**Rider to Continuing Covenant Agreement – TEL**

**Rental Assistance Contract**

**(**revised 7-1-2025)

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

A. The following table is added to Section 1.05:

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| **Rental Assistance Contract** |
| Current Rental Assistance Contract Program Name: \_\_\_\_\_\_\_\_\_\_\_ |
| Title of Current Rental Assistance Contract: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Current Rental Assistance Contract Date: \_\_/\_\_/\_\_\_\_ |
| Rental Assistance Provider: *(choose one)* |
| [ ]  | United States Department of Housing and Urban Development  |
| [ ]  | [*list name of other rental assistance provider*]  |
| Contract Administrator: *(choose one)* |
| [ ]  | United States Department of Housing and Urban Development |
| [ ]  | [*list name of other contract administrator=*]  |
| *(See Sections 2.07, 5.47, 6.27, and 9.01)*  |

B. Section 2.07 is deleted and replaced with the following:

**2.07 Rental Assistance Contract**.

(a) The Mortgaged Property is the subject of the Current Rental Assistance Contract. The Borrower conveys, pledges, transfers, and grants to Funding Lender a security interest pursuant to the Uniform Commercial Code of the Property Jurisdiction or any other applicable law in and to the Rental Assistance Contract Rights.

(b) If an Event of Default has occurred and is continuing, Funding Lender may direct the Contract Administrator to remit future Rental Assistance Payments to Funding Lender. Borrower consents to all such remittances. Funding Lender will apply to the Indebtedness any Rental Assistance Payments that it receives.

(c) Borrower hereby appoints Funding Lender as Borrower’s agent and attorney-in-fact, which appointment is irrevocable and coupled with an interest, with full authority in its place and stead and in its name or otherwise, from time to time, in Funding Lender’s Discretion, to take any action and to execute any instrument which Borrower has failed to promptly take or execute and which Funding Lender has reasonably requested of Borrower and which Funding Lender reasonably deems necessary, desirable or advisable to accomplish the purpose of having the Rental Assistance Contract or the underlying Rental Assistance Contract Rights assigned to Funding Lender, including without limitation, any of the following actions:

(i) To execute any instrument of further assurance or other instrument.

(ii) To transfer the Rental Assistance Payments to Funding Lender’s or Funding Lender’s nominee’s name.

(iii) To cure any defaults by any party under the Rental Assistance Contract.

Notwithstanding the foregoing, Funding Lender agrees that it will not exercise the power of attorney granted to it under this Section unless an Event of Default under any of the Financing Documents has occurred and is continuing.

C. Reserved

D.Section 5.47 is deleted and replaced with the following:

**5.47 Representations Regarding Rental Assistance Contract**. Borrower represents and warrants that all the following are true:

(a) The copy of the Rental Assistance Contract it has provided to Funding Lender includes all amendments, schedules and exhibits and is complete and accurate in all respects.

(b) Neither the Borrower nor any of its principals or Affiliates is subject to or has received any notice of any debarment, suspension or other administrative or investigative proceeding initiated by the Rental Assistance Provider, or any federal, state or municipal government agency.

(c) Borrower has not received any notice from the Rental Assistance Provider or the Contract Administrator, as applicable, indicating that any of the following are true:

(i) Rental Assistance Provider or the Contract Administrator, as applicable, may not or will not renew the Rental Assistance Contract upon its expiration.

(ii) Rental Assistance Provider or the Contract Administrator, as applicable, may or will terminate the Rental Assistance Contract before its expiration.

(iii) Rental Assistance Provider or the Contract Administrator, as applicable, may or will reduce or has reduced the number of units subject to the Rental Assistance Contract.

E. Section 6.27 is deleted and replaced with the following:

**6.27 Compliance with Rental Assistance Contract.**

(a) Borrower will file with the Contract Administrator all documentation necessary to obtain timely monthly Rental Assistance Payments.

(b) Borrower will file with the Contract Administrator a request for each annual rent increase under the Rental Assistance Contract, at such time as will permit the implementation of the increase at the earliest possible date. Borrower will promptly implement each approved annual rent increase when it becomes permissible.

(c) Borrower will comply fully with all of its obligations under the Rental Assistance Contract. Borrower will promptly provide Funding Lender a copy of any notice Borrower receives alleging that Borrower is in breach of the Rental Assistance Contract or that the Mortgaged Property is not being maintained as required by the Rental Assistance Contract. Borrower also will promptly provide Funding Lender copies of any inspection or compliance reports received from the Rental Assistance Provider or the Contract Administrator, as applicable. Borrower will notify Funding Lender within 5 Business Days of the earliest of: (i) receipt of notice that the Contract Administrator and/or the Rental Assistance Provider will exercise any rights or remedies under the Rental Assistance Contract or (ii) the exercise by Contract Administrator and/or the Rental Assistance Provider of any rights or remedies under the Rental Assistance Contract.

(d) Without limiting the generality of Section 6.27(c), Borrower will comply fully with provisions of the Rental Assistance Contract that require the consent of the Contract Administrator and, if applicable, the Rental Assistance Provider for any Transfer of the Mortgaged Property, any interest in the Mortgaged Property or any interest in the Borrower entity, even if the consent of Funding Lender to such Transfer is not required under this Continuing Covenant Agreement. Any consent by Funding Lender to a Transfer under Article VII will be in addition to, and not in lieu of, any consent by the Contract Administrator and, if applicable, the Rental Assistance Provider that is required by the Rental Assistance Contract.

(e) Borrower will avail itself of all rights and opportunities to renew or extend the Rental Assistance Contract. Except for renewals or extensions of the term of the Rental Assistance Contract and amendments solely for the purpose of implementing rent increases, Borrower will not amend or terminate the Rental Assistance Contract without the prior written consent of Funding Lender. Borrower will provide Funding Lender a complete and accurate copy of each amendment, renewal or extension.

(f) Borrower will provide Funding Lender copies of all audited financial statements that it provides to the Contract Administrator and, if applicable, the Rental Assistance Provider under the Rental Assistance Contract.

F. Section 9.01(kk) is deleted and replaced with the following:

(kk) Any Transfer of: (i) the Mortgaged Property, (ii) any interest in the Mortgaged Property, or (iii) any interest in the Borrower without prior consent of the Rental Assistance Provider or the Contract Administrator, as applicable, if required by the Rental Assistance Contract.

G. The following definitions are added to Article XII:

“**Contract Administrator**” is as specified in Section 1.05.

“**Current Rental Assistance Contract**” means the rental assistance contract having the title and date specified in Section 1.05 between Borrower and the Contract Administrator and, if applicable, the Rental Assistance Provider.

“**Rental Assistance** **Contract**” means the Current Rental Assistance Contract and any subsequent rental assistance contracts entered into between Borrower and the Contract Administrator and, if applicable, the Rental Assistance Provider affecting the Mortgaged Property.

“**Rental Assistance Contract Rights**”means the right to Rental Assistance Payments and all other interests and rights of the Borrower in and under the Rental Assistance Contract.

“**Rental Assistance** **Payments**” means payments received under the Rental Assistance Contract.

“**Rental Assistance Provider**”is as specified in Section 1.05.

H. The following definitions in Article XII are modified as follows:

The “**Mortgaged Property**” granted, conveyed and assigned to Funding Lender will include the Borrower’s right to (i) Rental Assistance Payments, (ii) any and all other Rental Assistance Contract Rights, and (iii) all amendments, renewals and extensions of the Rental Assistance Contract.

The “**UCC Collateral**” will include the Borrower’s right to (i) Rental Assistance Payments, (ii) any and all other Rental Assistance Contract Rights, and (iii) all amendments, renewals and extensions of the Rental Assistance Contract.