

COVID-19 SUBSTANTIAL ADVERSE CHANGE REMEDY CERTIFICATION AND AGREEMENT (Rev. May 2020)

In connection with SBA 504 Loan Number _____, the Certified Development Company (CDC), Interim Lender, Third Party Lender, Borrower, and Operating Company (if applicable) listed below certify and agree as follows:

1. The parties have signed SBA form certifications and agreements in connection with this 504 loan closing, including certifications regarding whether there has been an unremedied substantial adverse change in the financial condition of the Borrower (and Operating Company, if applicable). See SBA Forms 2288 (Interim Lender Certification), SBA Form 2287 (Third Party Lender Agreement), SBA Form 2289 (Borrower and Operating Company Certification), and SBA Form 2101 (CDC Certification). This document amends those certifications and agreements.
2. The CDC has concluded that the national emergency arising from the ongoing Coronavirus Disease 2019 (COVID-19) pandemic is the immediate and direct cause of a substantial adverse change in the Borrower's (and/or Operating Company's, if applicable) ability to repay the Project financing, and remedial measures are necessary to address the substantial adverse change.
3. Immediately following the debenture sale, CDC agrees to grant the Borrower (and Operating Company, if applicable) a deferment on the 504 loan, including all principal and interest, for 90 days after the debenture sale to assist the Borrower (and Operating Company, if applicable) in improving its cash flow.
4. Immediately following the debenture sale, the Third-Party Lender agrees to grant the Borrower (and Operating Company, if applicable) a deferment on the Third Party Loan, including all principal and interest, for 90 days after the debenture sale to assist the Borrower (and Operating Company, if applicable) in improving its cash flow. The Third Party Lender agrees that the Borrower's failure to make any payment under the Third Party Loan during the period of deferment shall not constitute a default (or Event of Default) under the Third Party Loan documents or applicable law and the Third Party Lender agrees not to exercise any rights or remedies that may otherwise be available as a result of the failure to make any such payments during the deferment period. Notwithstanding the foregoing, all other terms and conditions under the Third-Party Loan documents and the Third Party Lender Agreement shall remain in full force and effect.
5. The CDC, Interim Lender (if applicable) and Third Party Lender agree to make a good faith effort to assist the Borrower (and Operating Company, if applicable) with additional remedial measures including, but not limited to, assisting the Borrower (and Operating Company, if applicable) with locating and applying for other forms of financial assistance, including other loans or grants available from Federal, State or local government agencies and entities.
6. Borrower (and Operating Company, if applicable) agree to use its best efforts to seek out, apply for, and obtain available sources of financial assistance, as necessary to continue to operate.

7. Borrower (and Operating Company, if applicable) has not filed a bankruptcy petition or any other insolvency proceeding as of the date of this agreement.
8. Interim Lender certifies that the Borrower (and Operating Company, if applicable) are current on their payments to the Interim Lender and not otherwise in default on the Interim Loan.
9. This document may be signed in counterparts.

INTERIM LENDER

By: _____
Title:

_____ Date

THIRD PARTY LENDER

By: _____
Title:

_____ Date:

BORROWER:

OPERATING COMPANY:

By: _____
Title:
Date:

By: _____
Title:
Date:

CERTIFIED DEVELOPMENT COMPANY

By: _____
Title:
Date: