

[DRAFTING NOTE: FOR USE WITH AN MHC WHERE TENANT-OCCUPIED HOMES MAY BE OWNED BY BORROWER OR BORROWER AFFILIATE AND NO LOAN PROCEEDS ARE BASED ON RENT FROM LEASING ANY BORROWER OWNED OR BORROWER AFFILIATE-OWNED MANUFACTURED HOME (OTHER THAN SITE LEASE RENT).]

EXHIBIT []

**MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT
(Manufactured Housing Community)**

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:

“Borrower’s Affiliate-Owned Homes” means, individually and collectively, any Manufactured Homes leased or available for lease to residential tenants now or hereafter owned by a Borrower Affiliate.

“Borrower-Owned Homes” has the meaning set forth in the Security Instrument.

“Community” means the manufactured housing community known as the Manufactured Community Name, located on the Mortgaged Property, owned and operated by Borrower, consisting of approximately the Number of Sites (inclusive of the Number of MH Sites identified on the Summary of Loan Terms), and related amenities, landscaping, roads and infrastructure.

“~~Home Owner~~Dwelling Units” means any unit or space in Improvements located on the Mortgaged Property, other than a Manufactured Home, and leased or available for lease to residential tenants.

“First Anniversary” means the first day after the end of the first Loan Year.

“Homeowner” means a Person, other than Borrower or Borrower Affiliate, who owns a Manufactured Home located or to be located in the Community.

“Implementation Failure” has the meaning set forth in Section 7.03(c)(2).

“Implementation Requirement” has the meaning set forth in Section 7.03(c)(1).

“Manufactured Community Name” has the meaning set forth in the Summary of Loan Terms.

“Manufactured Home” has the meaning set forth in the Security Instrument.

“MH Lease” means a residential Lease for the occupancy of a Manufactured Home.

“MH Site” has the meaning set forth in the Security Instrument.

“MH Site Lease” means a residential Lease of a Site for a Manufactured Home.

“MH Site Lease Protection Payment” has the meaning set forth in the Summary of Loan Terms.

“MH Site Lease Protections” means the applicable rights afforded to an MH Site Lessee, through an MH Site Lease that includes the following minimum benefits (or such greater benefits as may be required by applicable federal, state, or local law):

(a) _____ has an MH Site Lease term of not less than one (1) year, renewable ~~at the tenant’s election~~ MH Site Lessee’s election, unless there is good cause for nonrenewal (including, but not limited to, ~~(i) the tenant~~ (1) MH Site Lessee being in default under the Residential Lease for a Site MH Site Lease at the time of renewal, ~~(ii) the tenant~~ (2) MH Site Lessee’s serious or repeated violation of the material terms and conditions of the Residential Lease for a Site, or ~~(iii) the tenant~~ MH Site Lease, or (3) MH Site Lessee’s violation of applicable federal, state, or local law); ~~provided, however,~~ (provided, however, this Section (a) shall not apply to any lease, license, or other rental agreement with respect to recreational vehicles having a term of less than one (1) month; such lease, license, or other rental agreement being a non-Material Commercial Lease);

(b) _____ contains a provision that requires Borrower to give MH Site Lessee not less than thirty (30) days’ written notice prior to an increase in the rent payable thereunder; ~~under the MH Site Lease~~;

(c) _____ contains a provision that provides for a minimum five (5) day grace period for the non-payment of rent under the MH Site Lease, and the right for MH Site Lessee to cure defaults on rent payments within any applicable cure period set forth in the MH Site Lease, and if such MH Site Lease does not provide for a cure period for defaults on rent payments, then within ten (10) days of the expiration of the foregoing grace period;

(d) _____ contains a provision that allows any Homeowner the right to (1) sell the Manufactured Home without the obligation to first relocate it out of the Community, (2) sublease or assign the MH Site Lease (for the unexpired term remaining) to a purchaser of its or sublessee of the Manufactured Home without any unreasonable restraint, provided the purchaser such purchaser or sublessee

otherwise satisfies the Rules and Regulations and all of Borrower’s then-applicable credit requirements, (iii) and background check requirements, (3) post “for sale” signs on the Site, provided, such signs comply with the Rules and Regulations, and (iv) sell its 4) sell the Manufactured Home in place within forty-five (45) days after eviction and, during such forty-five (45) day period, Borrower shall allow the Manufactured Home to remain on the Site and connected to public and private utilities; provided, however, nothing in this Section 7.02(a)(6)(D)(iv)(d) shall preclude Borrower from exercising any other right or remedy available against a tenant under applicable law; and

(e) contains provisions that require Borrower to give MH Site Lessee at least sixty (60) days’ written notice of a planned sale or closure of the Community.

“MH Site Lessee” means, individually and collectively, any Homeowner or tenant in possession of a Manufactured Home.

“National Manufactured Home Standards” has the meaning set forth in the Security Instrument.

“Non-Traditional Entity” means the entity identified in the Summary of Loan Terms, if any.

“Number of Sites” has the meaning set forth in the Summary of Loan Terms. “Number of MH Sites” means the total number of MH Sites on the Mortgaged Property as identified in the Summary of Loan Terms.

“Number of Sites” the total number of Sites on the Mortgaged Property as identified in the Summary of Loan Terms.

“R&R Site Lease Protection Implementation Requirements” means the following requirements in the event that MH Site Lease Protections have been or will be implemented through the Rules and Regulations in compliance with Section 7.02(a)(6): (a) the Rules and Regulations with the MH Site Lease Protections must be posted in a conspicuous, public location within the Mortgaged Property, and (b) Borrower must notify each MH Site Lessee individually in writing (e.g. via a flyer under the door or in the mailbox) that the Rules and Regulations include the MH Site Lease Protections, and such writing must state that the MH Site Lease Protections will inure to the benefit of each MH Site Lessee.

“Rules and Regulations” means written rules and regulations governing tenant conduct for the Community.

“RV Site” means a lot on the Mortgaged Property leased or anticipated to be leased to a recreational vehicle (inclusive of any “park model recreational vehicle”).

“**Site**” has the meaning set forth in the Security Instrument.

“**Site Lease**” means, individually and collectively, any (a) MH Site Lease, and (b) residential Lease of a Site for a recreational vehicle.

[DRAFTING NOTE: INSERT THE FOLLOWING DEFINITIONS IN THE APPROPRIATE ALPHABETICAL ORDER IF A SEASONAL WORKING CAPITAL RESERVE IS REQUIRED AT INITIAL CLOSING:

“**Initial Deposits**” has the meaning set forth in the Summary of Loan Terms.

“**Prepaid Rents**” means the total aggregate annualized amount of Rents paid more than thirty (30) days in advance of the applicable “due dates.”

“**Reserve Determination Date**” means the eleventh (~~11th~~) day of each month during the Loan Term.

“**Seasonal Working Capital Contribution**” means the amount determined by Lender in the exercise of Lender’s sole discretion, but in any event not less than the total annualized amount of the Prepaid Rents.

“**Seasonal Working Capital Reserve Account**” means the escrow account established by Borrower under the Seasonal Working Capital Reserve Agreement.

“**Seasonal Working Capital Reserve Agreement**” means that certain Seasonal Working Capital Reserve Fund and Security Agreement executed by and between Borrower and Lender dated as of the Effective Date.

“**Seasonal Working Capital Reserve Funds**” means, collectively, the Initial Deposit and all other funds deposited in the Seasonal Working Capital Reserve Account.]

3. Section 3.02(a) (Personal Liability of Borrower (Exceptions to Non-Recourse Provision) – Personal Liability Based on Lender’s Loss) of the Loan Agreement is hereby amended by adding the following to the end thereof:

([]) failure to timely pay the MH Site Lease Protection Payment pursuant to Section 7.03(c)(2).

4. Section 4.01(a) (Borrower Status – Representations and Warranties – Due Organization and Qualification; Organizational Agreements) of the Loan Agreement is hereby amended by adding the following to the end thereof:

If applicable, Borrower is a Non-Traditional Entity as identified in the Summary of Loan Terms.

5. ~~3.~~ Section 4.01(h) (Borrower Status – Representations and Warranties – Borrower Single Asset Status) of the Loan Agreement is hereby amended by adding the following provision to the end thereof:

[DRAFTING NOTE: INCLUDE IF THERE ARE NO BORROWER-OWNED HOMES AS OF THE EFFECTIVE DATE:]

([]) does not engage in the ownership, retail sale or financing of Manufactured Homes and does not rent (other than the ownership of a *de minimus* number of Borrower-Owned Manufactured Homes under Leases(A) which provide are occupied only by an on-site property manager and are not otherwise leased or (B) for a short period following a tenant eviction); and

([]) does not include any provision in any MH Site Lease which provides that, upon payment of the stipulated rent or a nominal charge, Borrower shall convey title to the Manufactured Home shall convey or be conveyed to the lessee.]

4. ~~4.~~ **[DRAFTING NOTE: INSERT THE FOLLOWING IF NON-TRADITIONAL MHC OWNERSHIP IS REQUIRED: INCLUDE IF THERE ARE BORROWER-OWNED HOMES AS OF THE EFFECTIVE DATE:]**

([]) does not engage in the retail sale or financing of Manufactured Homes; and

([]) does not include any provision in the MH Site Lease which provides that, upon payment of the stipulated rent or a nominal charge, title to the Manufactured Home shall convey or be conveyed to the lessee.]

6. Section 4.014.02(a)(1) (Borrower Status – ~~Representations and Warranties – Due Organization and Qualification Covenants – Maintenance of Existence; Organizational Agreements Documents~~) of the Loan Agreement is hereby ~~deleted and restated in its entirety to read~~ amended by amending and restating the first sentence as follows:

(1) ~~Borrower is a non-profit organization, validly existing and qualified to transact business, and in good standing in:~~

(A) ~~the state in which it is formed or organized;~~

(B) ~~the Property Jurisdiction; and~~

(C) ~~each other jurisdiction that qualification or good standing is required according to applicable law to conduct its~~

~~business with respect to the Mortgaged Property and where the failure to be so qualified or in good standing would adversely affect Borrower's operation of the Mortgaged Property or the validity, enforceability or the ability of Borrower to perform its obligations under this Loan Agreement or any other Loan Document.]~~

~~If Borrower is a Non-Traditional Entity, at all times during the Loan Term, Borrower shall maintain its existence, franchises, rights, and privileges and entity status as a non-profit organization under the laws of the state of its formation or organization (as applicable) as the Non-Traditional Entity identified in the Summary of Loan Terms.~~

~~7.~~ ~~5.~~ Section 4.02(d) (Borrower Status – Covenants – Borrower Single Asset Status) of the Loan Agreement is hereby amended by adding the following new language at the end thereof:

~~In particular, and without limiting the foregoing, Borrower is not and~~

[DRAFTING NOTE: INCLUDE IF THERE ARE NO BORROWER-OWNED HOMES AS OF THE EFFECTIVE DATE:]

~~([]) shall not engage in the ownership, retail sale or financing of Manufactured Homes. Borrower shall not rent (other than the ownership of a *de minimus* number of Borrower-Owned Manufactured Homes (A) which are occupied only by an on-site property manager and are not otherwise leased or (B) for a short period following a tenant eviction); and~~

~~([]) shall not enter into an MH Site Lease which provides that, upon payment of the stipulated rent or a nominal charge, title to the Manufactured Home shall convey or be conveyed to the lessee.]~~

[DRAFTING NOTE: INCLUDE IF THERE ARE BORROWER-OWNED HOMES:]

~~([]) shall not engage in the retail sale or financing of Manufactured Homes under Leases which; and~~

~~([]) shall not permit any MH Site Lease to provide that, upon payment of the stipulated rent or a nominal charge, Borrower shall convey title to the Manufactured Home shall convey or be conveyed to the lessee.~~

~~[DRAFTING NOTE: INSERT THE FOLLOWING IF NON-TRADITIONAL MHC OWNERSHIP IS REQUIRED: In addition, Borrower shall maintain its existence and entity status as a non-profit organization under the laws of the state of its formation or organization (as applicable) at all times during the Loan Term.]~~

8. ~~6.~~ Section 6.01 (Property Use, Preservation and Maintenance – Representations and Warranties) of the Loan Agreement is hereby amended by adding the following provisions to the end thereof:

() Manufactured Housing Community.

(1) The Community is located on the Mortgaged Property and is owned and operated by Borrower;

(2) construction of the Community is complete;

(3) the Community complies with all local, state and federal laws and regulations governing Manufactured Homes and manufactured home communities;

(4) all public and private utilities on the Mortgaged Property comply with local conditions and code requirements;

(5) the Community has paved roads;

(6) the Community consists of approximately the Number of Sites and approximately the Number of MH Sites;

(7) the Community has at least fifty (50) MH Sites;

(8) a minimum of fifty percent (50%) of existing MH Sites accommodate double wide Manufactured Homes in compliance with local zoning and ordinances;

(9) the percentage of all tenant-occupied Manufactured Homes (inclusive of any Borrower-Owned Homes, Borrower Affiliate-Owned Homes and any other tenant-occupied Manufactured Homes) does not exceed twenty-five percent (25%) of all Manufactured Homes at the Mortgaged Property;

(10) **[DRAFTING NOTE: INCLUDE IF THERE ARE BORROWER-OWNED HOMES AS OF THE EFFECTIVE DATE: Borrower has clear title to ~~the~~all Borrower's-Owned Homes; all Manufactured Homes owned by Borrower are located on the Mortgaged Property, and the total number of Borrower-Owned Homes at the Mortgaged Property is set forth in the Summary of Loan Terms.] OR [DRAFTING NOTE: INCLUDE IF THERE ARE NO BORROWER HOMES AS OF THE EFFECTIVE DATE: there are no Borrower-Owned Homes.]**

~~(11)~~ no Borrower's

(11) [DRAFTING NOTE: INCLUDE IF THERE ARE BORROWER AFFILIATE-OWNED HOMES AS OF THE EFFECTIVE DATE: the total number of Borrower Affiliate-Owned Homes at the Mortgaged Property is set forth in the Summary of Loan Terms;] OR [DRAFTING NOTE: INCLUDE IF THERE ARE NO BORROWER AFFILIATE-OWNED HOMES AS OF THE EFFECTIVE DATE: there are no Borrower Affiliate-Owned Homes;]

(12) no Borrower-Owned Home, if any, is subject to any Lien, claim (including condemnation proceedings or the total or partial taking of the Improvements, the Fixtures, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof), or encumbrance other than Lender's lien and Permitted ~~Liens~~ Encumbrances;

~~(13)~~ all Manufactured Homes in the Community conform to the requirements of the ~~federal~~ National Manufactured Home Construction And Safety Standards of 1974 (42 U.S.C. chap. 70; 24 C.F.R. Part 3280); provided, however, to the extent any Manufactured Homes located on the Mortgaged Property on the Effective Date were constructed before 1974 and are "grandfathered" in and not subject to and do not conform to the requirements of the National Manufactured Home Standards, such Manufactured Homes comply with all local, state and federal safety requirements;

~~(14)~~ all Manufactured Homes are professionally skirted;

~~(15)~~ hitches on all Manufactured Homes are concealed;

~~(16)~~ the Community has a minimum of two (2) paved parking spaces per MH Site, which may be on or off-street, as permitted by local ordinance;

~~(17)~~ *check if applicable:* the Community has a septic system or a private treatment plant system that (A) has passed an inspection by a qualified engineer, (B) does not have a record of operating violations, (C) has required licensing, and (D) is not owned by a separate entity;

~~(18)~~ *check if applicable:* applicable law requires public sewer hookup, and the Community has established a special escrow to cover all hook-up costs including tap fees; and

(1819) *check if applicable:* applicable law requires public water hookup, and the Community has established a special escrow to cover all hook-up costs including tap fees, or the Community has a private water well system that (A) has passed an inspection by a qualified engineer, (B) does not have a record of operating violations, (C) has required licensing, and (D) is not owned by a separate entity.

() Operation of the Community.

~~(1) Borrower does not engage in the retail sale or financing of Manufactured Homes;~~

~~(2) Borrower does not rent Manufactured Homes under Leases providing that upon payment of the stipulated rent or a nominal charge, Borrower shall convey title to the Manufactured Home to the lessee;~~

~~(3) the~~

(1) The Community has Rules and Regulations that are appropriate and enforceable and maintain the viability and physical condition of the Community;

~~(4) each Lease arises from a bona fide lease of a Site to a Home Owner or a tenant in possession of a Borrower's Home;~~ 2) [DRAFTING NOTE: LENDER TO CONFIRM LEASE STRUCTURE AND DISCUSS WITH FANNIE MAE IMMEDIATELY IF BORROWER CANNOT MAKE THIS REP AND/OR IF BORROWER AFFILIATE OWNS ANY MANUFACTURED HOMES AND THERE IS ONLY ONE LEASE FOR BOTH SITE AND HOME OR ONLY ONE RENT CHECK: each MH Site Lease arises from a bona fide lease to an MH Site Lessee and runs solely to Borrower as Landlord;]

(3) [DRAFTING NOTE: LENDER TO CONFIRM LEASE STRUCTURE AND DISCUSS WITH FANNIE MAE IMMEDIATELY IF BORROWER CANNOT MAKE THIS REP AND/OR IF BORROWER AFFILIATE OWNS ANY MANUFACTURED HOMES AND THERE IS ONLY ONE LEASE FOR BOTH SITE AND HOME OR ONLY ONE RENT CHECK: each tenant in possession of a Manufactured Home has entered into an MH Lease for such Manufactured Home and a separate MH Site Lease for the MH Site upon which the Manufactured Home is located, and each MH Lease of a Borrower-Owned Home or Borrower Affiliate-Owned Home, as applicable arises from a bona fide lease of the Manufactured Home to a tenant in

possession;] OR [DRAFTING NOTE: IF APPROVED BY FANNIE MAE, INSERT IF THE TENANT EXECUTES A SINGLE LEASE FOR BOTH THE MH SITE LEASE AND THE MH LEASE: Rent payable under any Lease that covers both an MH Site and a Manufactured Home is payable to and deposited by Borrower;] [DRAFTING NOTE: DISCUSS WITH FANNIE MAE WHETHER LOCK BOX OR CASH MANAGEMENT MAY BE NEEDED]]

(~~5~~4) there are (A) no other agreements between Borrower and a Home Owner/Homeowner other than the MH Site Lease and the Rules and Regulations, and (B) no other agreements between Borrower and a tenant in possession of Manufactured Home other than the MH Site Lease, the MH Lease of a Borrower-Owned Home (if applicable), and the Rules and Regulations; and

(~~6~~5) Borrower has complied with (and, if there are any Borrower Affiliate-Owned Homes, has caused Borrower Affiliate to comply with) all laws and regulations applicable to (A) each Home Owner's/the application for credit, of each Homeowner (or tenant in possession of a Borrower-Owned Home, a Borrower Affiliate-Owned Home, or a Dwelling Unit or an owner or tenant in possession of a recreational vehicle as applicable), (B) the advertising, making and servicing of each MH Site Lease and any MH Lease (if applicable), and (C) the development, ownership and operation of the Community, including but not limited to the Federal Trade Commission Act and all rules and regulations promulgated thereunder; 24 C.F.R. Part 201 concerning manufactured home location standards/the National Manufactured Home Standards; the Equal Credit Opportunity Act and all rules and regulations promulgated thereunder; the Fair Credit Reporting Act and all rules and regulations promulgated thereunder; the Fair Housing Act and all rules and regulations promulgated thereunder; the Real Estate Settlement Procedures Act, and all other applicable Federal, state, and local laws, regulations, rules, and ordinances, as any of the foregoing from time to time may be amended.

9. Section 6.02(a)(2) (Property Use, Preservation and Maintenance – Covenants – Use of Property) of the Loan Agreement is hereby deleted and restated in its entirety to read as follows:

(2) convert any individual dwelling units or common areas to commercial use, convert any common area or commercial use to individual dwelling units, convert any MH Site to an RV Site or convert any RV Site to an MH Site;

10. ~~7.~~ Section 6.02 (Property Use, Preservation and Maintenance – Covenants) of the Loan Agreement is hereby amended by adding the following provision to the end thereof:

([]) Location of Mortgaged Property; Site Stability.

(1) ~~Until all amounts owed under the Loan Documents are paid in full, the~~ Any Borrower's-Owned Homes shall be located on the Mortgaged Property, ~~at the Multifamily Project Address;~~

(2) ~~Borrower shall not move the~~ Borrower's Homes-Owned Home from the Site Mortgaged Property without Lender's prior written ~~permission, nor shall consent,~~ and any Manufactured Home owned by Borrower shall be located on the Mortgaged Property;

(2) Borrower shall not permit any Manufactured Home which is not among the Borrower's Homes-Owned Home to be moved from ~~the~~ Site, except in accordance with the terms of the MH Site Lease for the Site of such Manufactured Home;

(3) the Community shall be located on the Mortgaged Property and shall be owned and operated by Borrower;

(4) the Community shall comply with all local, state and federal laws and regulations governing Manufactured Homes and manufactured home communities;

(5) all public and private utilities on the Mortgaged Property shall comply with local conditions and code requirements;

(6) the Community shall have paved roads;

(7) the Community shall consist of approximately the Number of Sites and the Number of MH Sites;

(8) the Community shall have at least fifty (50) MH Sites;

(9) a minimum of fifty percent (50%) of existing MH Sites shall accommodate double wide Manufactured Homes in compliance with local zoning and ordinances;

(10) the percentage of all tenant-occupied Manufactured Homes (inclusive of any Borrower-Owned Homes, Borrower Affiliate-Owned Homes, and any other tenant-occupied Manufactured Homes) shall not exceed twenty-five percent (25%) of all Manufactured Homes at the Mortgaged Property;

(11) Borrower shall have clear title to ~~the~~ each Borrower's Homes-Owned Home;

(12) no Borrower's-Owned Home shall be subject to any Lien, claim (including condemnation proceedings or the total or partial taking of the Improvements, the Fixtures, the Personalty, or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof), or encumbrance other than Lender's lien and Permitted Liens Encumbrances;

(13) all Manufactured Homes in the Community shall conform to the requirements of the ~~federal~~ National Manufactured Home Standards; provided, however, to the extent any Manufactured Homes located on the Mortgaged Property were constructed before 1974 and are "grandfathered" in and not subject to and do not conform to the requirements of the National Manufactured Home Standards, such Manufactured Homes comply with all local, state and federal safety requirements; provided further, however, Borrower shall not permit any new or replacement Manufactured Homes to be added or replaced at a Mortgaged Property after the Effective Date that do not conform to the then current requirements of the National Manufactured Home Construction And Safety Standards of 1974 (42 U.S.C. chap. 70; 24 C.F.R. Part 3280);

(14) all Manufactured Homes shall be professionally skirted;

(15) hitches on all Manufactured Homes shall be concealed;

(16) the Community shall have a minimum of two (2) paved parking spaces per MH Site, which may be on or off-street, as permitted by local ordinance;

~~(17) Borrower shall not engage in the retail sale or financing of Manufactured Homes;~~

~~(18) Borrower shall not rent Manufactured Homes under Leases providing that upon payment of the stipulated rent or a nominal charge, Borrower shall convey title to the Manufactured Home to the lessee;~~

~~(19)~~

(17) the Community shall have Rules and Regulations that are appropriate, enforceable, and shall maintain the viability and physical condition of the Community;

(18) [DRAFTING NOTE: LENDER TO CONFIRM LEASE STRUCTURE AND DISCUSS WITH FANNIE MAE IMMEDIATELY IF BORROWER CANNOT MAKE THIS COVENANT AND/OR IF BORROWER AFFILIATE OWNS ANY

MANUFACTURED HOMES AND THERE IS ONLY ONE LEASE FOR BOTH SITE AND HOME OR ONLY ONE RENT CHECK: each MH Site Lease shall arise from a bona fide lease to an MH Site Lessee and shall run solely to Borrower as Landlord;]

(19) ~~[[DRAFTING NOTE: LENDER TO CONFIRM LEASE STRUCTURE AND DISCUSS WITH FANNIE MAE IMMEDIATELY IF BORROWER CANNOT MAKE THIS COVENANT AND/OR IF BORROWER AFFILIATE OWNS ANY MANUFACTURED HOMES AND THERE IS ONLY ONE LEASE FOR BOTH SITE AND HOME OR ONLY ONE RENT CHECK: each tenant in possession of a Manufactured Home shall enter into an MH Lease for such Manufactured Home and a separate MH Site Lease for the MH Site upon which the Manufactured Home shall be located, and each MH Lease of a Borrower-Owned Home or Borrower Affiliate-Owned Home, as applicable shall arise from a bona fide lease of the Manufactured Home to a tenant in possession;] OR [DRAFTING NOTE: IF APPROVED BY FANNIE MAE, INSERT IF THE TENANT EXECUTES A SINGLE LEASE FOR BOTH THE MH SITE LEASE AND THE MH LEASE: Rent payable under any Lease that covers both an MH Site and a Manufactured Home shall be payable to and deposited by Borrower;] [DRAFTING NOTE: DISCUSS WITH FANNIE MAE WHETHER LOCK BOX OR CASH MANAGEMENT MAY BE NEEDED]]~~

(20) there shall be (A) no other agreements between Borrower and a ~~Home Owner~~Homeowner other than the MH Site Lease and the Rules and Regulations, and (B) no other agreements between Borrower and a tenant in possession of Manufactured Home other than the MH Site Lease, the MH Lease of a Borrower-Owned Home (if applicable), and the Rules and Regulations; and

(21) Borrower shall comply with (and, if applicable, shall cause Borrower Affiliate to comply with) all laws and regulations applicable to (A) ~~each Home Owner's~~the application for credit of each Homeowner (and each tenant in possession of a Borrower-Owned Home, a Borrower Affiliate-Owned Home, and a Dwelling Unit and each owner or tenant in possession of a recreational vehicle, as applicable), (B) the advertising, making and servicing of each Site Lease and any MH Lease (if applicable), and (C) the development, ownership and operation of the Community, including ~~but not limited to~~the Federal Trade Commission Act and all rules and regulations promulgated thereunder; ~~24 C.F.R. Part 201 concerning manufactured home location standards~~the National Manufactured Home Standards; the Equal Credit Opportunity Act and all rules and regulations promulgated thereunder; the Fair Credit Reporting Act and all rules and

regulations promulgated thereunder; the Fair Housing Act and all rules and regulations promulgated thereunder; the Real Estate Settlement Procedures Act, and all other applicable Federal, state, and local laws, regulations, rules, and ordinances, as any of the foregoing from time to time may be amended.

11. ~~8. [DRAFTING NOTE: INSERT THE FOLLOWING IF BORROWER HAS AGREED TO INCLUDE TENANT SITE LEASE PROTECTIONS IN THE REQUIRED PERCENTAGE OF RESIDENTIAL LEASES FOR SITES:]~~ A new Section 7.01(c) (MH Site Lease Protections) is hereby added to the Loan Agreement as follows:

(c) MH Site Lease Protections.

As of the Effective Date, at least _____ percent (____%) of all Residential Leases for Sites satisfy the requirements set forth under Section 7.02(a)(6) of this Loan Agreement. ~~[DRAFTING NOTE: INSERT THE ACTUAL PERCENTAGE OF SITE LEASES THAT COMPLY WITH THE SITE LEASE PROTECTIONS AT THE EFFECTIVE DATE.]~~ (1) the percentage of MH Site Leases at the Mortgaged Property that are subject to MH Site Lease Protections is identified on the Summary of Loan Terms, and (2) the MH Site Lease Protections for such MH Site Leases have been implemented directly in the MH Site Leases or indirectly through the Rules and Regulations in accordance with the R&R Site Lease Protection Implementation Requirements. If implemented through the Rules and Regulations, such MH Site Lease Protections are enforceable against Borrower by each MH Site Lessee as an intended third party beneficiary.

12. ~~9.~~ Section 7.02(a)(3) and Section 7.02(a)(4) (Leases) of the Loan Agreement are hereby deleted and restated in their entirety and a new Section 7.02(a)(5) ~~[DRAFTING NOTE: INSERT THE FOLLOWING IF BORROWER HAS AGREED TO INCLUDE TENANT SITE LEASE PROTECTIONS IN THE REQUIRED PERCENTAGE OF RESIDENTIAL LEASES FOR SITES:]~~ and Section 7.02(a)(6) ~~is~~ are hereby added as follows:

(3) require that all Residential Site Leases for Sites (A) comply with applicable law and (B) ~~[DRAFTING NOTE: INSERT THE FOLLOWING IF BORROWER HAS AGREED TO INCLUDE TENANT SITE LEASE PROTECTIONS IN THE REQUIRED PERCENTAGE OF RESIDENTIAL LEASES FOR SITES:]~~ except for Residential Leases for Sites that include the provisions in the required percentage under Section 7.02(a)(6), ~~]~~ have initial lease terms of not less than six (6) months and not more than twenty-four (24) months (however, if customary in the applicable market for properties comparable to the

Mortgaged Property, Residential Site Leases for Sites with terms of less than six (6) months (but in no case less than one (1) month) may be permitted with Lender's prior written consent), provided however, with respect to (B):

(i) Short-Term Rentals (regardless of the duration of the term) shall not be permitted unless otherwise expressly approved by Lender in writing, and

(ii) this Section 7.02(a)(3)(B) shall not apply to (x) any lease, license, or other rental agreement with respect to recreational vehicles having a term of less than one (1) month; such lease, license, or other rental agreement being a non-Material Commercial Lease; and (y) any MH Site Lease in compliance with the MH Site Lease Protections:

(4) not permit any Residential Site Lease for a Site to contain an option to purchase or right of first refusal to purchase or right of first offer to purchase (except when such option or right is required by applicable law); ~~and~~

(5) ~~(A)~~ promptly provide Lender a copy of any non-Residential Lease at the time such Lease is executed (subject to Lender's consent rights for Material Commercial Leases in Section 7.02(b) (Commercial Leases)) and, ~~(B)~~ upon Lender's written request, promptly provide Lender a copy of each Residential Site Lease and any MH Lease for a Site Borrower-Owned Home or Borrower Affiliate-Owned Home, if any (including any lease, license, or other rental agreement with respect to recreational vehicles, or Dwelling Units) then in effect. ~~;~~ and ~~}~~

~~{DRAFTING NOTE: INSERT THE FOLLOWING IF BORROWER HAS AGREED TO INCLUDE TENANT SITE LEASE PROTECTIONS IN THE REQUIRED PERCENTAGE OF RESIDENTIAL LEASES FOR SITES:~~

~~(6) require that at least [twenty-five percent (25%)] [fifty percent (50%)] of all Residential Leases for Sites:~~

~~(A) have lease terms of not less than one (1) year, renewable at the tenant's election unless there is good cause for nonrenewal (including, but not limited to, (i) the tenant being in default under the Residential Lease for a Site at the time of renewal, (ii) the tenant's serious or repeated violation of the material terms and conditions of the Residential Lease for a Site, or (iii) the tenant's violation of applicable federal, state, or local law); provided,~~

~~however, this Section 7.02(a)(6) shall not apply to any lease, license, or other rental agreement with respect to recreational vehicles having a term of less than one (1) month; such lease, license, or other rental agreement being a non-Material Commercial Lease;~~

~~(B) — contain provisions that require Borrower to give the tenant not less than thirty (30) days’ written notice prior to an increase in the rent payable thereunder;~~

~~(C) — contain provisions that provide for a five (5) day grace period for the non-payment of rent thereunder, and the right for the tenant to cure defaults on rent payments;~~

~~(D) — contain provisions that allow the tenant to (i) sell its Manufactured Home without the obligation to first relocate it out of the Community, (ii) sublease the Manufactured Home or assign its Residential Lease for a Site (for the unexpired term remaining) to a purchaser of its Manufactured Home without any unreasonable restraint, provided the purchaser otherwise satisfies the Rules and Regulations and all of Borrower’s then applicable credit requirements, (iii) post “for sale” signs on the Site, provided, such signs comply with the Rules and Regulations, and (iv) sell its Manufactured Home in place within forty five (45) days after eviction and, during such forty five (45) day period, Borrower shall allow the Manufactured Home to remain on the Site and connected to public and private utilities; provided, however, nothing in this Section 7.02(a)(6)(D)(iv) shall preclude Borrower from exercising any other right or remedy available against a tenant under applicable law; and~~

~~(E) — contain provisions that require Borrower to give the tenant at least sixty (60) days’ written notice of a planned sale or closure of the Community.~~

~~The requirements imposed by Section 7.02(a)(6) may be satisfied pursuant to provisions contained in the applicable Residential Lease for a Site or, to the extent permitted by applicable law, provisions contained in the Rules and Regulations.]~~

(6) as of the First Anniversary and continually thereafter, use best efforts to subject each existing and future MH Site Lease to MH Site Lease Protections:

(A) that shall be either included in (1) the applicable MH Site Lease, or (2) the Rules and Regulations, in accordance with the R&R Site Lease Protection Implementation Requirements; and

(B) which Borrower agrees and acknowledges shall be enforceable against Borrower by each MH Site Lessee as an intended beneficiary (whether direct or third-party), and Borrower shall assert no claim or defense to the contrary.

Any failure to comply with, however, this Section 7.02(a)(6) shall be subject to the MH Site Lease Protection Payment pursuant to Section 7.03(c)(2).

13. ~~10.~~ **[DRAFTING NOTE: INSERT THE FOLLOWING IF A SEASONAL WORKING CAPITAL RESERVE IS REQUIRED AT INITIAL CLOSING:** Section 7.02(c)(3) (Payment of Rents) of the Loan Agreement is hereby deleted and restated in its entirety to read as follows:

(3) notwithstanding the provisions of Section 7.01(b) (Prepaid Rents), ~~upon consummation of~~ on the Mortgage Loan Effective Date and upon each Reserve Determination Date thereafter, if the Prepaid Rents exceed five percent (5%) of the total annual Rents, fund the Seasonal Working Capital Reserve Account pursuant to the terms of the Seasonal Working Capital Reserve Agreement. Borrower shall deposit into the Seasonal Working Capital Reserve Account all sums required to be deposited under the Seasonal Working Capital Reserve Agreement and Lender shall hold all sums deposited into the Seasonal Working Capital Reserve Account pursuant to the terms of the Seasonal Working Capital Reserve Agreement.]

14. ~~11.~~ Section 7.03(b) (Residential Lease Form) of the Loan Agreement is hereby deleted and restated in its entirety to read as follows:

(b) ~~Residential~~ Site Lease for Site Form.

All ~~Residential~~ Site Leases for Sites entered into from and after the Effective Date shall be on forms approved by Lender. Borrower shall give Lender thirty (30) days' written notice of any material changes to the Rules and Regulations and the form(s) of the ~~Residential~~ Site Lease for a Site(s).

15. ~~12.~~ **[DRAFTING NOTE: INSERT THE FOLLOWING IF BORROWER HAS AGREED TO INCLUDE TENANT SITE LEASE PROTECTIONS IN THE REQUIRED PERCENTAGE OF RESIDENTIAL LEASES FOR SITES:** A new Section 7.03(c) (Compliance with ~~Residential~~ MH Site Lease for Site Protections) is hereby added to the Loan Agreement as follows:

(c) **Compliance with Residential MH Site Lease for Site Protections.**

~~Borrower shall, no later than thirty (30) days after the end of each Loan Year, submit to Lender (1(1) Borrower shall use best efforts to cause one hundred percent (100%) of the MH Site Leases to comply with the provisions of Section 7.02(a)(6) on or before the First Anniversary, and continually thereafter (the “Implementation Requirement”). Borrower shall comply with all obligations of landlord enumerated in the MH Site Lease Protections. Borrower shall include with each annual certification submitted in accordance with Section 8.02(b)(2)(E) the following: (A) a certified copy of the Rules and Regulations currently in effect at the Community, (2B) a certified copy of the current form of ResidentialMH Site Lease for, (C) a Sitecertified copy of the of the notice sent to all MH Site Lease tenants if the MH Site Lease Protections were implemented by the Rules and Regulations, (3D) copies of any actual ResidentialMH Site Lease for a Site requested by Lender, and (4E) a written certification setting forth the percentage of all ResidentialMH Site Leases for Sites that satisfy the requirements set forth under Section 7.02(a)(6) of this Loan Agreement at the Mortgaged Property that are subject to MH Site Lease Protections as of the date of such certification, and ratifying and affirming that (A_i) there have been no material changes to the Rules and Regulations or to the form of the ResidentialMH Site Lease for arelated to the MH Site Lease Protections (other than to include the MH Site Lease Protections required hereunder) since the earlier of the Effective Date and the last annual certification delivered to Lender; and (B_{ii}) Borrower remains in compliance withsatisfied the Implementation Requirement as of the First Anniversary and has satisfied such Implementation Requirement at all times thereafter, and (iii) Borrower has complied with its obligations as landlord under the ResidentialMH Site Lease for Site requirements set forth under Section 7.02(a)(6) (Leases)Protections on and after the First Anniversary.}~~

(2) For any year that (A) the Implementation Requirement is not satisfied in accordance with Section 7.02(a)(6) (an “**Implementation Failure**”) or (B) Borrower otherwise fails to comply with any other provision of this Article [], Borrower shall, within ten (10) Business Days after notice from Lender of such noncompliance, pay Lender the MH Site Lease Protection Payment. Payment of the MH Site Lease Protection Payment shall cure any default related solely to an Implementation Failure.

~~16. 13. [DRAFTING NOTE: INSERT THE BRACKETED LANGUAGE BELOW IF BORROWER HAS AGREED TO INCLUDE TENANT SITE LEASE PROTECTIONS IN THE REQUIRED PERCENTAGE OF RESIDENTIAL LEASES FOR SITES]~~ Section 14.01(a) (Events of Default – Automatic Events of Default) of the Loan

Agreement is hereby amended by adding the following provision[s] as Section 14.01(a)() ~~and Section 14.01(a)()~~ provisions to the end thereof:

any change by Borrower in the occupancy requirements for Residential Site Leases for Sites regarding age restrictions. ~~;~~ and ~~;~~

~~{() any~~

failure to timely pay the MH Site Lease Protection Payment pursuant to Section 7.03(c)(2).

17. Section 14.01(c) (Events of Default – Events of Default Subject to Extended Cure Period) of the Loan Agreement is hereby amended by adding the following provisions to the end thereof:

failure by Borrower to comply with the provisions of Section 7.02(a)(6) ~~(Leases), Section 7.03(b) (Residential Lease for Site Form), and/or Section 7.03(c) (Compliance with Residential Lease for Site Protections)3),~~ provided that no such written notice, grace period, or extension shall apply to any such failure not subject to a cure. ~~;~~

18. ~~14.~~ Section 14.02(a) (Remedies – Acceleration; Foreclosure) of the Loan Agreement is hereby amended by adding the following new language to the end thereof:

~~At~~In the event that there are Borrower-Owned Homes, at Lender's option, Lender may repossess the Borrower's Owned Homes peacefully without Borrower's permission. Lender also may require Borrower to make the Borrower's Owned Homes available to Lender at a place Lender designates that is reasonably convenient to Borrower and Lender. At Lender's option, Lender may detach and remove the Borrower's Owned Homes from the Mortgaged Property, or Lender may take possession of it and leave it on the Mortgaged Property. Borrower agrees to cooperate with Lender if Lender exercises these rights. After Lender repossesses, Lender may then sell the Borrower's Owned Homes and apply what Lender receives to Lender's reasonable repossession, repair, storage, and sale expenses, and then toward any other amounts Borrower owes under the Loan Documents, as allowed by law.

15. ~~[DRAFTING NOTE: INSERT THE FOLLOWING IF BORROWER HAS AGREED TO INCLUDE TENANT SITE LEASE PROTECTIONS IN THE REQUIRED PERCENTAGE OF RESIDENTIAL LEASES FOR SITES: A new Section 14.02(d) (Tenant Lease Protection Payment) is hereby added to the Loan Agreement as follows:~~

~~(d) — Tenant Lease Protection Payment.~~

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11:19:08 AM

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Document 1 ID	iManage://dms.venable.com/firmdocs/47199650/1
Description	#47199650v1<dms.venable.com> - 6208 (AS PUBLISHED 06/19) - Modifications to Multifamily Loan and Security Agreement (Manufactured Housing) (MHC)
Document 2 ID	iManage://dms.venable.com/firmdocs/48648303/16
Description	#48648303v16<dms.venable.com> - 6208 (WORKING DRAFT) - Modifications to Multifamily Loan and Security Agreement (Manufactured Housing) (MHC)
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Deletion	
Moved from	
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Style change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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