# EXHIBIT [\_\_\_]

**MODIFICATIONS TO SECURITY INSTRUMENT**

**(Supplemental Lien – Senior Loan Terms)**

The foregoing Security Instrument is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Security Instrument.
2. Section 1 of the Security Instrument (Defined Terms) is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“**Senior Instrument**” means that certain Multifamily Mortgage, Deed of Trust or Deed to Secure Debt (as may be amended, restated, replaced, supplemented or otherwise modified from time to time) dated as of the Senior Loan Effective Date.

“**Senior Loan Amount**” has the meaning set forth on the Summary of Loan Terms.

“**Senior Loan Documents**” means (a) the Senior Note, (b) the Senior Instrument and (c) any other document executed in connection with the loan evidenced by the Senior Note, including any Multifamily Loan and Security Agreement (and any schedules, exhibits and/or other addenda) (as may be amended, restated, replaced, supplemented or otherwise modified from time to time), each dated as of the Senior Loan Effective Date.

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

“**Senior Note**” means that certain Multifamily Note (and any schedules) in the original principal amount of the Senior Loan Amount, dated as of the Senior Loan Effective Date (as may be amended, restated, replaced, supplemented or otherwise modified from time to time) made by Borrower and payable to the order of Lender.

1. The following sections are hereby added to the Security Instrument as Sections [\_\_\_] through [\_\_]:

**[\_\_.] Subordinate Mortgage.**

Notwithstanding any provisions of this Security Instrument or any other Loan Document to the contrary, it is understood and agreed that the lien, terms, covenants and conditions of this Security Instrument are and shall be subordinate in all respects, including in right of payment, to the indebtedness evidenced by the Senior Note and secured by the Senior Instrument and further evidenced and secured by the Senior Loan Documents.

**[\_\_.]** **Cross-Default.**

If Borrower is in default (a) under any Senior Loan Document or (b) under any promissory note evidencing a loan subordinate to the loan secured by this Security Instrument, which default remains uncured after the applicable cure period, if any, such default shall constitute an Event of Default under the Note, the Loan Agreement and this Security Instrument. The occurrence of an Event of Default under the Note, the Loan Agreement or this Security Instrument shall constitute an Event of Default under the Senior Loan Documents.

**[\_\_.] Parties’ Intent Regarding Merger.**

Borrower waives the application of the doctrine of merger as applied to any foreclosure affecting the Mortgaged Property (or other manner of obtaining title to the Mortgaged Property) and agrees that such doctrine shall not affect the enforceability of any obligation described in this Security Instrument, the Loan Agreement or any Loan Document. It is the intent of the parties hereto that:

(a) in the event that Lender or any of Lender’s successors, assigns or transferees, obtains title to the Mortgaged Property pursuant to this Security Instrument (by virtue of a foreclosure sale, a deed in lieu of foreclosure or otherwise) and such party is also or subsequently becomes the holder of the Senior Note and the Senior Loan Documents, such party’s title interest and lien interest SHALL NOT merge so as to effect an extinguishment of the Senior Instrument or any indebtedness secured by or evidenced by the Senior Note or the Senior Loan Documents;

(b) in the event that the holder of the Senior Note obtains title to the Mortgaged Property pursuant to the Senior Instrument (by virtue of a Foreclosure Event) and such party is also or subsequently becomes the holder of the Note, this Security Instrument and the Loan Agreement, such party’s title interest and lien interest SHALL NOT merge so as to effect an extinguishment of any indebtedness secured by or evidenced by this Security Instrument, the Note or the Loan Agreement; and

(c) that no course of conduct by Borrower, Lender or the holder of the Senior Note and Senior Loan Documents, or any of their successors, assigns or transferees subsequent to the date hereof shall be used to demonstrate any intent contrary to the express intent stated herein.

**[\_\_.] First Lien Position Upon Payoff of Senior Note.**

In the event that the Senior Note is paid in full or the Senior Instrument is released of record prior to the payment in full of this Mortgage Loan and release of this Security Instrument then, unless otherwise approved by Lender, this Security Instrument shall automatically become a first lien instrument secured by the Mortgaged Property. In such event, Borrower shall provide an endorsement to the Title Policy, or other evidence satisfactory to Lender, evidencing such first lien position.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Borrower Initials