

The Borrower must notify the Servicer of any proposed condemnation action or other taking of any portion of the Property, regardless of whether the eminent domain process has been initiated or the Borrower has reached an agreement to convey a portion of the Property in lieu of eminent domain. The Servicer is delegated the authority to approve a condemnation only to the extent delegated in this Form.

The key points for the Servicer to consider in reviewing a request for a condemnation are set forth below.

Multifamily Selling and Servicing Guide Reference	Part V: Servicing and Asset Management, Chapter 4
Delegation Criteria	<p>The Servicer is delegated the authority to approve a condemnation or conveyance in lieu of condemnation provided the Servicer completes all the Sections of this Form and answers “No” to all the questions in Part III. The Servicer may attach its own form narrative or memo in place of Section II, provided the memo contains the information requested in Section II and the Servicer completes the remaining sections of this Form. However, the Servicer must notify <u>Multifamily Asset Management</u> before appearing in and prosecuting any legal action or proceeding relating to the condemnation action, or to settle or compromise any claim in the proceedings. Unless otherwise instructed by Fannie Mae, the Servicer must send copies of all legal action notices related to the condemnation action to <u>Multifamily Asset Management</u>.</p> <p>Fannie Mae approval of the condemnation or conveyance in lieu of condemnation is required if one or more questions in Section III is answered “Yes”.</p>
Real Estate Considerations	<p>A condemnation or conveyance in lieu of condemnation increases loan risk as less collateral will support the Mortgage Loan. The Servicer must consider the following factors.</p> <ul style="list-style-type: none"> • What will be the use of the released collateral? • What is the impact to the Property (i.e., marketability, parking, access, amenities, operations, health/safety of residents, etc.)? • Is the released collateral a buffer for a nuisance or negative feature that would now impact the Property? • Is the received compensation fair? • Is the combination of compensation received and Borrower's funds sufficient to restore the Property and mitigate the effects of the taking?
What to Submit	<p>For both delegated and non-delegated requests, the Servicer must complete the relevant parts of this Form, and submit:</p> <ul style="list-style-type: none"> • a signed copy of this Form, including Servicer narrative or memo, if any; • copy of the Borrower Request; and • any other supporting documentation. <p>In addition, for non-delegated requests, the Servicer must submit:</p> <ul style="list-style-type: none"> • copies of relevant documents issued by governmental authority (or others) in connection with the condemnation action, including any Appraisal or valuation estimate; • any correspondence between the Borrower and the governmental authority; • any documents related to temporary access or construction easements associated with the proposed taking; • a legal description of the remaining Property collateralizing the Mortgage Loan after the condemnation action and release of collateral is completed; and • a full explanation of the condemnation action, including information relating to the purpose of the condemnation action, the governmental authority involved, the proposed timing, a description of the portion of the Property that will be affected, the size of any proposed condemnation award, and any other relevant information.

How to Submit	All delegated and non-delegated requests concerning a condemnation or conveyance in lieu of condemnation must be submitted as a Borrower Request through the Multifamily Asset Management Portal (MAMP).
Questions	<p>For questions contact:</p> <p>General: <u>Multifamily Asset Management</u>; Structured Transactions (Credit Facilities and Bulk Deliveries): <u>Multifamily Structured Asset Management</u>; Seniors Housing Properties: <u>Multifamily Seniors Housing Property Asset Management</u>; Borrower Channel: <u>Multifamily Borrower Channel</u>; Fannie Mae In-House Counsel: <u>Fannie Mae Multifamily Legal</u>; or Fannie Mae Outside Counsel: <u>Pillsbury Winthrop Shaw Pittman LLP</u>.</p>
Fees	<p>The Borrower must pay the Servicer a \$2,500 review fee. The Servicer may increase or decrease its fee at its discretion. No Fannie Mae review fees are due.</p> <p>The Servicer may also seek reimbursement from the Borrower for all reasonable out-of-pocket costs, including reasonable legal fees incurred by Servicer's counsel.</p> <p>If Fannie Mae outside counsel is engaged, the Borrower must pay its fee, estimated at \$2,500 for most requests concerning a condemnation or conveyance in lieu of condemnation. The actual legal fee may be higher or lower, depending on the ultimate scope of the request and the time necessary to resolve. The Servicer will receive a summary invoice directly from Fannie Mae outside counsel and must arrange for payment. The Servicer will be apprised of any likely increases in the estimated review fee. The estimated legal fee must be collected from the Borrower before engaging Fannie Mae outside counsel.</p>
Legal Documentation	<p>If the request is delegated to the Servicer, the preparation of the legal documentation to effectuate the release of collateral relating to the condemnation or conveyance in lieu of condemnation is also delegated to the Servicer. The Servicer is responsible for the preparation or review of (i) the condemnation documents, (ii) draft amendments to the Loan Documents, and (iii) draft date-down endorsement to Fannie Mae's title insurance policy that reflects the release of collateral relating to the condemnation or conveyance in lieu of condemnation, and confirms the priority of Fannie Mae's Lien.</p> <p>If the request is not delegated and/or Fannie Mae legal review is needed or requested, Fannie Mae counsel must be provided with the following:</p> <ul style="list-style-type: none"> • copies of relevant documents issued by the governmental authority (or others) in connection with the proposed condemnation action, including any Appraisal or valuation estimate; • any correspondence between the Borrower and the governmental authority; • draft amendments to the Loan Documents; • copy of the Borrower Request; • Form 4636.C; • a copy of an ALTA survey, site plan, or other drawing depicting the portion of the Property subject to the condemnation action in relation to the remaining portion of the Property; • a draft date-down endorsement to Fannie Mae's title insurance policy that reflects the release of collateral relating to the condemnation or conveyance in lieu of condemnation, and confirms the priority of Fannie Mae's Lien over the remaining portion of the Property; • a description of the source and use of any funds received by the Borrower; and • for each question in Part III of this Form answered "Yes" by the Servicer, the information requested by the Comments section, and any supporting documentation. <p>For non-delegated requests, Fannie Mae will review the documents and advise the Servicer of any needed follow-up actions. If Fannie Mae approves the non-delegated request or the Servicer has approved the delegated request, the instructions below must be followed for executing any required documents. The Servicer may use its Limited Power of Attorney for documents that Fannie Mae has reviewed and approved.</p>

<p>Document Execution and Follow-Up</p>	<p>If the Servicer Has Limited Power of Attorney</p> <p>If the Servicer has a Limited Power of Attorney permitting the execution of documents relating to the condemnation or conveyance in lieu of condemnation, an officer of the Servicer may sign as attorney-in-fact for Fannie Mae. The signature block must be signed "[Name of Servicer], as Attorney-in-Fact for Fannie Mae."</p> <p>If the Servicer Does Not Have Limited Power of Attorney</p> <p>If the Servicer does not have a Limited Power of Attorney, the documents must be sent for execution to:</p> <p>Fannie Mae Midtown Center 1100 15th Street, NW Washington, DC 20005 Attn: Multifamily Asset Management Mailstop: 8V 21</p> <p>A copy of this Form must be included with the request for execution, with instructions on where to return the executed documents. If the request is time sensitive, electronic versions of the documents may be sent to the applicable Fannie Mae email box address listed in the "Questions" section of this Form.</p> <p>The Servicer must record all applicable documents and retain all required documentation, including this Form, in the Servicing File. Documentation may be kept in electronic form. The Servicer must attach an electronic copy of any newly executed Loan Documents to the existing request in the MAMP. Executed original copies of any new or amended Loan Documents should be sent to the following address:</p> <p>Fannie Mae Document Delivery Facility (DDF), OB2 13150 Worldgate Drive, Mailstop 5H-2W/01 Herndon, VA 20170 Attn: Multifamily Certification Team</p>
<p>Use of Funds</p>	<p>The Servicer or Borrower must use any funds received from the condemnation or conveyance in lieu of condemnation according to the requirements of the Loan Documents and Disclosure Documents. If neither address the use of funds, then funds received must be used to:</p> <ul style="list-style-type: none"> • reimburse the Borrower, Servicer, and Fannie Mae for reasonable, direct costs (including reasonable attorneys' fees) incurred as a result of the condemnation or conveyance in lieu of condemnation; • restore any Property conditions impacted by the condemnation or conveyance in lieu of condemnation; • improve the marketability of the Property to lessen any negative impact resulting from the condemnation or conveyance in lieu of condemnation; • place the funds in a special, restricted escrow designated for Property improvements at a later time at the discretion and direction of the Servicer; • place the funds in the Replacement Reserve for future Property improvements not included in the most recent Property Condition Assessment (PCA); or • provided the Mortgage Loan is rated Pass or Pass Watch and no Event of Default has occurred and is continuing, the Servicer may release funds to the Borrower up to the greater of (i) \$25,000, or (ii) 10% of the current Unpaid Principal Balance of the Mortgage Loan. <p>In connection with a condemnation or conveyance in lieu of condemnation, the Loan Documents generally permit a partial prepayment of the Mortgage Loan. Any partial prepayment in connection with a condemnation or conveyance in lieu of condemnation will not be subject to any Prepayment Premium.</p>

<p>Unauthorized Condemnation or Conveyance in lieu of Condemnation</p>	<p>If the Servicer becomes aware that a condemnation or conveyance in lieu of condemnation occurred without approval from the Servicer or Fannie Mae, the Servicer must:</p> <ul style="list-style-type: none"> • promptly complete Form 4636.C, and follow the same process as if the condemnation or conveyance in lieu of condemnation had not yet occurred; and • immediately send to the Borrower a Reservation of Rights Letter (Form 4804); and • submit electronic copies of Forms 4636.C and 4804 through the MAMP. <p>Fannie Mae will decide whether to approve the condemnation or conveyance in lieu of condemnation or declare the Mortgage Loan in default.</p>
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1. Mortgage Loan Information (Include information for any supplemental Mortgage loan)

Servicer

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Fannie Mae Loan Number

Other Fannie Mae Loan Numbers

Original Underwritten Loan-to-Value Ratio (LTV) and Underwritten

Debt Service Coverage Ratio (DSCR) of Mortgage Loan

LTV DSCR

Most recent appraised value
(Generally the original Appraisal)

Date of most recent appraisal

Current Value of the entire Property immediately prior to the proposed transaction¹

Basis for current value of the entire Property (i.e., most recent Appraisal, Direct Cap Method including Cap Rate and NCF)¹

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Property Name

Property Address

City

State

Zip

Current UPB of Mortgage Loan(s)

LTV and DSCR immediately prior to the proposed transaction¹:

LTV DSCR

LTV and DSCR immediately after the proposed transaction¹:

LTV DSCR

Current Value of the portion of the Property to be released immediately prior to the proposed transaction²

Basis for current value of the portion of Property to be released²

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¹ The LTV and DSCR calculations above must be based on Fannie Mae guidance in Part III of the Guide. The NCF must be based on the most recently-submitted Form 4254 (or its equivalent), and the NCF must be used in calculating the “immediately prior” and “immediately after” DSCR, and the Direct Cap Method for deriving the LTV. In determining the “immediately prior” and “immediately after” LTV, the Servicer may use a broker's opinion of value, the most recent Appraisal, or the Servicer's estimate of value using the Direct Cap Method supported by market cap rates and sales comparables. If vacant land which does not generate any income is being released, the DSCR and the LTV immediately prior to the condemnation and immediately after will be the same.

² Include the value of the land and Improvements to be taken by the condemnation or conveyance in lieu of condemnation. Generally, the amount of the condemnation award will be used as the value. Although unimproved land does not factor into the Fannie Mae calculation to determine the maximum loan size, it does have value for tax and accounting purposes.

2. Transaction Summary

The Servicer may attach its own form narrative or memo in place of Section 2 provided it contains the information requested in Part 2 and the Servicer completes the remaining sections of this form.

1. Briefly describe the proposed transaction and Servicer's recommendation:

2. Describe the benefits that will result from the proposed transaction:

3. Describe the risks of the proposed transaction, with specific emphasis on risks related to those questions that are answered "Yes":

4. Briefly describe the actions that are being taken by the Servicer and Borrower to mitigate those risks.

5. Briefly describe any other relevant information (if none, answer N/A).

3. Delegation Determination Questions (If any question is answered YES - the request is not delegated to the Servicer)

	Questions	Response	Guide Reference or Comments
1	Is the Mortgage Loan currently rated Substandard or Doubtful on Fannie Mae's Watchlist?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", describe how the proposed condemnation or conveyance in lieu of condemnation will affect the Mortgage Loan risk factors.
2	Is the Mortgage Loan in either: (a) Payment Default; or (b) Performance Default?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes," notify <u>Multifamily Asset Management</u> immediately if in Payment Default. If in Performance Default (including if the condemnation or conveyance in lieu of condemnation was entered into without Servicer or Fannie Mae consent), submit the Form 4636.C, including information regarding the default and actions to cure the default.
3	Will the request require an amendment to either the Master Credit Facility Agreement or Bulk Delivery Agreement? (Applicable only to a Fannie Mae Credit Facility or Bulk Delivery.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", contact <u>Multifamily Structured Asset Management</u> for Credit Facilities and Bulk Deliveries. The Servicer must send the completed Form 4636.C through the MAMP for review, and Fannie Mae Counsel will be engaged.
4	Is the condemnation a result of or will it cause a zoning violation, health code violation, or building code violation?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes," notify <u>Multifamily Asset Management</u> immediately.
5	Would the condemnation cause the DSCR of the Mortgage Loan to be less than the lesser of: (a) the Underwritten DSCR of the Mortgage Loan; or (b) the DSCR of the Mortgage Loan immediately before the condemnation?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a copy of the Borrower's pro forma income statement and the Servicer's analysis of the pro forma.
6	Would the condemnation have a material adverse effect on the marketability or occupancy of the remaining Property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a copy of the most recent Appraisal, market study, or other documentation related to the marketability or occupancy of the Property.

7	Would there be a material difference (greater than 10%) between the current market value of the Property and the expected market value of the Property after the condemnation? ³	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", state the difference and submit a copy of the most recent Appraisal or value estimate: Difference
8	Would the LTV for the Mortgage Loan after the condemnation be higher than the original Underwritten LTV?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a copy of the most recent Appraisal or documentation related to the change in Property value.
9	Would the condemnation have a negative effect on the access, visibility, or the storm water drainage at the Property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a copy of the survey showing the Property, the portion that would be condemned, and the proposed improvements or use of the condemned parcel.
10	Would the condemnation cause a zoning violation based on the applicable zoning allowable density requirements for the portion of the Property remaining after the condemnation?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a summary of the local ordinances affected by the condemnation, the Borrower's plan to correct the zoning or density issue, and the Servicer's opinion concerning the sufficiency of the current ordinance and law insurance coverage.
11	Would the condemnation cause a decrease below the zoning minimum required parking spaces, or have a material negative impact on the parking availability at the Property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", submit a summary of the local ordinances affected by the condemnation and the Borrower's plan to address the parking deficiency.
12	Does the Servicer believe that the proposed condemnation award is inadequate in relation to the value of the portion of the Property to be taken?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", describe the issues concerning the condemnation award.

13	Does the Servicer recommend that the Borrower or Fannie Mae contest the condemnation action or the proposed award?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", describe the reasons for the recommendation.
14	When the Borrower receives and remits condemnation compensation to the Servicer, will the resulting compensation be used for any purpose other than as permitted under the Loan Documents or this Form?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", please describe the proposed use of the compensation.
15	Would the condemnation result in a prepayment of 50% or more of the UPB of the Mortgage Loan?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", contact <u>Multifamily Asset Management</u> immediately.
16	<u>Would the condemnation cause the UPB of the Mortgage Loan to exceed 100% of the value of the real estate (100% LTV)? For Senior Housing Properties with a Mortgage Loan Origination Date after January 1, 2021, you must calculate the real estate value in accordance with Footnote 4.</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	If "Yes", please provide the values for the land and improvements; goodwill; business value; intangibles; and furniture, fixtures and equipment.

³ The 10% test is calculated at the time of the release of collateral. The calculation will generally be the value of the condemnation award divided by the current market value of the entire Property immediately prior to the condemnation or conveyance in lieu of condemnation.

⁴ Appraisals on Seniors Housing Properties generally have values that include land and improvements, goodwill, business value, intangibles; and furniture, fixtures and equipment. This LTV test must use only the value attributed to land and improvements. If a new Appraisal is obtained, use the value attributed to land and improvements in the new Appraisal. If a Direct Cap valuation approach is utilized, you must deduct value attributed to the total of goodwill, business value, intangibles and furniture, fixtures and equipment from the Direct Cap approach to calculate the value attributed to land and improvements. You may use the percentage of total value attributed to land and improvements found in the origination Appraisal to the current Direct Cap valuation to calculate the current land and improvement value.

For example, if the original appraisal attributed 85% of the value to land and improvements and 15% of the value to goodwill, business value, intangibles, and/ furniture, fixtures and equipment; assume the current value of the land and improvements is 85% of your new Direct Cap Value.

Example

<u>Property Information</u>	<u>Appraisal for Mortgage Loan Origination</u>	<u>Appraisal for Condemnation</u>
<u>NCF</u>	<u>\$1,929,330</u>	<u>\$2,100,000</u>
<u>Cap Rate</u>	<u>6.63%</u>	<u>6.40%</u>
<u>Final Total Value (NCF/Cap Rate)</u>	<u>\$29,100,000</u>	<u>\$32,812,500</u>
<u>Total of Goodwill, Business Value, Intangibles and and Furniture, Fixtures, and Equipment</u>	<u>\$4,365,000</u>	<u>\$4,921,875 (\$32,812,500 * 15.0%)</u>
<u>Land and Real Property</u>	<u>\$24,735,000</u>	<u>\$27,890,625 (\$32,812,500 * 85.0%)</u>
<u>Land and Real Property Percentage of Final Total Value</u>	<u>85.0%</u>	<u>85.0%</u>
<u>Mortgage Loan UPB</u>	<u>\$16,005,000</u>	<u>\$16,000,000</u>
<u>LTV (UPB/ Land and Real Property)</u>	<u>64.7%</u>	<u>57.4%</u>
<u>Is LTV < 100%</u>	<u>Yes</u>	<u>Yes</u>
<u>Answer to Question 15</u>	<u>N/A</u>	<u>No</u>

4. Servicer Certification

The Servicer hereby represents and warrants to Fannie Mae that, to the best of its knowledge, the statements made in this Form are true and correct, and that no material facts have been omitted or misstated.

Signed* _____

Name _____

Title _____

Date

*An electronic signature is acceptable.