Borrower Initials