



The Community Preservation Corporation

220 East 42nd St, 16th Floor
New York, New York 10017

**FORBEARANCE AGREEMENT – CTN LOANS
(Revised 4-16-2020)**

[Date], 2020

[Borrower
Borrower Address]

[Guarantor
Guarantor Address]

Re: Borrower Name (“**Borrower**”)
Property Name, Property Address (“**Property**”)
Guarantor:

Dear Borrower and any Guarantor(s):

The Community Preservation Corporation, together with its successors and/or assigns (“**Lender**”) is the record holder and servicer of the above-referenced mortgage loan (“**Loan**”). The Note, Security Instrument, Loan Agreement (if applicable), Guaranty (if applicable) and all other documents executed in connection with the Loan are referred to collectively in this letter agreement (“**Agreement**”) as “**Loan Documents**”. Capitalized terms not otherwise defined in this Agreement will have the respective meanings ascribed to such terms in the Loan Documents.

We are in receipt of Borrower’s letter requesting forbearance in connection with the impact of the coronavirus (COVID-19) (“**Public Health Event**”). You have indicated that the tenants and/or operations at the Property have been significantly affected by this Public Health Event and that consequently the Borrower has been unable to maintain normal operations at this time.

So long as the Borrower accepts the terms herein by executing and returning this Agreement by _____, 2020, we will agree to a forbearance of four consecutive monthly payments (“**Forbearance**”) of interest and principal *only* (“**Forbearance Period Total**”). The Forbearance is effective with the monthly installment due on [_____, 1, 2020], and remains in effect for four consecutive monthly installments (“**Forbearance Period**”). Prior to the effective date of the Forbearance Period, Borrower is required to make all regular monthly payments due in accordance with the terms of the Loan Documents. Should Borrower wish to resume making regular payments prior to the end of the Forbearance Period, Borrower may terminate the Forbearance Period at any time on (five) 5 business days’ email notice to the Lender at the email address provided below.

NOTE that the Forbearance Period Total does not include that portion of the Loan's monthly debt service payment attributable to tax and insurance escrows ("**T&I Payment**"), which Borrower must continue to pay during the Forbearance Period in accordance with the payment terms of the Loan Documents. If not timely paid, default interest and late charges may be assessed in the ordinary course per the terms of the Loan Documents. The T&I Payment for this Loan during the Forbearance Period will be \$_____ per month.

NOTE further that payment of any building reserve account component of the Loan's monthly debt service payment will be waived during the Forbearance Period.

[INCLUDE FOR LOANS WITH BUILDING RESERVE OPTION:

There is currently a Building Reserve Account for the Loan with a balance of \$_____. Notwithstanding anything herein, Borrower may elect to use up to 50% of the Building Reserve Account (the "**Available BR Funds**") towards the T&I Payments due during the Forbearance Period. Borrower acknowledges and agrees that should the Available BR Funds become depleted during the Forbearance Period, Borrower shall remain obligated for the full amounts of all T&I Payments due hereunder. Borrower shall not be required to recapitalize the Building Reserve Account to restore monies applied pursuant to this Agreement. If Borrower elects to use the Available BR Funds towards the T&I Payments due during the Forbearance Period, then during the Forbearance Period Borrower shall NOT be permitted to request any disbursement from the Building Reserve Account for any other purpose.

_____ By initialing here, Borrower hereby authorizes Lender to apply the Available BR Funds to the T&I Payments as they become due during the Forbearance Agreement until such time as the Available BR Funds become depleted. During the Forbearance Period, the amount of \$ [50% of Available BR Funds] will be applied as follows:

TO BE TAILORED TO LOAN SPECIFICS

\$_____ to the T&I Payment due on _____
 \$_____ to the T&I Payment due on _____ leaving a balance of \$ _____
 to be paid by Borrower on or before _____

The full monthly T&I Payments for (fill in months) shall be paid by Borrower in accordance with the terms of this Agreement.]

The Forbearance Period Total will be added to the indebtedness due and owing under the Loan Documents and will be due and payable upon the earlier of (i) the maturity date of the Loan, (ii) such earlier time as the Loan may be satisfied or assigned to another lender or (iii) the occurrence of an event of default hereunder or under the Loan Documents, No default interest or late charges will be assessed with respect to the Forbearance Period Total, nor will the Forbearance change the amortization schedule for the Loan.

As a condition of granting this Forbearance, Borrower and any Guarantors agree as follows:

1. Borrower and, if applicable, any Guarantor(s), shall provide an email address to be used, in addition to Borrower's (and Guarantors') current mailing address, for written notices in connection with this Agreement.

2. Within three business days after any material change or impact to Property operations due to the ongoing Public Health Event, Borrower will provide written updates to the Lender regarding Borrower's financial condition, tenants, occupancy of the Property. Each written update will include a statement certifying that the information submitted by the Borrower is true, accurate and correct.
3. Borrower will not evict, give notice of or start an eviction of any tenant during the Forbearance Period based on non-payment of rent that is a consequence of the Public Health Event, whether that non-payment is caused by illness, caring for a family member, job loss, reduced hours or temporary unpaid leave or any combination of these reasons.
4. During the Forbearance Period, Borrower will use collected rents for no purpose other than the necessary operation and maintenance of the Property or making payments of amounts due to Lender under the terms of this Agreement or the Loan Documents. Borrower shall ensure that any Subordinate Lender agrees to a forbearance of monthly payments during the Forbearance Period and Borrower will not make payments of amounts due to any such Subordinate Lender during the Forbearance Period.
5. Beginning on the first installment due date following the Forbearance Period, Borrower must resume making regularly scheduled monthly installment payments, including principal, interest, tax and insurance escrows and reserve payments.
6. Borrower will remain in compliance with all other terms and conditions of the Loan Documents and at all times comply with all laws (including the *Coronavirus Aid, Relief, and Economic Security Act* ("CARES Act")), ordinances, orders, rules, regulations, and requirements of any Governmental Authority having jurisdiction over the Property.
7. Should the local taxing authorities offer real estate tax relief and Borrower elects such relief, Borrower must advise Lender of the terms and conditions prior to accepting such relief.
8. If Borrower fails to stay current with the T&I Payments during the Forbearance Period ("**Forbearance Default**"), this Agreement will terminate automatically on the thirtieth (30th) day following the Forbearance Payment Default, unless the failure to make such payments is cured within such thirty (30) day period.
9. If Borrower fails to fully comply with any of the non-monetary conditions ("**Non-Monetary Default**") listed above, the Lender may terminate this Agreement by giving Borrower ten (10) days' written notice, which will be effective on the tenth day following the date on the notice.
10. Upon termination of the Agreement, for either a Forbearance Default or Non-Monetary Default:
 - (a) all terms of the Loan Documents will remain in full force and unmodified;
 - (b) all remaining Forbearance Period Total amounts will be immediately due and payable, and will begin to accrue late charges and default interest as of the date Lender terminates this Agreement; and

- (c) Lender may be constrained to exercise available rights and remedies under the Loan Documents and/or at law.

11. **Release of Claims.** Borrower and, if applicable, Guarantor (“**Releasing Parties**”) for and on behalf of itself/themselves and its/their respective representatives, expressly release and discharge Lender and its representatives, affiliates, principals, agents, employees, officers, directors, trustees, beneficiaries, shareholders, successors and assigns (jointly and severally, the “**Released Parties**”), from any and all claims, demands, rights, fees, obligations, damages and expenses of any nature, whether in law or in equity, on any legal theory or basis of any nature, which any Releasing Parties may have had against any Released Parties, solely to the extent they arise out of, or relate to, this Agreement, including specifically the Lender’s restriction on eviction of tenants during the Forbearance Period. The Releasing Parties recognize that it/they may be releasing claims of which it/they do not yet have knowledge, but Releasing Parties nevertheless acknowledge that this provision has been specifically bargained for by Lender as a material inducement to the execution of this Agreement. The release set forth in this paragraph and related indemnification set forth below will survive any expiration or termination of the Forbearance Period or this Agreement.
12. **Indemnification.** Releasing Parties agree to indemnify and hold harmless the Released Parties from any and all expenses, costs, liability and fees incurred by any such Released Party as a result of any action or proceeding described in Section 13 instituted by Releasing Parties or any third party.

Electronic Signatures. Each of Lender, Borrower, and, if applicable, Guarantor(s) represent and warrant that the intention of the natural Person signing this Agreement on its behalf is to attribute its respective signature to the Agreement and that if the party has signed using an E-Signature (defined below), that E-Signature represents the signer’s signature to this Agreement. Each of Lender, Borrower, and, if applicable, Guarantor(s) understand and agree that such E-Signature, if applicable, is legally binding. Each party signing this Agreement using an E-Signature waives all rights to repudiate the authenticity or validity of its E-signature to the extent such repudiation is based in whole or in part on the fact that such signature is not in original handwritten form. All parties to this Agreement agree that the law governing all applicable E-Signatures will be the federal Electronic Signatures in Global and National Commerce Act of 2000 (15 U.S. Code, Chapter 96) (E-SIGN) and/or the Uniform Electronic Transactions Act of 1999 as promulgated by the U.S. Uniform Law Commission for consideration and enactment by the States (UETA), and that under no circumstances will E-Signatures be governed by the Uniform Computer Information Transactions Act (UCITA).

As used in this Agreement, “**E-Signature**” means any form of signature other than an original handwritten signature, including any type of image created in any manner (whether electronically or otherwise) which image could reasonably be interpreted as an indication of the signer’s intent to sign the document.

Except as provided above, delivery of this Agreement may not be deemed a waiver of any of the rights or remedies available to the Lender under the Loan Documents or at law, equity or otherwise and all terms and conditions of the Loan Documents shall remain in full force and effect. The terms and conditions set forth in this Agreement may not be construed as an agreement by Lender to extend or modify the Loan, or to grant any additional forbearance with

regard to the Loan. This Agreement may not be amended or altered except by a written instrument executed by Lender, the Borrower and, if applicable, any Guarantor(s). All fees and expenses incurred by Lender associated with the preparation and implementation of this Agreement shall be paid by Borrower at the time of execution of this Agreement.

ALL NOTICES TO BE PROVIDED HEREUNDER MUST BE SENT VIA EMAIL TO MIRIAM KULNIS AT mkulnis@communityp.com.

If Borrower and, if applicable, any Guarantor(s) agree with the terms of this Agreement, please sign and date this Agreement where indicated and return a copy by email to Miriam Kulnis at mkulnis@communityp.com.

Sincerely,

The Community Preservation Corporation

By: _____

Name: Todd Moore

Title: Senior Vice President

THE UNDERSIGNED REPRESENTATIVE(S) OF BORROWER AND, IF APPLICABLE, GUARANTOR(S), BEING LAWFULLY AUTHORIZED TO ENTER INTO THIS AGREEMENT AND INTENDING TO BE BOUND THEREBY, HEREBY AGREE TO AND ACCEPT ALL OF THE FOREGOING TERMS AND CONDITIONS AND HEREBY CERTIFY THAT ALL INFORMATION SUBMITTED TO DATE IS TRUE, ACCURATE AND COMPLETE AND THEY FURTHER CONFIRM THAT THEY HAVE REVIEWED THE EFFECT OF THIS AGREEMENT WITH LEGAL COUNSEL OF THEIR CHOICE, OR HAVE BEEN AFFORDED THE OPPORTUNITY TO DO SO, PRIOR TO EXECUTION OF THIS AGREEMENT.

The Effective Date of this Agreement will be the Execution Date filled in by the Borrower below Borrower's signature.

BORROWER:

GUARANTOR:

By: _____

Name: _____

Name:

Its: _____

Execution Date: _____

Date: _____

Borrower and Guarantor(s) Email Address(es) to be used for notices under this Agreement:

