**Rider to Continuing Covenant Agreement – TEL**

**Mortgaged Property Not Separate Tax Parcel**

(Revised 6-27-2023)

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

A. The following table is added to Section 1.04:

|  |  |
| --- | --- |
| **Property Not Separate Tax Parcel** | |
| “**Adjacent Parcel**” means the property adjacent to the Mortgaged Property commonly referred to as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and covering approximately \_\_\_ acres of land that: *(choose one)* | |
|  | Contains an apartment complex and its corresponding land and improvements. |
|  | Consists of undeveloped land. |
|  | Other: *[describe]* |
| *(See Sections 4.02 and 6.41)* | |

B. Reserved

C. Section 4.02(j) is deleted and replaced with the following:

(j) Borrower represents and warrants that the Adjacent Parcel and the Mortgaged Property have been legally subdivided, and Borrower has done all things necessary and required by the local tax assessor’s office in order for the Adjacent Parcel and the Mortgaged Property to each be designated as a separate tax parcel by such assessor’s office.

D. Section 6.41 is deleted and replaced with the following:

**6.41 Separate Tax Parcels**

(a) Borrower will immediately notify Funding Lender in writing upon designation of the Mortgaged Property and the Adjacent Property as separate tax parcels.

(b) Upon the issuance of separate tax identification numbers, Borrower will deliver to Funding Lender an ALTA 18-06 Single Tax Parcel endorsement to the Funding Lender’s title insurance policy within 30 days of issuance of the Mortgaged Property’s separate tax identification number.

(c) Notwithstanding anything to the contrary in this Continuing Covenant Agreement, Funding Lender will pay to Borrower the amount of the Imposition Reserve Deposit for Taxes attributable to the Adjacent Parcel when all of the following conditions have been met:

(i) Funding Lender has received evidence satisfactory to Funding Lender that the Mortgaged Property and the Adjacent Parcel have been designated as separate tax parcels and separate tax identification numbers have been issued for each parcel.

(ii) Funding Lender has received an ALTA 18-06 Single Tax Parcel endorsement to the Funding Lender’s title insurance policy.

(iii) Borrower has made a written request to Funding Lender for a refund of the portion of the Imposition Reserve Deposit for Taxes attributable to the Adjacent Parcel.

E. The following definition in Article XII is deleted and replaced with the following:

“Taxes” means all taxes, assessments, vault rentals and other charges, if any, whether general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a Lien on any of the following:

(i) The Land.

(ii) The Improvements.

(iii) Until such time as the Adjacent Parcel is identified as a separate tax parcel, on the Adjacent Parcel.

F. The following definition is added to Article XII:

“**Adjacent Parcel**” is defined in Section 1.04.