**Rider to Continuing Covenant Agreement – TEL**

**Tax Abatement or Exemption – Borrower to Apply**

(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 1.05:

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| **Tax Abatement or Exemption – Borrower to Apply** |
| Tax Abatement Prepayment: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Tax Abatement Acquisition Date: \_\_ months after the Effective Date |
| Tax Abatement Agency: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Tax Abatement Program: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Minimum Tax Abatement Percentage: \_\_\_% |
| *(See Sections 4.11, 5.55, 6.49, 6.50, and 9.01)* |

B. Reserved

C. Section 4.11 is deleted and replaced with the following:

**4.11 Tax Abatement Reserve Fund.** If a Tax Abatement Reserve Deposit is required in Section 1.03, then as a condition of making the Funding Loan, Funding Lender has required Borrower to establish the Tax Abatement Reserve Fund as of the Effective Date by making the Tax Abatement Reserve Deposit. The Tax Abatement Reserve Fund will ensure that adequate funds are available for the Tax Abatement Prepayment that must occur if the Tax Abatement Performance Standard is not achieved on or before the Tax Abatement Acquisition Date.

(a) Use of the Tax Abatement Reserve Fund. Funding Lender, or Loan Servicer on Funding Lender’s behalf, may withdraw all or part of the Tax Abatement Reserve Fund at any time and without Notice to Borrower and apply such withdrawn funds as follows:

(i) To reduce the unpaid principal balance of the Project Loan if the Tax Abatement Acquisition Date has occurred and Borrower has not met the Tax Abatement Performance Standard.

(ii) To reduce the unpaid principal balance of the Project Loan if an Event of Default has occurred and is continuing.

(iii) To pay any Taxes due with respect to the Mortgaged Property.

(b) Termination. The Tax Abatement Reserve Fund will terminate upon the first to occur of the following:

(i) Payment in full of the Indebtedness.

(ii) Provided no Event of Default has occurred and is continuing, the Tax Abatement Performance Standard is achieved on or before the Tax Abatement Acquisition Date.

Within 30 days after termination of the Tax Abatement Reserve Fund, Funding Lender will pay to Borrower all funds remaining in the Tax Abatement Reserve Fund.

D. Section 5.55 is deleted and replaced with the following:

**5.55 Representations Regarding Tax Abatement or Exemption**. Borrower represents and warrants that all the following are true:

(a) If the Project Loan Purpose specified in Section 1.05 is a Refinance, then the Mortgaged Property has not been granted the Tax Abatement.

(b) If the Project Loan Purpose specified in Section 1.05 is an Acquisition, then the prior owner of the Mortgaged Property was granted the Tax Abatement for the Mortgaged Property pursuant to the Tax Abatement Program.

(c) Borrower has provided Funding Lender with all material documents in its possession concerning the Tax Abatement and, upon receipt by Borrower of the Tax Abatement for the Mortgaged Property, Borrower will provide Funding Lender with all documentation concerning the Tax Abatement, including all amendments, schedules and exhibits. Such documentation will be complete and accurate in all respects.

(d) Borrower has not received any notice from the Tax Abatement Agency indicating that the Tax Abatement will not be granted and has no reason to believe that the Tax Abatement will not be granted.

E. Section 6.49 is deleted and replaced with the following:

**6.49 Compliance with Tax Abatement and Tax Abatement Program**.

(a) If the Project Loan Purpose specified in Section 1.05 is an Acquisition, then promptly upon its acquisition of the Mortgaged Property, Borrower will commence and diligently pursue to completion the process of applying for the Tax Abatement in full compliance with all of the Tax Abatement Program requirements and will use its best efforts to obtain the Tax Abatement.

(b) If the Project Loan Purpose specified in Section 1.05 is a Refinance, then Borrower will commence and diligently pursue to completion the process of applying for the Tax Abatement in full compliance with all of the Tax Abatement Program requirements and will use its best efforts to obtain the Tax Abatement.

(c) If the Tax Abatement is granted, Borrower will comply fully with all of the Tax Abatement Program requirements, including filing on a timely basis all necessary documentation, in order to obtain and maintain the Tax Abatement.

(d) If the Tax Abatement is granted, Borrower will promptly provide Funding Lender with a copy of any notice Borrower may receive stating that Borrower is not eligible for the Tax Abatement or alleging that Borrower is in breach of the requirements of the Tax Abatement Program or that the Mortgaged Property is not being maintained as required by the Tax Abatement Program.

(e) If the Tax Abatement is granted, in any application for a Transfer, Borrower will notify Funding Lender if the completion of the Transfer requires the consent of the Tax Abatement Agency or may result in the termination of the Tax Abatement.

(f) If the Tax Abatement is granted, Borrower will avail itself of all rights and opportunities to renew or extend the Tax Abatement.

(g) If the Tax Abatement is granted, Borrower will not voluntarily amend or terminate the Tax Abatement without the prior written consent of Funding Lender.

(h) If the Tax Abatement is granted, Borrower acknowledges and agrees that (i) any default, event of default, or breach under the Tax Abatement (however such terms may be defined) by the Borrower or an Affiliate thereof that continues beyond the applicable cure period, if any, or (ii) any Tax Abatement Loss Date which is caused by Borrower or an Affiliate thereof, will be an Event of Default under this Continuing Covenant Agreement (subject to Borrower’s right to cure no later than 12 months following a Tax Abatement Loss Date in accordance with subsection (i) below).

(i) Notwithstanding the foregoing, if within 10 days of a Tax Abatement Loss Date Borrower deposits with Loan Servicer an amount equal to 12 months of all general ad valorem real estate and property taxes due for the ensuing 12-month period (such Imposition Reserve Deposit, the “**Tax Reserve**”) pursuant to Section 4.02 of this Continuing Covenant Agreement, Borrower will have a period of 12 months commencing on the Tax Abatement Loss Date in which to restore the Tax Abatement to the Minimum Tax Abatement Percentage. During such 12-month period, Loan Servicer will use the amounts on deposit in the Tax Reserve to pay any Taxes that become due. In the event that the Tax Abatement is restored to the Minimum Tax Abatement Percentage, written evidence from the Tax Abatement Agency of the same must be delivered to Funding Lender, together with an opinion of counsel in form and content acceptable to Funding Lender with respect to the same, on or prior to the last day of the 12-month period following the Tax Abatement Loss Date. In the event that the Tax Abatement is restored to the Minimum Tax Abatement Percentage, any amounts remaining on deposit in the Tax Reserve will be returned to Borrower.

F. Section 6.50 is deleted and replaced with the following:

**6.50 Tax Abatement Prepayment**.

(a)If the Tax Abatement Performance Standard is not achieved on or before the Tax Abatement Acquisition Date, then upon Notice from Funding Lender, on the next Project Loan Payment Date following its receipt of such Notice, Borrower must partially prepay the Project Loan in the amount of the Tax Abatement Prepayment, notwithstanding that the Project Loan may be in the Lockout Period. Borrower must pay Prepayment Premium on the Tax Abatement Prepayment calculated as provided in the Project Note.

If Borrower funded a Tax Abatement Reserve Fund on the Effective Date, those funds may be applied first to the Tax Abatement Prepayment and, to the extent funds remain, to the associated Prepayment Premium. Borrower will remain liable for paying the remaining amount, if any, of both the Tax Abatement Prepayment and Prepayment Premium after application of such funds.

(b) If Borrower has not obtained the Tax Abatement by the Tax Abatement Acquisition Date but Borrower can demonstrate to Funding Lender’s satisfaction that it has made significant progress in obtaining the Tax Abatement and that such Tax Abatement will be granted within 6 months after the Tax Abatement Acquisition Date, Funding Lender in Funding Lender’s Discretion may grant an extension of 6 months to the Tax Abatement Acquisition Date.

G. Section 9.01(ll) is deleted and replaced with the following:

(ll) Any Transfer that would cause the Tax Abatement to terminate.

H. Section 9.01(mm) is deleted and replaced with the following:

(mm) The Tax Abatement is revoked, suspended, or terminated for any period of time due to Borrower’s failure to fully comply with all of the Tax Abatement Program requirements necessary to maintain the Tax Abatement.

I. The following definitions are added to Article XII:

“**Minimum Tax Abatement Percentage**” is defined in Section 1.05.

“**Tax Abatement**”means the exemption or abatement of real estate taxes otherwise assessable against the Mortgaged Property, in an amount no less than the Minimum Tax Abatement Percentage, granted to the Mortgaged Property and/or Borrower pursuant to the Tax Abatement Program.

“**Tax Abatement Acquisition Date**” means the date by which the Tax Abatement must be received, as such date may be extended in writing by Funding Lender. The Tax Abatement Acquisition Date is specified in Section 1.05.

“**Tax Abatement Agency**” means the Governmental Authority administering the Tax Abatement Program, acting through any authorized representative, the name of which is listed in Section 1.05.

“**Tax Abatement Loss Date**” means any date on which all or a portion of the Tax Abatement is lost reducing such exemption or abatement below the Minimum Tax Abatement Percentage.

“**Tax Abatement Performance Standard**” means Borrower has obtained Tax Abatement under the Tax Abatement Program and has delivered satisfactory evidence of same to Funding Lender.

“**Tax Abatement Prepayment**” means the amount set forth in Section 1.05.

“**Tax Abatement Program**” means the program pursuant to which the Tax Abatement Agency administers the Tax Abatement, the name of which is listed in Section 1.05.

“**Tax Abatement Reserve Deposit**” is specified in Section 1.03.

“**Tax Abatement Reserve Fund**” means the account established pursuant to this Continuing Covenant Agreement into which the Tax Abatement Reserve Deposit is deposited, if applicable.