**EXHIBIT [\_\_\_]**

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

**(Tax Abatement)**

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:

“**Adverse Tax Abatement Event**” means any termination, substantial reduction, or material modification of the Tax Abatement that would become effective prior to the date that is five (5) years after the Maturity Date **[DRAFTING NOTE: INSERT IF THERE IS A PILOT IN PLACE:** or a material increase in the amount due under, or termination of, the PILOT that would become effective prior to the date that is five (5) years after the Maturity Date**]**.

“**Tax Abatement Code**” means the [**DRAFTING NOTE**: Insert code provision which enables the State or local government, as applicable, to provide a tax exemption, abatement, deferral or PILOT or pursuant to which the tax exemption, abatement, deferral or PILOT is implemented, including implementing regulations, if any].

**[DRAFTING NOTE: INSERT IF THERE IS A PILOT IN PLACE:** “**PILOT**” means that certain [**DRAFTING NOTE**: **describe PILOT agreement or other documents (including, if applicable, any Rent Restriction Agreement, regulatory agreement or similar document which sets forth the payment in lieu of taxes) which grant the PILOT**] dated \_\_\_\_\_\_\_\_\_\_\_\_, [by and between Borrower and [\_\_\_\_\_\_\_\_\_\_]].**]**

“**Tax Abatement**” means that [**DRAFTING NOTE: DESCRIBE APPLICABLE ABATEMENT, EXEMPTION, ETC.**] [tax abatement] [tax exemption] [deferral] granted to Borrower, the Mortgaged Property, or both pursuant to the Tax Abatement Code [**DRAFTING NOTE: INCLUDE IF THERE IS A PILOT IN PLACE**:, and the amount by which the taxes Borrower would be obligated to pay without the PILOT is reduced by the payments in lieu of taxes due under the PILOT].

“**Tax Abatement Program**” means, collectively, the Tax Abatement [and] [,] the requirements set forth in the Tax Abatement Code [and the PILOT].

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

([\_\_]) the occurrence of an Event of Default under Section 14.01(a)([\_\_]), ([\_\_]) or ([\_\_]) of this Loan Agreement that results in an Adverse Tax Abatement Event.

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

(\_\_) the occurrence of any Adverse Tax Abatement Event;

([\_\_]) any failure by Borrower to comply with the terms of Section [\_\_].02 (Compliance with Tax Abatement) of this Loan Agreement; or

([\_\_]) any Transfer of the Mortgaged Property, any interest in the Mortgaged Property, or any interest in Borrower that would cause an Adverse Tax Abatement Event.

1. Section 14.03(c) (Appointment of Lender as Attorney in Fact) of the Loan Agreement is hereby amended by adding the following provision at the end thereof:

([\_\_]) take such actions as Lender reasonably determines to be necessary and appropriate in its discretion to cure any non-compliance with the requirements of the Tax Abatement Program.

1. The following article is hereby added to the Loan Agreement as Article [\_\_\_] (Tax Abatement):

**ARTICLE [\_\_\_]** **– TAX ABATEMENT**

**Section [\_\_].01** **Tax** **Abatement Representations and Warranties.**

Borrower represents and warrants that:

(a) Borrower, the Mortgaged Property or both (as applicable) are eligible for a Tax Abatement pursuant to the Tax Abatement Code and is receiving the Tax Abatement.

(b) The Tax Abatement does not terminate, expire or begin to phase out prior to the date that is five (5) years after the Maturity Date, nor has Borrower received any notice of an Adverse Tax Abatement Event.

(c) The Mortgaged Property is in compliance with all income, rent and other restrictions and requirements imposed by the Tax Abatement Program.

**Section [\_\_].02** **Tax Abatement Covenants.**

**(a) Compliance with Tax** **Abatement.**

Borrower shall comply with the following covenants:

(1) Borrower must file or cause to be filed on a timely basis all documentation necessary to maintain the Tax Abatement and shall provide Lender with copies of such documentation.

(2) Borrower must comply or cause full compliance with all Tax Abatement Program requirements in order to maintain the Tax Abatement, including adhering to all income, rent and other restrictions and requirements necessary to maintain the Tax Abatement [**DRAFTING NOTE: INSERT IF THERE IS A PILOT**: and making timely payments of all taxes, payments in lieu of taxes and other amounts required under the PILOT].

(3) Borrower shall promptly provide Lender with a copy of any notice Borrower receives alleging that (A) Borrower is in breach of the requirements of the Tax Abatement Program, (B) the Mortgaged Property is not being maintained as required by the Tax Abatement Program, or (C) the Tax Abatement is otherwise at risk of an Adverse Tax Abatement Event.

(4) Borrower shall notify Lender if the Transfer of (A) the Mortgaged Property, (B) any interest in the Mortgaged Property, or (C) any interest in Borrower, without the consent of the agency administering the Tax Abatement, would result in an Adverse Tax Abatement Event.

(5) Borrower shall not voluntarily take, cause to be taken or fail to take any action that would threaten the Tax Abatement or cause an Adverse Tax Abatement Event.

**(b) Indemnification.**

If Lender elects to exercise its rights under Section 14.03 due to Borrower’s failure to diligently cure any non-compliance with the requirements of the Tax Abatement Program, Borrower shall indemnify and hold Lender harmless for all actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, (including all litigation costs, reasonable attorneys’ fees and any charges imposed by the agency administering the Tax Abatement Program) arising from or in any way connected with Lender’s actions to effectuate a cure; provided that Borrower shall have no indemnity obligation if such actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys’ fees, arise as a result of the willful misconduct or gross negligence of Lender, Lender’s agents, employees, or representatives as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

**[Remainder of Page Intentionally Blank]**