**Rider to Loan Agreement**

**Multiple Asset Entity**

(Revised 6-14-2022)

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

A. The following table is added to Section 1.02:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Multiple Asset Entity** | | | | |
| Loan to Value Cap for Permitted Property is \_\_\_\_\_% or is  not applicable. | | | | |
|  | **Permitted Property List**: | | | |
|  | ***Street Address*** | ***City*** | ***State*** | ***Zip Code*** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

B. Section 3.03(f) is deleted and replaced with the following:

(f) Intentionally deleted.

C. Section 3.03(k) is deleted and replaced with the following:

(k) The avoidance, in whole or in part, of the transfer creating the lien of the Security Instrument, or a court order providing an alternative remedy to that avoidance, because of the occurrence on or before the date that the Security Instrument was recorded of a fraudulent transfer or a preference under federal bankruptcy, state insolvency, or similar creditors’ rights laws.

D. Section 3.05(a) and Section 3.05(b) are deleted and replaced with the following:

(a) Borrower fails to comply with Section 6.13(a).

(b) Reserved.

E. Section 6.07 is deleted and replaced with the following:

**6.07 Books and Records; Financial Reporting**.

(a) Delivery of Books and Records.

(i) Borrower will keep and maintain at all times at the Mortgaged Property, Borrower’s main business office, or the Property Manager’s office, and upon Lender’s request will make available at the Mortgaged Property (or, at Borrower’s option, at the Property Manager’s office), complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property and copies of all written contracts, Leases, and other instruments which affect the Mortgaged Property. The books, records, contracts, Leases, and other instruments will be subject to examination and inspection by Lender at any reasonable time (“**Books and Records**”).

(ii) Borrower will keep the Books and Records in accordance with one of the following accounting methods, consistently applied, and Borrower will promptly provide Lender Notice of any change in Borrower’s accounting methods:

(A) Generally accepted accounting principles (GAAP).

(B) Tax method of accounting, if under the tax method of accounting, the accrual basis is used for interest expense, real estate taxes and insurance expense, and the cash basis is used for all other items, including income, prepaid rent, utilities and payroll expense. Financial statements may exclude depreciation and amortization.

(C) Such other method that is acceptable to Lender.

(b) Delivery of Statement of Income and Expenses; Rent Schedule and Other Statements. Borrower will furnish to Lender each of the following:

(i) Within 25 days after the end of each calendar quarter prior to Securitization and within 35 days after each calendar quarter after Securitization, each of the following:

(A) A Rent Schedule dated no earlier than the date that is 5 days prior to the end of such quarter.

(B) A statement of income and expenses for Borrower’s operation of the Mortgaged Property that is either of the following:

(1) For the 12-month period ending on the last day of such quarter.

(2) If at the end of such quarter Borrower or any Affiliate of Borrower has owned the Mortgaged Property for less than 12 months, for the period commencing with the acquisition of the Mortgaged Property by Borrower or its Affiliate and ending on the last day of such quarter.

(C) When requested by Lender, a balance sheet showing all assets and liabilities of Borrower relating to the Mortgaged Property as of the end of that fiscal quarter.

(ii) Within 90 days after the end of each fiscal year of Borrower, all of the following:

(A) An annual statement of income and expenses for Borrower’s operation of the Mortgaged Property for that fiscal year.

(B) A balance sheet showing all assets and liabilities of Borrower relating to the Mortgaged Property as of the end of that fiscal year.

(C) An accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts.

(iii) Within 30 days after the date of filing, copies of all tax returns filed by Borrower.

(c) Additional Reporting Requirements Upon Request. Borrower will furnish to Lender each of the following:

(i) Upon Lender’s request, in Lender’s sole and absolute discretion prior to a Securitization, and thereafter upon Lender’s request in Lender’s Discretion, a monthly Rent Schedule and a monthly statement of income and expenses for Borrower’s operation of the Mortgaged Property, in each case within 25 days after the end of each month.

(ii) Upon Lender’s request in Lender’s sole and absolute discretion prior to a Securitization, and thereafter upon Lender’s request in Lender’s Discretion, within 10 days after such a request from Lender, an organizational chart that identifies all of the following:

(A) Persons that directly or indirectly Control Borrower and any Designated Entity for Transfers and the interest held by each.

(B) Persons with a collective equity interest (whether direct or indirect) of 25% or more in Borrower if not already identified pursuant to Section 6.07(c)(ii)(A).

(C) All Non-U.S. Equity Holders.

If any Designated Entity for Transfers is a Public Company, the organizational chart will not be required to show the ownership of such Public Company, unless such Public Company exercises control over the purchase and sale of its publicly traded equity securities to a particular Person or shareholder.

(iii) Upon Lender’s request in Lender’s Discretion, such other financial information or property management information (including information on tenants under Leases to the extent such information is available to Borrower, copies of bank account statements from financial institutions where funds owned or controlled by Borrower are maintained, and an accounting of security deposits) as may be required by Lender from time to time, in each case within 30 days after such request.

(iv) Upon Lender’s request in Lender’s Discretion, a monthly property management report for the Mortgaged Property, showing the number of inquiries made and rental applications received from tenants or prospective tenants and deposits received from tenants and any other information requested by Lender within 30 days after such request. However, Lender will not require the foregoing more frequently than quarterly except when there has been an Event of Default and such Event of Default is continuing, in which case Lender may require Borrower to furnish the foregoing more frequently.

(d) Form of Statements; Audited Financials. A natural person having authority to bind Borrower (or the SPE Equity Owner or Guarantor, as applicable), acting in his or her capacity as a manager, general partner or an officer of Borrower, SPE Equity Owner, or Guarantor and not in his or her individual capacity, will certify each of the statements, schedules and reports required by Sections 6.07(b), 6.07(c) and 6.07(f) to be complete and accurate. Each of the statements, schedules and reports required by Sections 6.07(b), 6.07(c) and 6.07(f) will be in such form and contain such detail as Lender may reasonably require. Lender also may require that any of the statements, schedules or reports listed in Sections 6.07(b), 6.07(c) and 6.07(f) be audited at Borrower’s expense by independent certified public accountants acceptable to Lender, at any time when an Event of Default has occurred and is continuing or at any time that Lender, in its reasonable judgment, determines that audited financial statements are required for an accurate assessment of the financial condition of Borrower or of the Mortgaged Property.

(e) Failure to Timely Provide Financial Statements or Additional Reporting. If Borrower fails to provide in a timely manner the statements, schedules and reports required by Sections 6.07(b), 6.07(c) and 6.07(f), Lender will give Notice to Borrower specifying the statements, schedules and reports required by Sections 6.07(b), 6.07(c) and 6.07(f) that Borrower has failed to provide. If Borrower has not provided the required statements, schedules and reports within 10 Business Days following such Notice, then (i) Borrower will pay a late fee of $500 for each late statement, schedule or report, plus an additional $500 per month that any such statement, schedule or report continues to be late, and (ii) Lender will have the right to have Borrower’s books and records audited, at Borrower’s expense, by independent certified public accountants selected by Lender in order to obtain such statements, schedules and reports, and all related costs and expenses of Lender will become immediately due and payable and will become an additional part of the Indebtedness as provided in Section 9.02. Notice to Borrower of Lender’s exercise of its rights to require an audit will not be required in the case of an emergency, as determined in Lender’s Discretion, or when an Event of Default has occurred and is continuing.

(f) Delivery of Guarantor and SPE Equity Owner Financial Statements. Borrower will cause Guarantor and/or SPE Equity Owner to deliver each of the following to Lender within 10 Business Days following Lender’s request:

(i) Guarantor’s or SPE Equity Owner’s (as applicable) balance sheet and profit and loss statement (or if such party is a natural person, such party’s personal financial statements) as of the end of (A) the quarter that ended at least 30 days prior to the due date of the requested items, and/or (B) the fiscal year that ended at least 90 days prior to the due date of the requested items.

(ii) Other Guarantor or SPE Equity Owner (as applicable) financial statements as Lender may reasonably require.

(iii) Written updates on the status of all litigation proceedings that Guarantor or SPE Equity Owner (as applicable) disclosed or should have disclosed to Lender as of the Effective Date.

(iv) If an Event of Default has occurred and is continuing, copies of Guarantor’s or SPE Equity Owner’s (as applicable) most recent filed state and federal tax returns, including any current tax return extensions.

(g) Reporting Upon Event of Default. If an Event of Default has occurred and is continuing, Borrower will deliver to Lender upon written demand all books and records relating to the Mortgaged Property or its operation.

(h) Credit Reports. Borrower authorizes Lender to obtain a credit report on Borrower at any time.

(i) through (m) are reserved.

F. Section 6.13 is deleted and replaced with the following:

**6.13** **Multiple** **Asset Entity**.

(a) Ownership Restrictions. Until the Indebtedness is paid in full, Borrower will satisfy each of the following conditions:

(i) It will not own any real or personal property other than (i) the Mortgaged Property and personal property related to the operation and maintenance of the Mortgaged Property, and (ii) the Permitted Property and personal property related to the operation and maintenance of the Permitted Property.

(ii) It will not operate any business other than the management and operation of the Mortgaged Property and the Permitted Property.

(iii) It will not maintain its assets in a way difficult to segregate and identify.

(iv) It will not obtain any financing for the Permitted Property that will cause the collective loan to value ratio for the Permitted Property, as determined by Lender, to exceed the Loan to Value Cap for Permitted Property specified in Section 1.02.

(b) Reserved.

(c) Effect of Transfer on Multiple Asset Entity Requirements. Notwithstanding anything to the contrary in this Loan Agreement, no Transfer will be permitted under Article VII unless the provisions of this Section 6.13 are satisfied at all times.

G. The following definition is added to Article XII:

“**Permitted Property**”meansproperties other than the Mortgaged Property that are owned by Borrower as of the Effective Date, all of which are listed in Section 1.02.