**DEFEASANCE ASSIGNMENT AND ASSUMPTION AGREEMENT**

ThisDEFEASANCE ASSIGNMENT AND ASSUMPTION AGREEMENT (the “**Agreement**”) dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Defeasance Closing Date**”), is executed by and among (i) **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“**Borrower**”), (ii)**Multifamily Collateral Corporation**, a Delaware corporation, having its principal place of business in Washington, DC (“**Successor Borrower**”), and (iii) **FANNIE MAE**, the corporation duly organized under the Federal National Mortgage Association Charter Act, as amended, 12 U.S.C. §1716 et seq. and duly organized and existing under the laws of the United States (“**Fannie Mae**”).

**RECITALS:**

A. Pursuant to that certain Multifamily Loan and Security Agreement dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, executed by and between Borrower and \_\_\_\_\_\_\_\_\_\_\_\_ (“**Prior Lender**”) (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”), Prior Lender made a loan to Borrower in the original principal amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_/100 Dollars ($\_\_\_\_\_\_\_\_\_) (the “**Mortgage** **Loan**”), as evidenced by, among other things, that certain Multifamily Note dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, executed by Borrower and made payable to Prior Lender in the amount of the MortgageLoan (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Note**”).

B. In addition to the Loan Agreement, theMortgage Loan and the Note were also originally secured by a certain Multifamily Mortgage, Deed of Trust or Deed to Secure Debt dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_ (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Security Instrument**”), granting a lien on certain improved real property located in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Property**”).

C. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (whether one or more, “**Guarantor**”) has liability under the Guaranty of Non-Recourse Obligations executed in connection with the Mortgage Loan (the “**Guaranty**”). The Note, Security Instrument, Loan Agreement, Guaranty and all other documents executed in connection with or securing Borrower’s obligations under the Loan Agreement and the Note are hereinafter referred to as the “**Loan Documents**.”

D. Fannie Mae is now the holder of the Note and the mortgagee or beneficiary under the Security Instrument.

E. On the Defeasance Closing Date, but immediately before the execution and delivery of this Agreement, Borrower (i) purchased the investment securities described on Exhibit A to this Agreement (the “**Investment Securities**”), and (ii) pledged the Investment Securities to Fannie Mae as substituted collateral for the Note pursuant to a Pledge Agreement (the “**Pledge Agreement**”), and, in consideration therefor, Fannie Mae released the Security Instrument as a lien on the Property. Fannie Mae now is in possession of, and holds a perfected lien of first priority on, the Investment Securities.

F. Borrower is willing to transfer the Investment Securities to Successor Borrower, subject to the lien and security interest under the Pledge Agreement, as consideration for Successor Borrower’s assumption of all liabilities and obligations of Borrower under the Note and the Pledge Agreement (collectively, “**Borrower’s Obligations**”). Successor Borrower is willing to accept the transfer of the Investment Securities, subject to the lien and security interest in favor of Fannie Mae pursuant to the Pledge Agreement, and to assume Borrower’s Obligations. In consideration of Successor Borrower’s assumption of Borrower’s Obligations, Fannie Mae is willing to release Borrower from Borrower’s Obligations and to release Guarantor from all liabilities and obligations of Guarantor under the Loan Documents (collectively, “**Guarantor’s Obligations**”).

**AGREEMENTS:**

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Successor Borrower and Fannie Mae agree as follows:

1. **Recitals**.

The recitals set forth above are incorporated herein by reference.

1. **Capitalized Terms**.

Capitalized terms used and not specifically defined herein shall have the meanings given to such terms in the Loan Agreement. The following term, when used in this Agreement, shall have the following meaning:

“**Next Scheduled P&I Payment**” means the monthly installment of principal and interest due under the Note on the first (1st) day of the first (1st) calendar month after the date of this Agreement.

1. **Transfer of Investment Securities**.

Concurrently with the execution and delivery of this Agreement, Borrower hereby transfers, assigns and conveys all of its right, title and interest in the Investment Securities to Successor Borrower, subject to the lien and security interest in favor of Fannie Mae pursuant to the Pledge Agreement. Successor Borrower hereby acknowledges that it is accepting the Investment Securities subject to the lien and security interest in favor of Fannie Mae under the Pledge Agreement and agrees to perform all covenants, conditions and obligations required of Borrower under said Pledge Agreement.

1. **Payment of Additional Monthly Installment**.

Concurrently with the execution and delivery of this Agreement, Borrower is paying to Fannie Mae an amount equal to Next Scheduled P&I Payment in immediately available funds to an account designated by Fannie Mae. Fannie Mae hereby acknowledges receipt of the Next Scheduled P&I Payment. Fannie Mae shall apply the Next Scheduled P&I Payment to the monthly installment of principal and interest due under the Note on the first (1st) day of the first (1st) calendar month after the date of this Agreement.

1. **Assumption of Borrower’s Obligations**.

Successor Borrower hereby assumes and agrees to pay, perform and discharge Borrower’s Obligations. Successor Borrower’s assumption of Borrower’s Obligations is intended to constitute a third party beneficiary contract for the benefit of Fannie Mae and Fannie Mae shall have the right to proceed directly against Successor Borrower in enforcing Borrower’s Obligations.

1. **Release of Borrower’s Obligations and Guarantor’s Obligations**.
	1. Except as provided in Section 6(b) below, Fannie Mae hereby  waives any and all causes of action, claims and other demands of any kind or character which it may presently have against Borrower and Guarantor, or any of them, under the Loan Agreement, the Note and all other Loan Documents, and forever releases and discharges Borrower and Guarantor from any and all claims, liabilities and obligations, owing or claimed to be owing (whether fixed or contingent and whether known or unknown) as of the date of this Agreement by Borrower or Guarantor, or any of them, under the Loan Agreement, the Note and all other Loan Documents.
	2. The releases contained in Section 6(a) above shall not release Borrower or Guarantor from any claim or action arising out of a misrepresentation or breach of warranty by Borrower and Guarantor under this Agreement, or any obligation that survives such release as specifically set forth in the Guaranty, the Environmental Indemnity Agreement by and between Borrower and Prior Lender dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **[DRAFTING NOTE: INSERT DATE OF ENVIRONMENTAL INDEMNITY AGREEMENT]**, or any other Loan Document.
	3. Fannie Mae shall add the following legend to the Note:

Borrower has been released from its obligations under this Note and Multifamily Collateral Corporation, a Delaware corporation, has assumed Borrower’s obligations under this Note pursuant to an Assignment and Assumption Agreement dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **[DRAFTING NOTE: INSERT DATE OF assignment and assumption AGREEMENT]**.

1. **Borrower’s Representations and Warranties**.

Borrower makes the following representations and warranties to Successor Borrower and Fannie Mae for the purpose of inducing them to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement:

* 1. **Organization**.

Borrower is qualified to transact business and is in good standing in the state in which it is formed or organized, the Property Jurisdiction and in each other jurisdiction that qualification or standing is required according to applicable law to conduct its business with respect to the Property and where the failure to be so qualified would adversely affect Borrower’s operation of the Property or the validity, enforceability or the ability of Borrower to perform its obligations under this Agreement or any other Loan Document.

* 1. **Authorization**.

The individuals who are signing and delivering this Agreement on behalf of Borrower have been duly authorized to do so in accordance with the documents and instruments pursuant to which Borrower is organized and which govern the conduct of Borrower’s business.

* 1. **No Conflicting Agreements**.

The execution and delivery by Borrower of, and the performance by Borrower with the terms and provisions of, this Agreement do not violate any of the terms, conditions or provisions of, or constitute a default under, the documents and instrument pursuant to which Borrower is organized, any judgment, order, injunction, decree, regulation or ruling of any court or other governmental authority to which Borrower or the Property is subject, or any agreement or contract to which Borrower is a party or to which Borrower or the Property is subject.

* 1. **Approvals**.

No authorization, consent, order, approval or license from, filing with, or other act by any governmental authority or other person is or will be necessary to permit the valid execution and delivery by Borrower of this Agreement or the performance by Borrower of its obligations under this Agreement.

* 1. **Absence of Bankruptcy**.

Borrower has not commenced (within the meaning of any Insolvency Law) a voluntary case, consented to the entry of an order for relief against it in an involuntary case, or consented to the appointment of a receiver or custodian of it or for any part of its property, nor has a court of competent jurisdiction entered an order or decree under any Insolvency Law that is for relief against it in an involuntary case or appoints a receiver or custodian for Borrower or any part of its Property.

1. **Entire Agreement**.

This Agreement contains the entire agreement between the parties relating to the subject matter thereof, all prior negotiations between the parties are merged by this Agreement and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them other than as set forth in this Agreement.

1. **Construction.**
	1. The captions and headings of the sections of this Agreement are for convenience only and shall be disregarded in construing this Agreement and the Loan Documents.
	2. Any reference in this Agreement to an “Exhibit” or “Schedule” or a “Section” or an “Article” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Agreement or to a Section or Article of this Agreement.
	3. Any reference in this Agreement to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.
	4. Use of the singular in this Agreement includes the plural and use of the plural includes the singular.
	5. As used in this Agreement, the term “including” means “including, but not limited to” or “including, without limitation,” and is for example only and not a limitation.
	6. Whenever Borrower’s knowledge is implicated in this Agreement or the phrase “to Borrower’s knowledge” or a similar phrase is used in this Agreement, Borrower’s knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower’s knowledge after reasonable and diligent inquiry and investigation.
	7. Unless otherwise provided in this Agreement, if Lender’s approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender’s sole and absolute discretion.
	8. All references in this Agreement to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.
	9. “Lender may” shall mean at Lender’s discretion, but shall not be an obligation.
2. **Counterparts.**

This Agreement may be executed in any number of counterparts with the same effect as if the parties hereto had signed the same document and all such counterparts shall be construed together and shall constitute one instrument.

1. **Benefit and Burden**.

All terms of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the respective personal representatives, heirs, successors and assigns of the parties hereto.

1. **Governing Law**.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE DISTRICT OF COLUMBIA.

**[Remainder of Page Intentionally Blank]**

IN WITNESS WHEREOF, Borrower, Successor Borrower and Fannie Mae have signed and delivered this Agreement under seal (where applicable) or have caused this Agreement to be signed and delivered under seal (where applicable) by their duly authorized representatives. Where applicable law so provides, Borrower, Successor Borrower and Fannie Mae intend that this Agreement shall be deemed to be signed and delivered as a sealed instrument.

**BORROWER**

By: (SEAL)

Name:

Title:

**SUCCESSOR BORROWER**

**MULTIFAMILY COLLATERAL CORPORATION**, a Delaware corporation

By: (SEAL)

Name:

Title:

**FANNIE MAE**

By: (SEAL)

Name:

Title:

**EXHIBIT A**

**TO**

**DEFEASANCE ASSIGNMENT AND ASSUMPTION AGREEMENT**

**DESCRIPTION OF INVESTMENT SECURITY(IES)**