

**SCHEDULE 2**

**FORM SHORT TERM FORBEARANCE AGREEMENT**

[Date]

[Borrower name]

[Borrower address]

Attn: [Borrower Contact]

Re: Forbearance Agreement  
Loan No. \_\_\_\_\_ (the "Loan")  
[Property name or address]  
City and State of property]

Dear \_\_\_\_\_:

As you are aware, the above-referenced Loan held by \_\_\_\_\_ ("Lender") encumbering property of \_\_\_\_\_ ("Borrower"), is due and payable in full as of \_\_\_\_\_ ("Maturity Date") due to either scheduled maturity or acceleration of maturity following a default. You have indicated the Borrower's inability to pay the Loan in full on the Maturity Date and have requested some relief or extension. Although Lender is unwilling to extend or reinstate the Loan, Lender is willing to forbear exercising remedies (other than any remedies previously exercised) from the date of Borrower's execution of this letter until \_\_\_\_\_ ("Forbearance Period"), on the following terms and conditions ("Forbearance Conditions"):

1) The Borrower executes this letter (the "Forbearance Agreement") where indicated below and returns the same to Lender by \_\_\_\_\_, along with an administrative fee of \$ \_\_\_\_\_, which fee is hereby deemed fully earned and shall not be applied to sums due under the Loan documents.

2) Payments ("Forbearance Payments") shall be made to Lender as follows: \_\_\_\_\_ . Lender will have the right, at its sole discretion, to apply Forbearance Payments received to principal first, then to any other sums due under the Loan Documents, then to interest.

3) The entire remaining Loan balance must be paid in full by the end of the Forbearance Period.

4) No defaults exist or occur during the Forbearance Period under the documents evidencing and securing the Loan (the "Loan Documents") other than the failure to pay the Loan in full on the Maturity Date.

5) [Insert any other business terms which vary from the existing requirements of the Loan documents]

6) If the Borrower complies in a timely fashion with all of the Forbearance Conditions, Lender will waive default interest accruing prior to or during the Forbearance Period, and interest will be collected only at the coupon rate of \_\_\_\_% upon payoff in full. However, in the event the Borrower does not comply in a timely fashion with all of the Forbearance Conditions, interest will remain due at the default rate of \_\_\_\_% from and after the Maturity Date.

7) By execution below, Borrower acknowledges that [its license to collect rents under the Loan Documents has expired and absolute title to the rents has passed to Lender] [Lender has a perfected security interest in and to the rents generated by the real property securing the Loan], and that from and after the Maturity Date, but for the forbearance set forth herein, Lender could have enforced the assignment of rents in the Loan documents under applicable state law.

8) This is a one-time forbearance and Lender does not presently intend to forbear beyond the date set forth above. Borrower should not expect similar arrangements on other loans to the Borrower.

9) Borrower acknowledges and agrees that

the entire agreement of the parties with respect to the Loan is incorporated in the Loan Documents and this Forbearance Agreement, and such instruments supersede any prior or contemporaneous oral or written understandings to the contrary;

the Loan Documents are in full force and effect (subject to the outstanding default) enforceable in accordance with their terms and have not been amended or modified, other than by this Forbearance Agreement;

the Loan matured on the Maturity Date and the entire outstanding principal balance and all accrued interest and other fees and charges secured by the Loan Documents, including, without limitation, the Exit Fee and Prepayment Premium (as such terms are defined in the Loan Documents), are due and payable in full, except as otherwise provided in this Forbearance Agreement;

the terms and conditions of the Loan Documents, including, without limitation, the Exit Fee, Prepayment Premium and default interest rate, are commercially reasonable;

an Event of Default occurred under the Loan Documents on \_\_\_\_\_ 202\_, all rights of notice and cure have expired or are hereby waived by Borrower, and default interest at the rate specified in the Loan Documents is accruing, subject to the provisions of this Forbearance Agreement.

10) In the event any of the Forbearance Conditions are not met in a timely fashion, Lender's obligation to forbear shall terminate and be null and void, and Lender shall be entitled to exercise any available remedies for default. Except for the limited forbearance set forth above, Lender reserves all of its rights and remedies under the Loan documents or under applicable law, and this Forbearance Agreement shall not be deemed an election of remedies, nor shall it constitute a waiver of any rights or remedies otherwise available to Lender.

11) As a further material inducement for Lender to enter into this Forbearance Agreement without which Lender would not have agreed to a Forbearance Period, Borrower hereby makes the following irrevocable waivers:

(a) BORROWER WAIVES AND RELEASES ANY EXISTING OFFSETS, DEFENSES OR COUNTERCLAIMS RELATING TO THE LOAN OR THE LOAN DOCUMENTS.

BORROWER ALSO WAIVES THE RIGHT TO A TRIAL BY JURY IN THE EVENT THE LOAN DOCUMENTS OR THIS FORBEARANCE AGREEMENT BECOME THE BASIS OF LITIGATION.

12) Time is of the essence of this Forbearance Agreement and all of the Loan Documents.

Sincerely,

cc:

Accepted and agreed to this \_\_\_\_\_ day of 202\_

BORROWER:

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_