**EXHIBIT [\_\_]**

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

**(Partial Release of Mortgaged Property)**

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:

“**Coverage and LTV Tests**” means, for any specified date, each of the following financial tests:

1. the Debt Service Coverage Ratio is not less than **[\_\_\_\_\_:\_\_\_\_\_]**; and

(b) the Loan to Value Ratio does not exceed **[\_\_\_\_\_\_\_\_\_\_ percent (\_\_\_\_\_%)]**. **[DRAFTING NOTE: CONFIRM REQUIRED COVERAGE AND LTV TESTS]**

“**Debt Service Coverage Ratio**” means the ratio of Net Cash Flow from the Mortgaged Property to the annual debt service with respect to the Mortgage Loan.

“**Loan-to-Value Ratio**” means the ratio of the unpaid principal amount of the Mortgage Loan to the fair market value of the Mortgaged Property, expressed as a percentage of the value thereof.

“**Partial Release**” shall have the meaning set forth in Section [\_\_].01 (Right to Partially Release) below.

“**Partial Release Deposit**” means the deposit to be made by Borrower to Lender with respect to the Partial Release in an amount equal to $25,000.

“**Partial Release Documents**” means instruments releasing the Partial Release Property from the Lien of the Security Instrument and such other documents and instruments necessary to evidence the Partial Release including any amendments to the Loan Documents deemed necessary to reflect the Partial Release.

“**Partial Release Fee**” means the non-refundable fee of $10,000 payable to Lender.

“**Partial Release Property**” means that portion of the Mortgaged Property identified on Schedule I attached hereto.

“**Remaining Mortgaged Property**” means the portion of the Mortgaged Property remaining after giving effect to the Partial Release.

1. The following article is hereby added to the Loan Agreement as Article [\_\_] (Partial Release of Mortgaged Property):

**ARTICLE [\_\_] – PARTIAL RELEASE OF MORTGAGED PROPERTY**

**Section [\_\_].01 Right to Partially Release.**

Notwithstanding the provisions of Section 11.02(b)(1) (Transfers) of the Loan Agreement, subject to and in accordance with the terms and conditions of this Article [\_\_] (Partial Release of Mortgaged Property), Borrower shall have a one-time right to obtain a release of the Partial Release Property (the “**Partial Release**”); provided, however, the Partial Release shall not occur during the last twelve (12) months of the Loan Term.

**Section [\_\_].02 Request.**

Borrower shall request the Partial Release by providing Lender with prior written notice of the requested Partial Release no later than thirty (30) days before the requested Partial Release, which notice shall include all of the documents required for Lender to consider the request, including drafts of any proposed easements that may be necessary in order to satisfy the conditions precedent set forth in Section [\_\_].04 (Conditions Precedent). Borrower shall deposit with Lender the Partial Release Deposit at the time of such request.

**Section [\_\_].03 Underwriting.**

Lender shall release the Partial Release Property subject to satisfaction of the following and other terms and conditions set forth in this Article [\_\_] (Partial Release of Mortgaged Property):

1. after giving effect to the Partial Release, the Mortgaged Property satisfies the Coverage and LTV Tests; and
2. each of the conditions precedent set forth in Section [\_\_].04 (Conditions Precedent) has been satisfied.

**Section [\_\_].04 Conditions Precedent.**

The Partial Release is subject to the satisfaction of the following conditions precedent on or before the effective date of the Partial Release:

* + - 1. receipt by Lender of the Partial Release Fee;
      2. immediately after giving effect to the requested Partial Release, the provisions of Section [\_\_].03 (Underwriting) are satisfied;
      3. receipt by Lender of one (1) or more executed, original counterparts of all Partial Release Documents, dated as of the effective date of the Partial Release, each of which shall be in full force and effect, in form and substance satisfactory to Lender in all respects;
      4. receipt by Lender of a favorable opinion of counsel to Borrower, as to the due authorization, execution, and delivery of each document executed by Borrower, Guarantor, or Key Principal in connection with the Partial Release, in form and substance satisfactory to Lender in all respects;
      5. receipt by Lender of a legal description of the Partial Release Property and Remaining Mortgaged Property from a surveyor licensed in the Property Jurisdiction, and a survey, prepared by such surveyor as determined by Lender, of the Remaining Mortgaged Property;
      6. receipt by Lender of either (1) letters or other evidence from the appropriate Governmental Authority concerning applicable zoning and building laws with respect to the Remaining Mortgaged Property, together with an updated zoning endorsement to the Title Policy, or (2) a zoning opinion of counsel to Borrower, in each case in substance satisfactory to Lender;
      7. the Remaining Mortgaged Property complies with and will continue to be in compliance with all applicable laws, rules and regulations pertaining to zoning, land use, parking, subdivision laws and building requirements and, to the extent not included in the common areas, benefit from appropriate appurtenant easements for, among other things, access and utilities for the continued use and operation thereof as is currently being used or as contemplated;
      8. after the Partial Release, Borrower shall not own the Partial Release Property or any portion thereof;
      9. receipt by Lender of an endorsement to the Title Policy (1) insuring any amendment to the Security Instrument, (2) amending the effective date of the Title Policy to the date of recording of such amendment to the Security Instrument and showing no additional exceptions to coverage other than the exceptions shown on the Effective Date, Permitted Encumbrances and other exceptions approved by Lender, (3) indicating that the Remaining Mortgaged Property constitutes separate tax lots and separate legal lots for all subdivision, zoning and tax purposes, (4) confirming no change in the priority of the Security Instrument and no change in the amount of the insurance or the coverage under the Title Policy, and (5) insuring any new appurtenant easements benefitting the Remaining Mortgaged Property;
      10. the Remaining Mortgaged Property must be able to be operated separately from the Partial Release Property and the Partial Release Property shall not be necessary for the uses of the Remaining Mortgaged Property, including for support, access, driveways, parking, utilities, drainage flows or any other purpose, unless an appropriate easement (approved by Lender in writing in accordance with the terms of the Loan Agreement) has been granted, taking into account any cross use agreements or easements, access, utilities, marketability, community services, drainage, access, ownership and operation of the Remaining Mortgaged Property, or Borrower has entered into any necessary easement agreements or covenants approved by Lender to benefit the Remaining Mortgaged Property in satisfaction of this condition;
      11. the Partial Release Property must be able to be operated separately from the Remaining Mortgaged Property and the Remaining Mortgaged Property shall not be necessary for the uses of the Partial Release Property, including for support, access, driveways, parking, utilities, drainage flows or any other purpose, unless an appropriate easement (approved by Lender in writing in accordance with the terms of the Loan Agreement) has been granted, taking into account any cross use agreements or easements, access, utilities, marketability, community services, drainage, access, ownership and operation of the Partial Release Property, or Borrower has entered into any necessary easement agreements or covenants approved by Lender in satisfaction of this condition;
      12. access to any common areas or amenities necessary or convenient for operation of the Remaining Mortgaged Property (including entry gates, roads, public parking areas, drainage easements, easements for access and utilities, landscaping and lighting, sidewalks, and recreational areas) shall not be diminished as a result of the Partial Release, and Borrower has entered into any necessary reciprocal easement agreements or covenants to benefit the Remaining Mortgaged Property in satisfaction of this condition;
      13. there has been no circumstance, act, condition or event of any nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singularly or in conjunction with any other event or events, act or acts, condition or conditions, or circumstance or circumstances, whether or not related, that has caused or is reasonably expected to cause a material adverse change in or a materially adverse effect upon any of:

(1) the business, operations, property or condition (financial or otherwise) of Borrower;

(2) the present or future ability of Borrower to perform the obligations of Borrower under the Loan Agreement and the other Loan Documents, or of Guarantor to perform its obligations under the Guaranty, as the case may be;

(3) the validity, priority, perfection or enforceability of the Loan Agreement or any other Loan Document or the rights or remedies of Lender under any Loan Document; or

(4) the value of, or Lender’s ability to have recourse against, the Mortgaged Property;

* + - 1. there shall exist no Event of Default or any event or circumstance that, with the giving of notice or the passage of time, or both, would constitute an Event of Default. The closing of Partial Release transaction shall not result in an Event of Default or an event or circumstance that, with the giving of notice or the passage of time, or both, would constitute an Event of Default;
      2. receipt by Lender of evidence satisfactory to Lender that Borrower is not Insolvent nor will it be rendered Insolvent by the transactions contemplated by the Partial Release nor, after giving effect to the Partial Release, would it be left with an unreasonably small amount of capital with which to engage in its business or undertakings,nor shall Borrower have intended to incur, or believe that it has incurred, debts beyond its ability to repay such debts as they mature, nor shall Borrower have intended to hinder, delay or defraud any existing or future creditor;
      3. all representations and warranties made by Borrower and Guarantor in the Loan Documents shall be true and correct on the effective date of the Partial Release with the same force and effect as if such representations and warranties had been made on and as of the effective date of the Partial Release;
      4. there shall not be pending or threatened, nor shall have there occurred, any Condemnation Action, whether direct or indirect, against the Mortgaged Property (other than the Partial Release Property). There shall not have occurred any casualty to any improvements located on the Mortgaged Property, which casualty would have a material adverse effect on Borrower or the Mortgaged Property;
      5. the Partial Release shall not result in an Adverse Tax Event;
      6. immediately following such Partial Release the unpaid principal balance of the Mortgage Loan will not exceed one hundred percent (100%) of the aggregate fair market value of all real property securing the Mortgage Loan (where fair market value is determined for these purposes based upon a current appraisal or some other commercially reasonable valuation method as determined by Lender);
      7. Borrower shall have paid all costs, taxes and expenses associated with the Partial Release in excess of the Partial Release Deposit, including all of Lender’s costs, expenses and legal fees in connection with the Partial Release. Lender shall promptly refund to Borrower any amount of the Partial Release Deposit remaining after applying the Partial Release Deposit to such costs, taxes and expenses; and
      8. any proceeds received in connection with the Partial Release shall be:

(1) used to reimburse Lender, Loan Servicer, and Borrower for reasonable, direct costs (including reasonable attorneys’ fees) incurred as a result of the Partial Release;

(2) used to restore any Mortgaged Property conditions impacted by the Partial Release;

(3) used to improve the marketability of the Mortgaged Property to lessen any negative impact resulting from the Partial Release;

(4) placed in a special, restricted escrow designated for Mortgaged Property improvements at a later time at the discretion and direction of Lender; and/or

(5) placed in the Replacement Reserve Account for future Mortgaged Property improvements not contemplated in the most recent Property Condition Assessment.

**Section [\_\_].05 Closing.**

Lender shall cause the Partial Release Property to be released on an effective date selected by Lender, occurring within thirty (30) days after all conditions precedent contained in this Article [\_\_] (Partial Release of Mortgaged Property) have been satisfied (or on such other date as Borrower and Lender may mutually agree), by executing and delivering, and causing all applicable parties to execute and deliver, all at the sole cost and expense of Borrower, the Partial Release Documents.

**[Remainder of Page Intentionally Blank]**

**SCHEDULE I**

**TO**

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

**(Partial Release of Mortgaged Property)**

**[DRAFTING NOTE: INCLUDE LEGAL DESCRIPTION OF PARTIAL RELEASE PROPERTY]**