**EXHIBIT [\_\_\_]**

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

(Preferred Equity Transaction)

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:

**[**“**Cash Equivalents”** mean Eligible Collateral having maturities of not more than twelve (12) months from the date of acquisition of such Eligible Collateral.**]**

“**Change of Control Date**” means the date that Preferred Equity Investor takes over Control of Borrower pursuant to the terms of the Preferred Equity Documents.

**[**“**Eligible Collateral**” means one or more of the following:

(a) cash, which shall be invested into a Permitted Investment;

(b) U.S. Treasury securities; and

(c) Fannie Mae, Freddie Mac and Ginnie Mae agency mortgage-backed securities (single family or multifamily);

as such list of securities may be modified by Lender from time to time.**]**

**[**“**Liquidity**” means, at any time, the amount of cash and Cash Equivalents owned by a Person.**]**

“**MUC Date**” has the meaning set forth on the Summary of Loan Terms.

**[**“**Net Worth**” means, as of any specified date, for any Person, the excess of the Person’s assets over the Person’s liabilities, determined in accordance with generally accepted accounting principles on a consolidated basis, provided that all real property shall be valued on an undepreciated basis.]

**[**“**Permitted Investment**” means one or more of the following which Lender may invest cash into:

(a) Fannie Mae approved government money market funds; and

(b) any other investment approved in writing by Lender

as such list of investment may be modified by Lender from time to time.**]**

“**Preferred Equity Documents**” means the **[DRAFTING NOTE – LIST THE NAMES OF ALL DOCUMENTS RELATING TO THE PREFERRED EQUITY]**, as any of the foregoing may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Loan Agreement.

“**Preferred Equity Guarantor**” has the meaning set forth on the Summary of Loan Terms.

**[**“**Preferred Equity Guarantor Minimum Liquidity**” has the meaning set forth on the Summary of Loan Terms.]

**[**“**Preferred Equity Guarantor Minimum Net Worth**” has the meaning set forth on the Summary of Loan Terms.]

“**Preferred Equity Guaranty**” means any Payment Guaranty, Non-Recourse Guaranty or other guaranty executed by Preferred Equity Guarantor in connection with the Mortgage Loan.

“**Preferred Equity Interests**” means direct or indirect ownership interests in Borrower which provide for preferred payment or return treatment relative to other equity investors.

“**Preferred Equity Investor**” has the meaning set forth in the Addenda to Schedule 2 (Summary of Loan Terms – Preferred Equity) to the Loan Agreement.

“**Replacement Manager**” means a property manager approved by Lender in accordance with Section 6.03(a) (Property Management) of the Loan Agreement.

1. Section 4.01(e) (Valid and Binding Obligations) of the Loan Agreement is hereby amended by identifying the current provision as subsection (1), and adding the following immediately thereafter:

(2) The Preferred Equity Documents have been duly executed and delivered by the parties thereto and constitute the legal, valid and binding obligations of each party thereto, enforceable against the parties in accordance with their respective terms, except as such enforceability may be limited by applicable Insolvency Laws or by the exercise of discretion by any court.

(3) The Preferred Equity Documents contain every right and remedy of Preferred Equity Investor, Preferred Equity Guarantor, Borrower and Guarantor **[NAME ANY OTHER APPLICABLE PARTY]** with respect to the Preferred Equity Interests, Borrower or the Mortgaged Property and there is no document, agreement or side letter other than the Preferred Equity Documents that governs the relationship by and among Preferred Equity Investor, Preferred Equity Guarantor, Borrower and Guarantor **[NAME ANY OTHER APPLICABLE PARTY]** with respect to the Preferred Equity Interests, Borrower or the Mortgaged Property.

(4) The representations and warranties by Borrower and Preferred Equity Guarantor contained in Exhibit B to the Multifamily Underwriting Certificate (Borrower) dated the MUC Date are true and correct as of the Effective Date.

1. Section 4.01(g) (Economic Sanctions, Anti-Money Laundering, and Anti-Corruption) of the Loan Agreement is hereby deleted and replaced by the following:

**(g) Economic Sanctions, Anti-Money Laundering, and Anti-Corruption**.

* + - 1. None of Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal, or to Borrower’s knowledge, any Person Controlling Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal, or any Person Controlled by Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal, is in violation of any applicable civil or criminal laws or regulations, including those requiring internal controls, intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.
			2. None of Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal, or to Borrower’s knowledge, any Person Controlling Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal, or any Person Controlled by Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal, is a Person:
				1. against whom proceedings are pending for any alleged violation of any laws described in Section 4.01(g)(1);
				2. that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.01(g)(1);
				3. with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Loan Agreement and the other Loan Documents under any other applicable law; or
				4. that is deemed a Sanctioned Person.
			3. Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, and Key Principal are in compliance with all applicable Economic Sanctions laws and regulations.
1. Section 4.01(o) (Prohibited Person) of the Loan Agreement is hereby deleted and replaced by the following:

**(o) Prohibited Person.**

None of Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor or Key Principal is a Prohibited Person, nor to Borrower’s knowledge, is any Person:

(1) Controlling Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor or Key Principal a Prohibited Person; or

(2) Controlled by and having a direct or indirect ownership interest in Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor or Key Principal a Prohibited Person.

1. Section 4.02(a) (Maintenance of Existence; Organizational Documents) of the Loan Agreement is hereby amended by adding the following immediately following the end of the current provision:

There shall not be any document, agreement or side letter other than the Preferred Equity Documents that governs the relationship by and among Preferred Equity Investor, Preferred Equity Guarantor, Borrower and Guarantor **[NAME ANY OTHER APPLICABLE PARTY]** with respect to the Preferred Equity Interests, Borrower or the Mortgaged Property. No material amendments, modifications or supplements shall be made to the Preferred Equity Documents nor any amendment whatsoever relating to (A) any party’s voting rights under the Preferred Equity Documents, (B) the economics and financial terms, (C) decision-making, (D) the preferred equity structure, or (E) the rights and responsibilities of the parties with respect to the Preferred Equity Interests, without Lender’s prior written consent.

1. Section 4.02(b) (Economic Sanctions, Anti-Money Laundering, and Anti-Corruption) of the Loan Agreement is hereby deleted and replaced by the following:

**(b) Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.**

* + - 1. Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, Key Principal, and any Person Controlling Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal, or any Person Controlled by Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal shall remain in compliance with any applicable civil or criminal laws or regulations (including those requiring internal controls) intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.
			2. At no time shall Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal, or any Person Controlling Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal, or any Person Controlled by Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, or Key Principal, be a Person:
				1. against whom proceedings are pending for any alleged violation of any laws described in Section 4.02(b)(1);
				2. that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.02(b)(1);
				3. with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Loan Agreement and the other Loan Documents under any other applicable law; or
				4. that is deemed a Sanctioned Person.
			3. Borrower, Guarantor (including Preferred Equity Guarantor), Preferred Equity Investor, and Key Principal shall at all times remain in compliance with any applicable Economic Sanctions laws and regulations.
1. Section 4.02 (Borrower Status - Covenants) is hereby amended to add the following new section to the end thereof:

**[(\_\_)] Subordination of Indemnities.**

Borrower hereby irrevocably and unconditionally agrees that it shall cause any indemnity or guaranty obligation of Guarantor for the benefit of Preferred Equity Investor now or in the future to be subordinated to the Guaranty pursuant to the terms of a subordination agreement acceptable to Lender.

1. Section 8.02(b) (Items to Furnish to Lender) of the Loan Agreement is hereby amended by adding the following immediately following the end of the current provision:

Any time the word “Guarantor” is used in this section it shall not include Preferred Equity Guarantor unless and until the Change of Control Date occurs, in which case, Guarantor shall then mean and refer to Preferred Equity Guarantor.

1. Section 11.02(b) (Liens, Transfers and Assumptions – Covenants – Transfers) is hereby amended to add the following new sections to the end thereof:

[(\_\_)]. Interests in Preferred Equity Investor.

Notwithstanding anything in this Loan Agreement to the contrary, and other than a Transfer to which Lender has consented in writing, Borrower shall not cause or permit:

### (A) any Transfer of the Preferred Equity Interests; or

### (B) Transfers of ownership interests in Preferred Equity Investor or Preferred Equity Guarantor unless all of the following conditions are satisfied as determined by Lender at the time of Borrower’s notice to Lender as set forth below and upon consummation of the Transfer:

### (i) no Event of Default then exists;

### (ii) there is no change of Control in Preferred Equity Investor or Preferred Equity Guarantor as a result of such Transfer, as applicable;

### (iii) Preferred Equity Guarantor’s direct or indirect ownership interests in Preferred Equity Investor is not less than fifty and one-tenth percent (50.1%) after the consummation of such Transfer;

### (iv) the direct or indirect owners of Preferred Equity Guarantor as of the Effective Date continue to own not less than fifty and one-tenth percent (50.1%) of all of the direct or indirect ownership interests in Preferred Equity Guarantor after consummation of such Transfer; and

### (v) at least thirty (30) days prior to a Transfer of any ownership interest in Preferred Equity Investor or Preferred Equity Guarantor, Borrower shall cause Preferred Equity Investor or Preferred Equity Guarantor, as applicable, to provide to Lender an officer’s certification that such Transfer will be made in accordance with this Section 11.02(b)[(\_\_\_)](B) (Interests in Preferred Equity Investor), such certification to include the name and contact information of the transferee together with evidence that the foregoing requirements have been satisfied.

### At least thirty (30) days prior to a Change of Control Date, Borrower shall cause Preferred Equity Investor or Preferred Equity Guarantor, as applicable, to provide to Lender an officer’s certification that all conditions set forth in this Section 11.02(b)[(\_\_)] (Interests in Preferred Equity Investor) have been satisfied together with evidence that the foregoing requirements have been satisfied.

### (C) Lender may charge a fee and be reimbursed for its out-of-pocket expenses, including legal fees and expenses, in connection with any such Transfer.

[(\_\_)]. Transfer of Control in Borrower.

Notwithstanding anything in this Loan Agreement to the contrary, and except as may be consented to by Lender in writing, exercise by Preferred Equity Investor of any rights or remedies it may have under the Preferred Equity Documents or applicable law to take over Control of Borrower or exercise any right it may have to purchase all of the ownership interests in Borrower shall not be permitted under this Loan Agreement unless all of the following conditions are satisfied as determined by Lender at the time of Borrower’s notice to Lender as set forth below and as of the Change of Control Date:

### (A) no Event of Default then exists;

### (B) all representations and warranties regarding the Preferred Equity Interests, Preferred Equity Investor, Preferred Equity Guarantor and the Preferred Equity Documents contained in this Loan Agreement shall be true and correct as of the Change of Control Date;

### (C) Preferred Equity Investor is validly existing and qualified to transact business and is in good standing in the state in which it is organized and in each other jurisdiction in which such qualification and/or standing is necessary to the conduct of its business;

### (D) Preferred Equity Investor has performed all of its obligations under any other agreement with Lender (subject to any applicable grace, notice, or other cure period);

### (E) the provisions relating to “Guaranteed Obligations Following the Change of Control Date” defined and contained in the Preferred Equity Guaranty shall become immediately effective;

### (F) Preferred Equity Investor, Preferred Equity Guarantor and any Person having Control or a Restricted Ownership Interest in either of them is not a Prohibited Person;

### (G) such Transfer does not violate the requirements of Section 11.02(b)(2)(D);

### (H) no Bankruptcy Event of Preferred Equity Investor, Preferred Equity Guarantor or any Person having Control or a Restricted Ownership Interest in either of them has occurred;

### (I) no Transfers by Preferred Equity Investor, Preferred Equity Guarantor or their respective direct and indirect owners in violation of Section 11.02(b)[(\_\_)] (Interests in Preferred Equity Investor) have occurred and the consummation of the transaction in which Preferred Equity Investor takes over Control of Borrower or exercises any right it may have to purchase all the ownership interests in Borrower does not result in a violation of Section 11.02(b)[(\_\_)] (Interests in Preferred Equity Investor) or Section 11.02(b)[(\_\_)] (Transfer of Control in Borrower);

### (J) no event that triggered recourse to Preferred Equity Guarantor under the Preferred Equity Guaranty has occurred;

### (K) the Mortgaged Property is and will be, following the Change of Control Date, managed and operated by the existing property manager of the Mortgaged Property or a Replacement Manager;

### (L) **[**Preferred Equity Guarantor satisfies each of Preferred Equity Guarantor Minimum Net Worth and Preferred Equity Guarantor Minimum Liquidity.**]**  **[ONLY APPLICABLE TO HARD PREFERRED EQUITY – TIER 2]**

### (M) **[**Preferred Equity Guarantor has a Net Worth and Liquidity at least equal to the Net Worth and Liquidity as of the Effective Date.**] [ONLY APPLICABLE TO SOFT PREFERRED EQUITY – TIER 2]**

### At least thirty (30) days prior to a Change of Control Date, Borrower shall cause Preferred Equity Investor or Preferred Equity Guarantor, as applicable, to provide to Lender an officer’s certification that all conditions set forth in this Section 11.02(b)[(\_\_)] (Transfer of Control in Borrower) have been satisfied together with evidence that the foregoing requirements have been satisfied.

### Lender may charge a fee and be reimbursed for its out-of-pocket expenses, including legal fees and expenses, in connection with any such Transfer.

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