

**Fannie Mae DUS™ Required Underwriting Submissions List
ASSUMPTION WITH SUPPLEMENTAL**

I. The following items must be provided to M & T Realty Capital Corporation in order to process your multifamily loan application. If you require clarification concerning any of these items, please contact us. We suggest that you forward those items that you have readily available in order to expedite our processing. Please note that M & T Realty Capital must receive all items at least three (3) business days prior to rate lock.

- ___ 1. An appraisal or comprehensive market study pursuant to Fannie Mae Guidelines. M & T RCC must select and engage the appraiser.
- ___ 2. A Physical Needs Assessment pursuant to Fannie Mae Guidelines. M & T RCC must select and engage the engineer.
- ___ 3. Current operating statements and certified rent roll from existing borrower. Current rent roll for the property certified using Fannie Mae's **Underwriting Certificate (Form 4667)** attached. The month of the rent roll should be the same as the most recent month for which property NRI information is provided above. The rent roll report (or separate statement) must specifically, identify each unit type, and include the term of the lease for all tenants. In addition, all tenants receiving a subsidy of any kind, tenants employed by the military and full time graduate and undergraduate students. Include any Section 8 Housing Assistance Program Contract (HAP), Regulatory Agreement or other income/rent restriction documents, if applicable.
- ___ 4. Description of the Borrowing entity and any Principals which are themselves entities, including copies of the partnership agreements/articles of incorporation and by-laws¹.
- ___ 5. A current financial statement for Borrower(s) and all Principals, dated within 90 days of Application Date.
- ___ 6. A current list of contingent liabilities for Borrower(s) and all Principals.
- ___ 7. The Borrower and each Principal, must complete the attached **Underwriting Certificate (Form 4667)**. As applicable, attach an explanation for items 2-6 (Principal Certificate), and an explanation for items 3 and 5-8 (Borrower Certificate).
- ___ 8. For purposes of obtaining necessary credit checks, please complete the attached **Credit History Questionnaire** (completed by all principals.)

¹ **Note that** A Principal is defined by Fannie Mae as a Key Principal, and any person or entity that is general partner (partnership) or managing member (LLC) of the Borrower; or any person or entity, which, as a limited partner, member or stockholder (corporation), has a 25% or greater ownership interest in the Borrower. If a Principal is an entity, indicated submissions for its Principal(s) are also required.

- ___ 9. Provide a schedule of real estate holdings for each Principal. The attached **Schedule of Other Real Estate Holdings (Schedule "A")** may be filled in or used as a template or you may use your own internally prepared form so long as the same information is provided (Excel version attached). **Please note: Occupancy date and annualized net operating income shall be within 90 days of Application Date.**
- ___ 10. For each principal provide a list of liquid assets, copies of account statements and a contact name with telephone number so we can verify liquid assets. We will forward account verification forms for execution by the Principals, upon request.
- ___ 11. M & T RCC will order a credit report and public records search for each principal. The attached Credit History Questionnaire should be completed by all principals.
- ___ 12. Complete the attached IRS Form W-9 for the Borrowing entity, for purposes of certifying correct Taxpayer Identification Number (TIN). Return original to us.
- ___ 13. A resume of the Borrower and each principal describing general experience and expertise in the area of income property and multifamily ownership and operation.
- ___ 14. Copy of proposed management contract and a resume of the management firm if property is to be fee managed by a non-related firm, or copy of your management plans and procedures and a resume of your management experience.
- ___ 15. Copy of executed Sales Agreement with all attachments.
- ___ 16. Prepare/provide a rundown of Sources and Uses of Funds for the transaction. Specifically, identify all sources of required cash/equity contributions.
- ___ 17. Evidence of cash receipts for all revenue sources, on a monthly basis, for preceding 12-months. Monthly operating statements will suffice.
- ___ 18. Copy of most recent Real Estate Tax bill.
- ___ 19. M & T RCC will schedule an inspection of the property within 180 days of the anticipated transfer date.
- ___ 20. Property and Title Insurance coverage consistent with Fannie Mae guidelines must be obtained and policies provided to M & T RCC for review prior to closing. See attached guidelines.
- ___ 21. A Fannie Mae approved form of Assumption and Release Agreement is to be signed at the time the assumption occurs. A sample form is enclosed.

Processor Comments:

Property Name:

Name: _____

Schedule Of Other Real Estate Holdings**

Schedule: "A"

Date:

	Property Name	Property Type	Units/ Sq. Ft.	Year Built	Occ %. As of _(1)	NOI (2)	Value (3)	Loan Amount	2nd Loan \$	Total Loan	Total Equity	Debt Service	Debt Coverage	Lender	Due Date	% Ownership	Owned Since	Equity	Cash Flow	Recourse Y/N	
1																					
2																					
3																					
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25																					
	Total																				

(1)Occupancy date to be within 90 days of Application.

(2)Annualized Net Operating Income to be within 90 days of Application.

(3)Identify how value was determined.

CREDIT HISTORY QUESTIONNAIRE

(Note: Use the "Tab" key or mouse to move between form fields)

In order to process your request for a multifamily permanent loan, we need the following information on the Borrower and its Principals.

1. Borrower Name:

Business Address:

City/State/Zip Code:

2. Tax ID Number:

3. Principals and Entity Principals are defined as: (a) all General Partners and Managing Members, (b) 25% or greater limited partners/members/shareholders. Please include information regarding Principals of Entity Principals, as well.

Principal #1:

Name:

Position:

Ownership %:

Home Address:

SS#:

Principal #2:

Name:

Position:

Ownership %:

Home Address:

SS#:

Principal #3:

Name:

Position:

Ownership %:

Home Address:

SS#:

Principal #4:

Name:

Position:

Ownership %:

Home Address:

SS#:

4. Existing borrowing relationships of Borrower and major principals:

Borrowing Entity:

Lender #1:

Name:
Type of Borrowing:
Reference Contact:
Phone Number:

Lender #2:

Name:
Type of Borrowing:
Reference Contact:
Phone Number:

Principals:

Lender #1:

Name:
Type of Borrowing:
Reference Contact:
Phone Number:

Lender #2:

Name:
Type of Borrowing:
Reference Contact:
Phone Number:

By signing this questionnaire, I (we) affirm the information contained herein and authorize M&T Realty Capital Corporation to take such steps as are necessary to confirm this information. To include but not limited to ordering credit reports and record searches for each Borrower and each Principal. I (we) further authorize all lenders identified above, as well as any other lenders of which M&T Realty Capital Corporation may become aware, to disclose all information concerning confirmation of liquid assets and any borrowing relationship I (we) may have had with that lender or financial institution.

Borrower:

By: _____

Title:

Date:

**UNDERWRITING CERTIFICATE
(Borrower)**

The undersigned, _____, a _____ (the "Borrower"), represents, warrants, and certifies to _____ (the "Lender") and to FANNIE MAE ("Fannie Mae"), and each of their respective successors and assigns, in connection with the proposed loan (the "Mortgage Loan") to be secured by a lien on that certain real property and improvements located thereon known as _____ and having a street address of _____, in the County of _____, State of _____, Zip Code: _____ (the "Property"), that the following statements and all attachments hereto are true, complete, and correct to the best knowledge of the undersigned:

1. The state in which the Borrower is formed, organized or incorporated at the case may be, is _____ [or, if the Borrower is a general partnership or trust: The state(s) in which the Borrower's principal place of business is/are _____] [or, if the Borrower is an individual: The state in which the Borrower's principal residence is located is _____].

2. The Borrower is not presently insolvent, and the proposed Mortgage Loan will not render the Borrower insolvent. As used in this Certificate, the term "insolvent" means that sum total of all of an entity's liabilities (whether secured or unsecured, contingent or fixed, or liquidated or unliquidated) is in excess of the value of all of such entity's non-exempt assets (i.e., all of the assets of the entity that are available to satisfy claims of creditors).

3. The following documents are attached hereto (check all that apply):

	ITEM	DATE OF DOCUMENT
<input type="checkbox"/>	Rent Roll	
<input type="checkbox"/>	Property Operating Statement	
<input type="checkbox"/>	Borrower Financial Statement	
<input type="checkbox"/>	Other: _____	
<input type="checkbox"/>	Other: _____	
<input type="checkbox"/>	Other: _____	

If any of the above documents are dated more than 12 months prior to the date of this Certification, then the undersigned certifies that there has been no change to the financial condition reflected in such statements that would negatively impact any decisions made in reliance on such statements.

The attachments hereto provide a complete, current and accurate account of the financial condition and results of operations of the Borrower, and the Property, as the case may be, as of

the date each such attachment was prepared, and since such date, there have been no material adverse changes therein except as described in Exhibit A attached hereto.

4. The total amount of the Borrower's contingent liabilities that are not quantified in the Borrower's financial statement or, if quantified, a complete and accurate description of all of the Borrower's contingent and/or unliquidated liabilities is contained in such financial statement.

5. There is no current bankruptcy or any bankruptcy that has occurred within the previous 10 years of the undersigned, or of any entity in which the undersigned owns or has owned a significant interest except as may be reflected in Exhibit A attached hereto.

6. There is no pending or current litigation or judgments related to: (a) the undersigned's ownership or operation of any real estate that could materially and adversely impact the undersigned's financial condition, (b) the undersigned's ownership of a significant interest in any entity, or (c) any entity in which the undersigned owns a significant interest which could materially and adversely impact the entity's financial condition except as may be reflected in Exhibit A attached hereto.

7. There has been no litigation or judgments in the previous 10 years involving (a) Fannie Mae and the undersigned, or (b) Fannie Mae and any entity in which the undersigned owns or has owned a significant interest except as may be reflected in Exhibit A attached hereto.

8. If applicable, attached hereto in Exhibit A is an explanation as to the cause and resolution of any delinquencies, defaults, foreclosures, or deeds-in-lieu of foreclosure occurring during the previous 10 years in connection with loans to the undersigned or entities in which the undersigned owns or has owned a significant interest.

9. Check as many as are applicable:

Refinance Mortgage Loan: The Mortgage Loan is a refinancing of existing indebtedness and no change in the (i) ownership of the Property, (ii) any interest of any managing member or general partner of the Borrower, or (iii) 20 percent or more of the membership or limited partnership interests in or capital stock of the Borrower will occur in connection with the refinancing.

Acquisition Mortgage Loan: All of the consideration given or received or to be given or received in connection with the acquisition of the Property has been fully

disclosed to the Lender. The Property was or will be purchased from _____ (the "Seller"). Neither the Borrower, nor any general partner (if a limited partnership), nor any managing member (if a limited liability company), nor any other party who owns 10 percent or more ownership interest in Borrower has or had, directly or indirectly (through a family member or otherwise), any interest in the Seller and the acquisition of the Property is an arm's-length transaction. To Borrower's knowledge, the purchase price of the Property represents the fair market value for the Property.

- Transfer of any General Partner Interest: All of the consideration given or received or to be given or received in connection with the transfer of the interest in the Borrower has been fully disclosed to the Lender.
- Transfer of more than 20% of any Ownership Interest (other than General Partner Interest): All of the consideration given or received or to be given or received in connection with the transfer of the interest in the Borrower has been fully disclosed to the Lender.

10. There are no UCC financing statements on file in the state of _____ naming the Borrower as the debtor. If there are any, they do not cover any personal property at the Property or such UCC financing statements relate solely to any loan which is to be paid off with the proceeds of the Mortgage Loan.

11. The Borrower owns, or will own after the closing of the acquisition of the Property, all of the tangible personal property associated with the Property (other than personal property owned by tenants of the Property). Except as otherwise disclosed by the Borrower to the Lender in writing in the course of the transaction leading to the advance of the Mortgage Loan, the Borrower has not acquired any tangible personal property used in connection with the Property (and, therefore, in which the Lender expects to have a UCC security interest) other than from merchants selling those goods in transactions in the ordinary course of their business or, if the Borrower acquired tangible personal property used in connection with the Property from the Seller, the Borrower conducted appropriate UCC searches of the Seller and there were no UCC filings on file naming the Seller as the debtor and covering the goods purchased from the Seller by the Borrower.

[FOR A SMALL MORTGAGE LOAN OR MICRO LOAN ONLY AND BORROWER IS AN INDIVIDUAL):

12. The Borrower personally inspected the Property immediately prior to completing its Mortgage Loan application with the Lender.]

BORROWER:

Date: _____

By: _____

Name: _____

Title: _____

EXHIBIT A

If applicable, complete an explanation of any relevant matters involving the issues addressed in Items 3, 5, 6, 7 or 8 of this Certification.

**UNDERWRITING CERTIFICATE
(Key Principal/Principal)**

The undersigned, _____ (the "Key Principal/Principal") represents, warrants, and certifies to _____ (the "Lender") and to FANNIE MAE ("Fannie Mae"), and each of their respective successors and assigns, in connection with the proposed loan (the "Mortgage Loan") to be made to _____ (the "Borrower"), which Mortgage Loan is secured by a lien on that certain real property and improvements located thereon known as _____ and having a street address of _____, in the County of _____, State of _____, Zip Code: _____ (the "Property"), that the following statements and all attachments hereto are true, complete, and correct to the best of the undersigned's knowledge:

1. The state in which the Key Principal/Principal has its primary residence is _____ [or, if an entity Key Principal/Principal is permitted: The state in which the Key Principal/Principal is organized is _____] [or, if the Key Principal is a general partnership or trust: The state(s) in which the Borrower's principal place of business is/are _____].

2. The following documents are attached hereto (check all that apply):

	ITEM	DATE OF DOCUMENT
<input type="checkbox"/>	Key Principal/Principal Financial Statement	
<input type="checkbox"/>	Schedule of Real Estate Owned	
<input type="checkbox"/>	Schedule of Contingent Liabilities	
<input type="checkbox"/>	Other: _____	
<input type="checkbox"/>	Other: _____	
<input type="checkbox"/>	Other: _____	
<p>If any of the above documents are dated more than 12 months prior to the date of this Certification, then the undersigned certifies that there has been no change to the financial condition reflected in such statements that would negatively impact any decisions made in reliance on such statements.</p>		

The undersigned certifies that the attached statements/schedules (a) are true and correct, (b) provide a current and accurate account of the financial condition of the undersigned, and (3) there have been no material adverse changes in the matters reflected in the attached financial statement/schedules or, if any, such change is detailed in Exhibit A attached hereto.

3. There is no current bankruptcy or any bankruptcy that has occurred within the previous 10 years of the undersigned, or of any entity in which the undersigned owns or has owned a significant interest except as may be reflected in Exhibit A attached hereto.

4. There is no pending or current litigation or judgments related to: (a) the undersigned's ownership or operation of any real estate which could materially and adversely impact the undersigned's financial condition, (b) the undersigned's ownership of a significant interest in any entity, or (c) any entity in which the undersigned owns a significant interest which could materially and adversely impact the entity's financial condition except as may be reflected in Exhibit A attached hereto.

5. There has been no litigation or judgments in the previous 10 years involving (a) Fannie Mae and the undersigned, or (b) Fannie Mae and any entity in which the undersigned owns or has owned a significant interest except as may be reflected in Exhibit A attached hereto.

6. If applicable, attached is an explanation as to the cause and resolution of any delinquencies, defaults, foreclosures, or deeds-in-lieu of foreclosure occurring during the previous 10 years in connection with loans to the undersigned or entities in which the undersigned owns or has owned a significant interest.

[FOR A SMALL MORTGAGE LOAN OR MICRO LOAN ONLY AND BORROWER IS AN ENTITY]:

7. The Key Principal personally inspected the Property immediately prior to the Borrower's completion of its Mortgage Loan application with the Lender.]

Date: _____

KEY PRINCIPAL:

Name: _____

Title: _____

Date: _____

PRINCIPAL:

Name: _____

Title: _____

EXHIBIT A

If applicable, complete an explanation of any relevant matters involving the issues addressed in Items 2, 3, 4, 5 or 6 of this Certification.

[THIS DOCUMENT MAY BE REVISED BY LENDER'S COUNSEL AS NECESSARY TO REFLECT THE LOAN HISTORY AND THE ACTUAL LOAN BEING ASSUMED AND IN ACCORDANCE WITH ANY ADDITIONAL LENDER REQUIREMENTS PERMITTED PURSUANT TO PART V, CHAPTER 4 OF THE DUS GUIDE.]

ASSUMPTION AND RELEASE AGREEMENT

This Assumption and Release Agreement ("Agreement") is made effective as of _____, _____ by and among _____, a _____ ("Transferor"), [_____ and _____, ("Original Key Principals")]* _____, a _____ ("Transferee"), [_____ and _____ (collectively the "New Key Principals")] and Fannie Mae.

RECITALS:

A. Fannie Mae is the holder of that certain Multifamily Note ([as modified by the Addendum to Multifamily Note], the "Note"), dated _____, _____, in the original principal amount of \$_____ made by Transferor, to _____ ("Original Lender"), which Note evidences a loan ("Loan") made by Original Lender to Transferor. To secure the repayment of the Note, Transferor also executed and delivered a Multifamily [Deed of Trust], [Mortgage], [Deed to Secure Debt], Assignment of Rents and Security Agreement, [including a Rider to Multifamily Instrument] (the "Security Instrument"), dated _____, _____, recorded in the official records of _____ County, State of _____, _____, as Document No. _____ that grants a lien on the property described in Exhibit A to this Agreement (the "Property"). The Transferor is liable for the payment and performance of all of Transferor's obligations under the Note, the Security Instrument and all other documents executed in connection with the Loan, as listed on Exhibit B to this Agreement (collectively, the "Loan Documents"). Each of the Loan Documents has been duly assigned or endorsed to Fannie Mae. The current servicer of the Loan is _____ ("Servicer").

[B. The Original Key Principals are liable for the obligations under the Acknowledgement and Agreement of Key Principal to Personal Liability for the Exceptions to Non-Recourse Liability contained in the Note [and Security Instrument] (the "Acknowledgement") *or* [The Original Key Principals are liable under the Exceptions to Non-Recourse Guaranty dated _____, _____ ("Guaranty").]

C. Fannie Mae has been asked to consent to the transfer of the Property to the Transferee and the assumption by the Transferee of the obligations of the Transferor under the Loan Documents.

[D. Fannie Mae has been asked to consent to the release of the Original Key Principals from their respective obligations under the [Acknowledgement] [Guaranty] and accept the assumption by the New Key Principals of the Original Key Principals' obligations under the [Acknowledgement] [Guaranty].]

*Bracketed language should be deleted if not applicable.

E. Fannie Mae has agreed to consent to the transfer of the Property by Transferor to Transferee subject to the terms and conditions stated below.

In consideration of the foregoing and the mutual covenants and promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Fannie Mae, Transferor, [Original Key Principals,] Transferee and [New Key Principals] agree as follows:

1. Assumption of Obligations. The Transferee agrees to assume all of the payment and performance obligations of the Transferor set forth in the Note, the Security Instrument and the other Loan Documents in accordance with their respective terms and conditions, as the same may be modified by this Agreement, including without limitation, payment of all sums due under the Note. The Transferee further agrees to abide by and be bound by all of the terms of the Loan Documents, all as though each of the Loan Documents had been made, executed and delivered by the Transferee.

2. Transferor's [and Original Key Principals'] Representations and Warranties. The Transferor [and the Original Key Principals] represent and warrant to Fannie Mae as of the date of this Agreement that:
 - (a) The Note has an unpaid principal balance of \$_____, and prior to default bears interest at the rate of ____ percent (____ %) per annum;

 - (b) The Note requires that monthly payments of principal and interest in the amount of \$_____ be made on or before the first (1st) day of each month, continuing to and including _____, when all sums due under the Loan Documents will be immediately due and payable in full;

 - (c) The Security Instrument is a valid first lien on the Property for the full unpaid principal amount of the Loan and all other amounts as stated in the Security Instrument;

 - (d) There are no defenses, offsets or counterclaims to the Note, the Security Instrument or the other Loan Documents;

 - (e) There are no defaults by the Transferor under the provisions of the Note, the Security Instrument or the other Loan Documents;

 - (f) All provisions of the Note, the Deed of Trust and other Loan Documents are in full force and effect;

** (g) There are no subordinate liens of any kind covering or relating to the Property, nor are there any mechanics' liens or liens for unpaid taxes or assessments encumbering the Property, nor has notice of a lien or notice of intent to file a lien been received; and

The Transferor [and Original Key Principals] understand and intend that Fannie Mae will rely on the representations and warranties contained herein.

3. Transferee's [and the New Key Principals'] Representations and Warranties. The Transferee [and the New Key Principal] represent and warrant to Fannie Mae as of the date of this Agreement that [neither Transferee nor any New Key Principal has] or [Transferee does not have] any knowledge that any of the representations made by Transferor [and Original Key Principals] in Paragraph 2 above are not true and correct.
4. Consent to Transfer. Fannie Mae hereby consents to the transfer of the Property and to the assumption by the Transferee of all of the obligations of the Transferor under the Loan Documents, subject to the terms and conditions set forth in this Agreement. Fannie Mae's consent to the transfer of the Property to the Transferee is not intended to be and shall not be construed as a consent to any subsequent transfer which requires the Lender's consent pursuant to the terms of the Security Instrument.
5. [Assumption by the New Key Principals of Liability for the Exceptions to Non-Recourse. New Key Principals hereby assume all liability under the provisions of the [Acknowledgement] *or* [the Guaranty].]
6. Release of Transferor [and Original Key Principals]. In reliance on the Transferor's [and the Original Key Principals] and the Transferee's representations and warranties in this Agreement, Fannie Mae releases Transferor [and the Original Key Principals] from all of their respective obligations under the Loan Documents, provided, however, that the Transferor is not released from any liability pursuant to this Agreement [or paragraph D (Environmental Hazards) of the Rider to Multifamily Instrument executed by the Transferor as a part of the Security Instrument for any liability that relates to the period prior to the date hereof, regardless of when such environmental hazard is discovered] *or* [Section 18 of the Security Instrument]. If any material element of the representations and warranties made by the Transferor [and Original Key Principals] contained herein is false as of the date of this Agreement, then the release set forth in this Paragraph 6 will be cancelled as of the date of this Agreement and the Transferor [and Original Key Principals] will remain obligated under the Loan Documents as though there had been no such release.
7. Priority/Modification. This Agreement embodies and constitutes the entire understanding among the parties with respect to the transactions contemplated herein, and all prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof

[**If there are subordinate liens on the Property which have been consented to by Fannie Mae, modify these representations.]

may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in such instrument. Except as expressly modified hereby, the Note, Security Instrument and other Loan Documents shall remain in full force and effect and this Agreement shall have no effect on the priority or validity of the liens set forth in the Security Instrument or the Loan Documents, which are incorporated herein by reference. Transferor [and the Original Key Principal(s)] hereby ratify/ratifies the agreements made by it/them to Fannie Mae in connection with the Loan and agree(s) that, except to the extent modified hereby, all of such agreements remain in full force and effect.

8. No Impairment of Lien. Nothing set forth herein shall affect the priority or extent of the lien of any of the Loan Documents, nor, except as expressly set forth herein, release or change the liability of any party who may now be or after the date of this Agreement, become liable, primarily or secondarily, under the Loan Documents.
9. Costs. The Transferee and the Transferor agree to pay all fees and costs (including attorneys' fees) incurred by Fannie Mae and the Servicer in connection with Fannie Mae's consent to and approval of the transfer of the Property and a transfer fee of \$ _____ in consideration of the consent to that transfer.
10. Financial Information. The Transferee [and New Key Principal] represent and warrant to Fannie Mae that all financial information and information regarding the management capability of Transferee [and New Key Principal] provided to the Servicer or Fannie Mae was true and correct as of the date provided to the Servicer or Fannie Mae and remains materially true and correct as of the date of this Agreement.
11. Addresses. Transferee's address for notice hereunder and under the Loan Documents is:

Transferor's address for notice hereunder and under the Loan Documents is:

12. Complete Release. Transferee and Transferor [and the Original Key Principal(s) and the New Key Principal(s)], jointly and severally as between Transferee and New Key Principal, unconditionally and irrevocably release and forever discharge Original Lender, Fannie Mae, and their respective successors, assigns, agents, directors, officers, employees, and attorneys,

and each current or substitute trustee under the Security Instrument (collectively, the "Indemnitees") from all Claims, as defined below, and jointly and severally agree to indemnify Indemnitees, and hold them harmless from any and all claims, losses, causes of action, costs and expenses of every kind or character in connection with the Claims or the transfer of the Property. Notwithstanding the foregoing, Transferor shall not be responsible for any Claims arising from the action or inaction of Transferee and New Key Principal, and Transferee and New Key Principal shall not be responsible for any Claims arising from the action or inaction of Transferor [or the Original Key Principals]. As used in this Agreement, the term "Claims" shall mean any and all possible claims, demands, actions, costs, expenses and liabilities whatsoever, known or unknown, at law or in equity, originating in whole or in part, on or before the date of this Agreement, which the Transferor, [Original Key Principal(s) or Guarantor], or any of their respective partners, members, officers, agents or employees, may now or hereafter have against the Indemnitees, if any and irrespective of whether any such Claims arise out of contract, tort, violation of laws, or regulations, or otherwise in connection with any of the Loan Documents, including, without limitation, any contracting for, charging, taking, reserving, collecting or receiving interest in excess of the highest lawful rate applicable thereto and any loss, cost or damage, of any kind or character, arising out of or in any way connected with or in any way resulting from the acts, actions or omissions of Indemnitees, including any requirement that the Loan Documents be modified as a condition to the transactions contemplated by this Agreement, any charging, collecting or contracting for prepayment premiums, transfer fees, or assumption fees, any breach of fiduciary duty, breach of any duty of fair dealing, breach of confidence, breach of funding commitment, undue influence, duress, economic coercion, violation of any federal or state securities or Blue Sky laws or regulations, conflict of interest, NEGLIGENCE, bad faith, malpractice, violations of the Racketeer Influenced and Corrupt Organizations Act, intentional or negligent infliction of mental distress, tortious interference with contractual relations, tortious interference with corporate governance or prospective business advantage, breach of contract, deceptive trade practices, libel, slander, conspiracy or any claim for wrongfully accelerating the Note or wrongfully attempting to foreclose on any collateral relating to the Note, but in each case only to the extent permitted by applicable law. Transferor and Transferee agree that Fannie Mae and Original Lender have no fiduciary or similar obligations to Transferor or Transferee and that their relationship is strictly that of creditor and debtor. This release is accepted by Fannie Mae and Original Lender pursuant to this Agreement and shall not be construed as an admission of liability on the part of either. Transferor and Transferee [and the Original Key Principal(s) and New Key Principal(s)] hereby represent and warrant that they are the current legal and beneficial owners of all Claims, if any, released hereby and have not assigned, pledged or contracted to assign or pledge any such Claim to any other person.

13. Miscellaneous.

- (a) This Agreement shall be construed according to and governed by the laws of the jurisdictions in which the Property is located without regard to its conflicts of law principles.

(b) If any provision of this Agreement is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Agreement will remain in full force and effect.

(c) No change or modification of this Agreement shall be valid unless the same is in writing and signed by all parties hereto.

(d) The captions contained in this Agreement are for convenience of reference only and in no event define, describe or limit the scope or intent of this Agreement or any of the provisions or terms hereof.

(e) This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and assigns.

(f) This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

(g) THIS WRITTEN AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS AMENDED, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

TRANSFeree:

By: _____ (Seal)

Name: _____

Title: _____

Date: _____

NEW KEY PRINCIPALS:

_____(Seal)

Name: _____

Address: _____

Date: _____

_____(Seal)

Name: _____

Address: _____

Date: _____

_____(Seal)

Name: _____

Address: _____

Date: _____

TRANSFEROR:

By: _____(Seal)

Name: _____

Title: _____

Date: _____

ORIGINAL KEY PRINCIPALS:

_____ (Seal)

Name: _____

Date: _____

_____ (Seal)

Name: _____

Date: _____

_____ (Seal)

Name: _____

Date: _____

FANNIE MAE

_____ (Seal)

Name: _____

Title: _____

Date: _____

[ADD NOTARY PROVISIONS]

EXHIBIT A
to
ASSUMPTION AND RELEASE AGREEMENT

[insert Property description used in the Security Agreement]

**LENDER'S COUNSEL MUST PREPARE AN EXHIBIT B, WHICH INCLUDES
ALL
OF THE EXECUTED LOAN DOCUMENTS.
THIS PAGE IS AN EXAMPLE ONLY**

**EXHIBIT B
to
ASSUMPTION AND RELEASE AGREEMENT**

[insert list of all loan documents executed in connection with the original Loan]

1. Multifamily Note dated _____, _____, by _____ for the benefit of _____, [as modified by an Addendum to Note dated _____, _____].
2. [Deed of Trust] [Mortgage] [Deed to Secure Debt], Assignment of Rents and Security Agreement, [including a Rider to Multifamily Instrument,] dated _____, _____, by Transfer for the benefit of Original Lender.
3. Achievement Agreement dated _____, _____ by and between _____ and _____.
4. Replacement Reserve and Security Agreement dated _____, _____ by and between _____ and _____.
5. Completion/Repair and Security Agreement dated _____, _____ by and between _____ and _____.
6. Operating Deficit Escrow Agreement, dated _____, _____ by and between _____ and _____.
7. Assignment of Management Agreement [require a new agreement in all cases].
8. O&M Agreement, dated _____, _____, by and between _____ and _____.
9. Payment Guaranty

[List all loan documents executed in connection with the original loan.]