**Rider to Loan Agreement**

**Manufactured Housing Community – Private Facility**

(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 1.04:

|  |
| --- |
| **Manufactured Housing Community – Private Facility**  |
| Private Facility: |
| [ ]  | Private Waste Treatment System  |
| [ ]  | Private Well |
| [ ]  | Private Lift Station |
| Private Facility Management: |
| [ ]  | Professional Management *(includes Borrower Affiliate managers)* |
|  | Private Facility Manager: *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* |
| [ ]  | Self-Managed |
|  | [ ]  | Borrower Engages Private Facility Operator |
|  |  | Private Facility Operator:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  | Private Facility Operator Tasks: *[check required activities]* |
|  |  | [ ]  | Monitor and conduct periodic testing and water sampling of the Private Facility |
|  |  | [ ]  | Maintain records  |
|  |  | [ ]  | Address certain issues that may arise in connection with the Private Facility |
|  |  | [ ]  | Other *[list]* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| *(See Sections 2.08, 5.08 and 6.46)*  |

B. Section 2.08 is deleted and replaced with the following:

**2.08 Assignment of Private Facility Licenses.**

(a) Assignment of Private Facility Licenses. As additional security for the Loan, to the extent they are assignable, Borrower transfers, sets over and assigns to Lender, and grants to Lender a security interest in, all of Borrower’s right, title and interest in and to any and all licenses required in connection with the ownership and operation of the Private Facility as described in Sections 5.08 and 6.46 of this Loan Agreement, including any renewals, extensions or modifications of such licenses (collectively, the “**Private Facility Licenses**”; and individually, each a “**Private Facility License**”), together with all cash and non-cash proceeds of such licenses.

(b) Lender’s Right Upon Event of Default. Without limiting Lender’s rights described elsewhere, if an Event of Default exists under any Loan Document, then to the extent permitted by applicable law, Lender will have the right to exercise all the rights held by Borrower under the Private Facility Licenses. Lender does not assume any obligations or duties of Borrower concerning the Private Facility Licenses.

(c) Attorney-in-Fact. Borrower irrevocably constitutes and appoints Lender as Borrower’s attorney-in-fact to demand, receive and enforce Borrower’s rights with respect to the Private Facility Licenses and to do any and all acts in Borrower’s name or in the name of Lender with the same force and effect as Borrower could do if this Loan Agreement had not been made. This appointment will be deemed to be coupled with an interest and irrevocable.

C. Section 3.04(k) is deleted and replaced with the following:

(k) The performance of all of Borrower’s obligations under Section 6.46 of this Loan Agreement (relating to the Private Facility), as well as for all loss, costs or damage incurred or suffered by Lender as a result of the existence or operation of the Private Facilityat the Mortgaged Property, including any repair or replacement of such Private Facility.

D. Section 5.08 is deleted and replaced with the following:

**5.08 Access; Utilities; Tax Parcels.** The Mortgaged Property:

(a) Has ingress and egress via a publicly dedicated right of way or via an irrevocable easement permitting ingress and egress.

(b) Constitutes one or more separate tax parcels.

(c) Is served by public utilities and services that are generally available in the surrounding community or otherwise appropriate for the Mortgaged Property’s current use, except that the Mortgaged Property is served by the Private Facility that:

(i) Has sufficient capacity to adequately serve the MH Community, including any guests, visitors and invitees of the MH Community.

(ii) Complies with all applicable local, state and federal requirements, laws, codes, statutes, rules and/or regulations and has no record of violations.

(iii) Is managed or operated by a licensed and qualified operator or engineer that complies with all applicable local, state and federal requirements, laws, codes, statutes, rules and/or regulations.

(iv) Has passed the most recent and all prior inspections, which inspections were performed by a qualified engineer or other licensed professional, all as required by law, code, statute, rule and/or regulation of the applicable Governmental Authority having jurisdiction over the Private Facility and the Mortgaged Property.

(v) Has all required licenses, certificates and/or permits necessary for the Borrower (and operator, as applicable), to own, operate and maintain the Private Facility (which licenses, certificates and/or permits are not conditioned upon providing service to any other property).

(vi) Is located on, and utilized exclusively by, the Mortgaged Property and not by any other third party (i.e., no other third party is permitted to “tie-in” to the Private Waste Treatment System or Private Well, as applicable). Borrower has no obligation to provide any third party with access to or permit any third party (other than tenants of the Mortgaged Property) to use its Private Facility (or any other private or public water or sewer systems) in connection with the licensing or operation of the Mortgaged Property or otherwise.

In addition to the foregoing, based upon the property condition report and/or the environmental site assessment delivered in connection with the origination of the Loan and to Borrower’s knowledge, no material systems or key components of the Private Facility are expected to require replacement during the term of the Loan.

E. Section 6.46 is deleted and replaced with the following:

**6.46 Private Facility.**

(a) Professional Management. This Section 6.46(a) will apply if Professional Management is selected under Private Facility Management in Section 1.04. Borrower will provide for professional management of the Private Facility by the Private Facility Manager at all times under a management agreement approved by Lender in writing (the “**Private Facility Management Agreement**”). Borrower will not surrender, terminate, cancel, modify, renew or extend the Private Facility Management Agreement, or enter into any other agreement relating to the management or operation of the Private Facility with Private Facility Manager or any other Person, or consent to the assignment by the Private Facility Manager of its interest under such Private Facility Management Agreement, in each case without the consent of Lender, which consent will not be unreasonably withheld.

(i) If at any time Lender consents to the appointment of a new Private Facility Manager, such new Private Facility Manager and Borrower will, as a condition of Lender’s consent, execute an assignment of Private Facility Management Agreement in a form acceptable to Lender.

(ii) If any such replacement Private Facility Manager is an Affiliate of Borrower, and if a nonconsolidation opinion was delivered on the Effective Date, Borrower will deliver to Lender an updated nonconsolidation opinion in form and substance satisfactory to Lender with regard to nonconsolidation.

(b) Self-Management. This Section 6.46(b) will apply if Self-Managed is selected under Private Facility Management in Section 1.04. The Private Facility is self-managed by the Borrower. Borrower represents and warrants as follows:

(i) Borrower self-manages the Private Facility and no agent, affiliated or unaffiliated with Borrower, receives a fee or other compensation for managing the Private Facility.

(ii) Borrower will not engage a third party manager to manage the Private Facility without Lender’s prior written consent.

(iii) If Lender determines that the Private Facility is not being managed in accordance with generally accepted management practices for private facilities similar to the Private Facility, then Lender may, at its option, deliver Notice to Borrower, which Notice will specify the management issues. If Lender determines that the issues specified in Lender’s Notice are not remedied to Lender’s satisfaction by Borrower within 30 days from receipt of such Notice or that Borrower has failed to diligently undertake correcting such issues within such 30 day period, or if an Event of Default has occurred and is continuing, Borrower will, at Lender’s direction, engage a professional manager satisfactory to Lender at all times under a Private Facility Management Agreement, which manager will execute an assignment of Private Facility Management Agreement in a form acceptable to Lender. Borrower will not surrender, terminate, cancel, modify, renew or extend such Private Facility Management Agreement, or enter into any other agreement relating to the management or operation of the Private Facility with such manager or any other Person, or consent to the assignment by such manager of its interest under such Private Facility Management Agreement, in each case without the consent of Lender, which consent will not be unreasonably withheld. If at any time Lender consents to the appointment of a new private facility manager, such new private facility manager and Borrower will, as a condition of Lender’s consent, execute an assignment of Private Facility Management Agreement in a form acceptable to Lender.

(iv) This Section 6.46(b)(iv) will apply if Borrower Engages Private Facility Operator is selected in Section 1.04. Borrower has engaged a Private Facility Operator. Borrower must, at all times during the term of the Loan, engage a Private Facility Operator, as required by applicable law. In the event that the Private Facility Operator is replaced, then any such replacement operator must meet all requirements of applicable law, including any licensing requirements imposed by the applicable governing authority.

(c) Additional Covenants. Without limiting any other obligations set forth in this Loan Agreement, including those set forth in Sections 6.09(a), 6.09(c), 6.09(d), and 6.09(e), Borrower covenants as follows:

(i) It will maintain or cause to be maintained, as applicable, in full force and effect without modification, all Private Facility Licenses.

(ii) It will fully perform all of its obligations under all Private Facility Licenses.

(iii) It will keep the Private Facility in good condition and repair.

(iv) It will furnish to Lender, within 10 days after its receipt, a copy of any notice to or from any Governmental Authority, that: (a) could materially impact the operation or value of the Private Facility, or (b) requires additional action by Borrower or any other party that is more than development or implementation of a routine plan of correction, including participation in hearings concerning continued licensing, entering into consent orders affecting licensing for the Private Facility, or engaging in oversight management. For clarity, all of the following scenarios are deemed to fall under categories (a) and (b) above:

(A) Any Private Facility License is being revoked, terminated, suspended, restricted or conditioned, or may not be renewed or reissued, or an action is pending or being considered to revoke, terminate, suspend, restrict or condition (or not renew or reissue) any such Private Facility License.

(B) Any violation, fine, finding, investigation or corrective action concerning any Private Facility License or the Private Facility is pending or being considered, rendered or adopted.

(C) Any health or safety code violation or other code violation or other deficiency at the Private Facilityhas been identified.

(v) It will not assign or encumber any Private Facility License, or permit any Private Facility License (or the rights granted in the Private Facility License) to lapse or terminate, or be suspended, revoked, restricted or conditioned in any manner.

(vi) It will not permit any Private Facility License or the Private Facilityto become the subject of an action by a Governmental Authority to suspend, revoke, terminate, restrict or condition such Private Facility License or the operation of the Private Facility, as applicable.

(vii) In connection with any foreclosure, deed in lieu or other proposed Transfer of the Mortgaged Property, Borrower will cooperate with Lender in all respects to facilitate and effect the prompt transition of the licensing and operation of the Private Facility to Lender or any party designated by Lender. Such cooperation by Borrower will include:

(A) Executing any documentation required by the applicable Governmental Authorities, including an agreement evidencing the intent of the parties to transfer the Mortgaged Property and requesting that the permit for the Private Facility be transferred to Lender or Lender’s designee.

(B) Ensuring that the applicable Private Facility permits are valid, and the Private Facility is in compliance with applicable law.

(C) Furnishing to any prospective operator of the Private Facility complete and accurate records, files, documents and information in Borrower’s possession, control or custody, with respect to the operation, maintenance and construction of the Private Facility.

(D) Entering into an operations transfer agreement, in a form acceptable to Lender, with the new operator to permit continued operation of the Mortgaged Property without interruption while any Private Facility licenses are transferred to the new operator.

(E) Cooperating with Lender and the new operator of the Private Facility as to the filing of any other required notices or other documentation with the applicable Governmental Authorities.

F. The following definitions are added to Article XII:

“**Private Facility**” means, either individually or collectively, as applicable, each of the following facilities if they are selected in Section 1.04:

(i) Private Waste Treatment System.

(ii) Private Well.

(iii) Private Lift Station.

“**Private Facility License(s)**” is defined in Section 2.08.

“**Private Facility Management Agreement**” is defined in Section 6.46(a).

“**Private Facility Manager**” is defined in Section 1.04, if applicable.

“**Private Facility Operator**” means, if applicable, the Private Facility Operator specified in Section 1.04, or a person that meets all requirements of applicable law, including any licensing requirements, to conduct the Private Facility Operator Tasks.

“**Private Facility Operator Tasks**” are specified in Section 1.04, if applicable.

“**Private Lift Station**” means any private lift station(s) for water or sewer serving the Mortgaged Property that are owned exclusively by Borrower.

“**Private Waste Treatment System**” means a private septic or other waste treatment system serving the Mortgaged Property that is owned exclusively by Borrower.

“**Private Well**” means any private well(s) serving the Mortgaged Property that are owned exclusively by Borrower.