**Rider to Loan Agreement**

**Green Improvements**

(Revised 2-14-2023)

The following changes are made to the Loan Agreement that precedes this Rider:

A. The following table is added to Section 1.03:

|  |  |  |  |
| --- | --- | --- | --- |
| **Green Improvements** | | | |
| **Description of Green Improvements** | **Performance Specifications** | **Cost** | **Location** |
|  |  | $\_\_\_\_\_\_\_ |  |
|  |  | $\_\_\_\_\_\_\_ |  |
|  |  | $\_\_\_\_\_\_\_ |  |
|  |  | $\_\_\_\_\_\_\_ |  |
|  |  | $\_\_\_\_\_\_\_ |  |

B. Section 4.03(d) is deleted and replaced with the following:

(d) Green Repair Reserve Deposit. If a Green Repair Reserve Deposit is marked required in Section 1.03, then on the Closing Date, Borrower will deposit the amount set forth in Section 1.03 into the Repair Reserve Fund to be used for Green Improvements.

C. Section 6.07(j) is deleted and replaced with the following:

(j) Benchmarking Data and Supporting Documentation. Borrower will provide access to or furnish (or cause to be furnished) to Lender, Freddie Mac (if Freddie Mac ceases to be the Lender), and their respective third-party consultants, including a Green Consultant, a copy of the Supporting Documentation in accordance with Section 6.14(l)(viii), and the Benchmarking Data.

D. Section 6.14(l) is deleted and replaced with the following:

(l) Green Improvements.

(i) Green Improvements are Repairs under the terms of this Loan Agreement and Borrower must complete the Green Improvements in accordance with the terms of Section 6.14(a) through 6.14(j), including completion by the Completion Date for Green Improvements specified in the Repair Schedule of Work in Section 1.03.

(ii) If Green Repair Reserve Deposit is selected in Section 1.03, then on the Closing Date, Borrower must deposit the amount of the Green Repair Reserve Deposit into the Repair Reserve Fund in accordance with Section 4.03(d), to be disbursed to Borrower in accordance with Section 4.03(g).

(iii) Borrower must use commercially reasonable efforts to avoid disrupting tenants’ access to and use and enjoyment of the Mortgaged Property both (A) while the Green Improvements are in progress and (B) as a result of the Green Improvements.

(iv) During the Input Period, the Benchmarking Data Consultant must collect, input and monitor the Benchmarking Data in the Benchmarking Tool in order to produce Benchmarking Metrics for the Mortgaged Property.

(A) Borrower will assist the Benchmarking Data Consultant as necessary, including obtaining Benchmarking Data from tenants. The Benchmarking Data must be inputted for both energy and water even if the Green Improvements were not intended to benefit a specific utility expense category.

(B) Borrower may retain the Green Consultant as the Benchmarking Data Consultant if such Green Consultant meets Lender’s requirements for a Benchmarking Data Consultant.

(C) Upon request by Lender, Borrower will deliver to Lender a current copy of the contract Borrower has with the Benchmarking Data Consultant, a copy of invoices from Benchmarking Data Consultant, and such other related documentation as Lender may require regarding the Benchmarking Data Consultant.

(v) Upon completion of the Green Improvements, Borrower must complete and deliver the Verification Certification to Lender in accordance with Section 6.14(l)(viii).

(vi) To the extent any of the Green Improvements is also listed as a Repair on the Repair Schedule of Work in Section 1.03 or as a Capital Replacement, the requirements listed in this Section 6.14(l) will control for such Green Improvements.

(vii) In addition to those inspections permitted under Section 6.14(f) and Section 6.06, Lender may conduct, or cause to be conducted, such additional inspections of the Green Improvements as may be recommended by a Green Consultant or as otherwise determined by Lender in Lender’s Discretion at any time while the Green Improvements are being performed and for two years after the Completion Date for Green Improvements.

(viii) Borrower must deliver each of the following to Lender within the stated time frame:

|  |  |
| --- | --- |
| **Document or Information to be Delivered** | **Deadline to Deliver Documentation** |
| Benchmarking Metrics | Benchmarking Metrics Delivery Date |
| Verification Certification | Within 30 days after the Actual Completed Green Improvements Date |
| Supporting Documentation | Within 30 days after Lender’s request |
| Energy Certification | Within 30 days after Borrower’s receipt of Energy Certification |

(ix) If Freddie Mac ceases to own the Loan, Borrower must continue to deliver or make available to Lender any items or information required in this Section 6.14(l). Borrower must also continue to make such items or information available to Freddie Mac and to the extent Borrower is required to deliver copies of the information to Lender, Borrower must simultaneously deliver the same information to Freddie Mac. Any request by Freddie Mac for additional information or inspections after Freddie Mac ceases to own the Loan will have the same effect as if Lender has made the request. Any information to be delivered to Freddie Mac must be delivered to the following:

[green\_advantage\_reporting@freddiemac.com](mailto:green_advantage_reporting@freddiemac.com)

(x) In addition to disclosures and publications permitted in Section 11.08, Lender or Freddie Mac, if Freddie Mac ceases to own the Loan, may, in their sole discretion, disclose and publish the Green Improvements Information. Borrower hereby consents to such disclosure and publication of the Green Improvements Information. To the fullest extent permitted under applicable law, Borrower irrevocably waives all rights, if any, to prohibit any disclosure or publication, including any right of privacy, in connection with the Green Improvements Information.

E. The following definitions are added to Article XII:

“**Actual Completed Green Improvements Date**” means the date Borrower inserts into the Verification Certification as the date the Green Improvements have been completed in their entirety.

“**Benchmarking Data**” means the actual energy and water usage inputted into the Benchmarking Tool. The Benchmarking Data must include all owner-paid usage, at least 10% of tenant-paid usage and an estimate of the remaining tenant-paid usage at the Mortgaged Property.

“**Benchmarking Data Consultant**” means a third-party consultant retained by Borrower and acceptable to Lender that is qualified to collect, input and monitor Benchmarking Data from the Mortgaged Property. Borrower is not required to retain the Green Consultant to be the Benchmarking Data Consultant.

“**Benchmarking Metrics**” means the ENERGY STAR® Score, Water Score (as soon as made available by the EPA), EUI, WUI and Portfolio Manager® property identification produced through the Benchmarking Tool.

“**Benchmarking Metrics Delivery Date**” means not later than 90 days after the end of each calendar year, commencing with the first full calendar year after the date of this Loan Agreement and continuing through the term of the Loan.

“**Benchmarking Tool”** means the Portfolio Manager® or in the event the ENERGY STAR® Score is no longer available, such other benchmarking tool as identified by Freddie Mac.

“**Energy Certification**” means any energy certification and/or score of environmental energy savings from applicable local, state or federal agencies or another nationally recognized building association.

“**ENERGY STAR**® **Score**” means the measure of energy performance provided through the Portfolio Manager® for the Mortgaged Property.

“**EPA**”means the U.S. Environmental Protection Agency.

“**EUI**” means the site energy use intensity measured at the Mortgaged Property as defined in Portfolio Manager®.

“**Green Assessment**” means the report that was prepared by a Green Consultant in connection with Borrower’s application for the Loan.

“**Green Consultant**” means a certified environmental design/inspection or engineering firm that specializes in providing multifamily property owners energy and water management solutions for overall energy and water reduction and savings at the Mortgaged Property.

“**Green Improvements**” means the repairs, renovations and installation of energy and water savings measures to be made to the Improvements existing at or upon the Mortgaged Property as of the date of this Loan Agreement, which are being made to improve energy and water efficiency at the Mortgaged Property, as described on the Green Improvements table in Section 1.03.

**“Green Improvements Information”** means property information about the Mortgaged Property, including the state and county in which the Mortgaged Property is located, the year the Mortgaged Property was built, the number of units in the Mortgaged Property, the property type (e.g., garden style or high-rise), the type of savings pursued, the Green Improvements, projected savings, estimated costs of Green Improvements, the Benchmarking Data and such additional information as Lender or Freddie Mac may determine as necessary or beneficial to include.

**“Green Repair Reserve Deposit**” is set forth in Section 1.03.

**“Input Period”** means the period commencing on the first day of the first full month following the date of this Loan Agreement and continuing on the first day of each month thereafter through the term of the Loan.

“**Portfolio Manager**®” means an online tool used to measure and track, among other items, water and energy consumption at the Mortgaged Property, located on the ENERGY STAR® website of the EPA.

“**Supporting Documentation**” means any utility bills, reports or documentation to which Borrower has access and/or is entitled to receive in connection with the usage of energy and water at the Mortgaged Property and to the extent available, calculations of any savings to Borrower resulting from the Green Improvements.

“**Verification Certification**” means the completed and executed Green Improvements Verification Certification in the form attached to this Loan Agreement.

“**Water Score**” means the EPA 1-100 Water Score developed or to be developed by the EPA and provided through the Portfolio Manager® to measure water usage efficiency for the Mortgaged Property.

“**WUI**” means the water use intensity for all water sources measured at the Mortgaged Property as defined in Portfolio Manager®.

F. The form of Verification Certification follows:

[REMAINDER OF PAGE INTENTIONALLY BLANK; CERTIFICATION BEGINS ON FOLLOWING PAGE]

**Green Improvements Verification Certification**

(Revised 2-14-2023)

Freddie Mac Loan Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Property Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |
| --- | --- | --- | --- |
| **Borrower**: |  | | |
| **Certificate Date\***: |  | **Loan Agreement Effective Date**: |  |
| *\* Required within 30 days following the Actual Completed Green Improvements Date.* | | | |

In connection with Section 6.14(l)(v) of the Loan Agreement, Borrower certifies to Lender as follows:

(1) The Actual Completed Green Improvements Date is \_\_\_\_\_\_\_\_\_\_\_\_\_.

(2) The Benchmarking Data has been uploaded as of the date of this Verification Certification.

(3) The Green Improvements have been completed in accordance with the specifications recommended in the Green Assessment as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Specification Performance for Items as Noted**  **in Green Assessment** | | **Specification Performance for Items as Installed** | |
| Item Description | Quantity | Item Description | Quantity |
|  |  |  |  |
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Capitalized terms used in this certification have the meaning given to them in the Loan Agreement.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title: