

**LOAN AGREEMENT  
(LINKAGE FEE REVENUE FUND)**

**THIS LOAN AGREEMENT** is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation organized pursuant to the Constitution of the State of Colorado (“City”), and **ARCHWAY INVESTMENT CORPORATION, INC.**, a Colorado nonprofit corporation, whose address is 8585 W. 14<sup>th</sup> Avenue, Suite A, Lakewood, Colorado 80215 (“Borrower”), each a “Party” and collectively the “Parties.”

**WITNESSETH:**

**WHEREAS**, Borrower is the manager of the general partner of Park Hill Campus LIHTC LLLP, a Colorado limited liability limited partnership (the “Owner”);

**WHEREAS**, the funds provided to Borrower pursuant to this Loan Agreement will be loaned by Borrower to Owner for the rehabilitation of four (4) existing dormitory buildings that will create one hundred fifty-four (154) affordable rental units (the “Project”) located on the Property (as defined below); and

**WHEREAS**, the City is making certain monies available to Borrower ensure the development the Project; and

**WHEREAS**, Borrower is eligible to receive funds from the City, and is ready, willing and able to meet the conditions associated therewith;

**NOW, THEREFORE**, in consideration of the mutual agreements herein contained, the parties agree as follows:

**1. LOAN TO BORROWER:**

A. **Loan to Borrower.** Subject to the terms of this Loan Agreement, the City agrees to lend Borrower the sum of Three Million Eight Hundred Fifty Thousand Dollars and NO/100 (\$3,850,000.00) (the “Loan”). In addition to this Loan Agreement, Borrower will execute a promissory note in a form satisfactory to the City evidencing this Loan (the “Promissory Note”). Subject to subsection C., simple interest at a rate of one half of one percent (0.5%) per annum shall commence accruing on the outstanding principal balance of the Promissory Note on the date on which the first draw on the Loan is made.

B. **Borrower’s Use of Funds.** Borrower will lend the entirety of the Loan proceeds to the Owner for rehabilitation costs related to the Project. Borrower’s loan to the Owner (the “Project Loan”) will be evidenced by two (2) promissory notes (the “Owner Notes”) and secured

by two (2) leasehold deeds of trust on the Property (the “Owner Deeds of Trust”). Borrower must collaterally assign to the City the Owner Notes and Owner Deeds of Trust to the City as security for the Loan. Borrower must cause the Owner to execute and record a covenant securing the Property for use as affordable housing as required by Section 6 hereof (the “Covenant”). The Covenant must be in a form approved by the City.

C. **Repayment of Loan; Forgiveness Based on Performance.**

i. One Million Dollars and No/100 (\$1,000,000.00) of the principal amount of the Loan (the “Cash Flow Portion”), plus any accrued interest on the Cash Flow Portion, shall be due and payable on the thirtieth (30<sup>th</sup>) anniversary of the date of the Promissory Note, if not paid sooner. Borrower shall make annual payments of principal and any accrued interest on the Cash Flow Portion in annual installments from the proceeds of debt service payments on the Project Loan. Debt service on the Project Loan will be calculated in accordance with the order of priority and other provisions set forth in **Exhibit F**, attached hereto and incorporated herein (“Cash Flow Payment”). Such annual installments shall commence and be due on the first June 1<sup>st</sup> following the date that is twenty-four (24) calendar months after the effective date of the Promissory Note and each June 1<sup>st</sup> thereafter.

ii. Two Million Eight Hundred Fifty Thousand Dollars and No/100 (\$2,850,000.00) of the Loan (the “Performance Portion”) shall be a performance based, forgivable loan. No payments on the Performance Portion shall be required by the Borrower to the City so long as Borrower is in compliance with all terms and conditions of this Loan Agreement and all obligations hereunder and the Owner is in compliance with the Covenant. Repayment of the principal balance and any interest accrued on the Performance Portion shall be forgiven by the City on the sixtieth (60<sup>th</sup>) anniversary of the Promissory Note so long as Borrower has remained in compliance with all terms and conditions of this Loan Agreement and all obligations hereunder and the Owner is in compliance with the Covenant.

D. **Annual Reports of Cash Flow.** Each year after repayment of the Loan has commenced, Borrower shall provide to the City, no later than May 15, (i) an audited financial statement for the Project for the preceding calendar year; and (ii) a statement or letter from an auditor that details (a) the total amount of Cash Flow Payment available for distribution, and (b) a calculation that details the amount(s) and the person(s) or entity (entities) to which any payments will be distributed based on the order of priority and other provisions set forth in **Exhibit F**.

2. **SECURITY**: Repayment of the Promissory Note shall be secured by collateral assignments of the Owner Notes and Owner Deeds of Trust in form satisfactory to City (the “Collateral Assignments”). The Owner Deeds of Trust will be granted by the Owner and encumber the Borrower’s interest in real property known and numbered as 7110, 7150, 7190, and 7196 E. Montview Boulevard, Denver, Colorado and legally described as set forth in **Exhibit D** (the “Property”).

3. **SUBORDINATION**:

A. **Borrower’s Subordination of Owner Deeds of Trust**. Borrower may not subordinate the lien of the Owner Deeds of Trust or any of its other security interests, liens, or any other encumbrances granted in connection with its loan to the Owner without the express written approval of the Executive Director or the Executive Director’s designee (the “Executive Director”) of the Department of Housing Stability (“HOST”).

B. **City’s Subordination of Owner Deeds of Trust and Covenant**.

i. The Executive Director is authorized to consent to Borrower’s subordination of the lien of the Owner Deeds of Trust or execute documents necessary to subordinate the lien of the collaterally assigned Owner Deeds of Trust and Covenant so long as (i) the subordination agreement is substantially in the form attached hereto as **Exhibit E**; (ii) encumbrances prior to the Owner Deeds of Trust do not exceed Forty-Five Million Dollars and No/100 (\$45,000,000.00) under the construction loan or Seventeen Million Dollars and No/100 (\$17,000,000.00) under the permanent loan; (iii) Borrower is not then in default of its obligations pursuant to this Loan Agreement, the Promissory Note, or the Collateral Assignments and the Owner is not in default of its obligations pursuant to the Covenant or Owner Deeds of Trust; and (iv) all additional financing for the Project has been awarded or committed.

ii. The Executive Director is authorized to consent to Borrower’s subordination of the lien of the Owner Deeds of Trust or to execute documents necessary to subordinate the collaterally assigned Owner Deeds of Trust and Covenant to land use restriction agreements (“LURAs”), such as the LURA required by the Colorado Housing and Finance Authority, so long as (i) the subordination agreement is in the form acceptable to the City Attorney; (ii) encumbrances prior to the Owner Deeds of Trust do not exceed Forty-Five Million Dollars and No/100 (\$45,000,000.00) under the construction loan or Seventeen Million Dollars and No/100 (\$17,000,000.00) under the permanent loan; (iii) Borrower is not then in default of its obligations

pursuant to this Loan Agreement, the Promissory Note, or the Collateral Assignments and the Owner is not then in default of its obligations pursuant to the Covenant or Owner Deeds of Trust.

C. **Other Documents.** The Executive Director is authorized to execute documents necessary to accomplish the Loan so long as (i) such documents are in a form satisfactory to the City Attorney; (ii) encumbrances prior to the Owner Deeds of Trust do not exceed Forty-Five Million Dollars and No/100 (\$45,000,000.00) under the construction loan or Seventeen Million Dollars and No/100 (\$17,000,000.00) under the permanent loan; and (iii) Borrower is not in default of its obligations pursuant to this Loan Agreement, the Promissory Note, or the Collateral Assignments and the Owner is not then in default of its obligations pursuant to the Covenant or Owner Deeds of Trust.

**4. USE AND DISBURSEMENT OF FUNDS:**

A. Loan proceeds will be used by the Borrower to make the Project Loan to the Owner. The proceeds of the Project Loan will be used by the Owner to finance costs associated with the rehabilitation of the Property, which will be used as affordable housing. Project Loan proceeds may be used for soft costs and hard construction costs. Borrower shall submit to the City requisitions with documentation of incurred costs on HOST approved forms, and otherwise comply with the disbursement terms and conditions set forth in **Exhibit B**, attached hereto and incorporated herein.

B. Where the City's funds through the Project Loan are disbursed for construction, (i) the City shall monitor the construction activities for the purpose of verifying eligible costs, and (ii) the City shall retain ten percent (10%) of each disbursement of funds. This amount shall be released pursuant to the provisions of **Exhibit B**.

C. In addition to the retainage specified in subsection B above, HOST shall retain Ten Thousand Dollars and No/100 Dollars (\$10,000.00) of the total funds to be disbursed under this Loan Agreement (the "Compliance Retainer"). This amount shall be released pursuant to the provisions of **Exhibit B**.

D. Expenses incurred prior to August 4, 2022 are not eligible for reimbursement.

**5. DEADLINE FOR DISBURSEMENT OF FUNDS; REQUIRED DOCUMENTATION:**

A. Borrower must satisfy all conditions set forth in this Loan Agreement on or before September 28, 2023 (the "Closing Deadline"). Failure to meet this deadline may result in the termination of this Loan Agreement at the Executive Director's sole discretion. No funds shall be

disbursed under this Loan Agreement until such time as (i) all conditions of this Loan Agreement have been met and (ii) Borrower and the Owner have closed on all financing necessary to complete the Project.

B. Borrower agrees that (a) documentation for all draw down requests will be submitted no later than twenty-four (24) months after the date of the Promissory Note and (b) Borrower shall cause the Owner to complete the Project within a twenty-four (24) month period after the date of the Promissory Note. These deadlines may be extended with the written approval of HOST. All cost overruns and/or funding shortfalls shall be the sole responsibility of Borrower.

C. The Executive Director is authorized to extend or modify any deadlines or schedules (other than repayment deadlines or schedules) set forth herein, provided that Borrower also consents to any such change and that such changes are made in writing.

**6. RESTRICTIONS ON USE OF PROPERTY:**

A. Affordability Limitations.

i. One hundred nineteen (119) of the units at the Property (the “60% Units”) shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as established by the U.S. Department of Housing and Urban Development (“HUD”), under 24 C.F.R. 888.113, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 60% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.

ii. Nineteen (19) of the units at the Property (the “50% Units”) shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as established by the HUD, under 24 C.F.R. 888.113, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 50% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.

iii. Sixteen (16) of the units at the Property (the “30% Units”) shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as established by the HUD, under 24 C.F.R. 888.113, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 30% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.

iv. The 60% Units, 50% Units, and 30% Units are referred to collectively herein as the “City Units.” By executing this Loan Agreement, Borrower acknowledges receipt of

HUD's current rent guidelines from HOST. It shall be Borrower's responsibility to obtain updated guidelines from HOST to confirm the annual calculation of the maximum rents for the Denver area.

v. The City shall determine maximum monthly allowances for utilities and services annually in accordance with 24 C.F.R. 92.252(d)(1) or another method acceptable to the City. Rents shall not exceed the maximum rents as determined above minus the monthly allowance for utilities and services. The City shall review rents for compliance within ninety (90) days after HOST requests rent information from Borrower.

**B. Occupancy/Income Limitations.**

i. The 60% Units shall be occupied by tenants whose incomes are at or below sixty percent (60%) of the median income for the Denver area as determined by HUD, with adjustments for family size.

ii. The 50% Units shall be occupied by tenants whose incomes are at or below fifty percent (50%) of the median income for the Denver area as determined by HUD, with adjustments for family size.

iii. The 30% Units shall be occupied by tenants whose incomes are at or below thirty percent (30%) of the median income for the Denver area as determined by HUD, with adjustments for family size.

iv. By executing this Loan Agreement, Borrower acknowledges receipt of HUD's current income guidelines from HOST. It shall be Borrower's responsibility to obtain updated guidelines from HOST and comply with the current guidelines.

**C. Designation of Units.** All of the City Units are floating, and are designated as follows:

| <b>BEDROOMS</b> | <b>60% Units</b> | <b>50% Units</b> | <b>30% Units</b> |
|-----------------|------------------|------------------|------------------|
| 1 Bedroom       | 42               | 7                | 9                |
| 2 Bedroom       | 57               | 8                | 5                |
| 3 Bedroom       | 20               | 4                | 2                |
| <b>TOTAL</b>    | <b>119</b>       | <b>19</b>        | <b>16</b>        |

**D. Accessibility Requirements.** Borrower or the Owner must design and construct five percent (5%) of the City Units, or at least one (1) unit, whichever is greater, to be accessible for persons with mobility disabilities. An additional two percent (2%) of the City Units, or at least one (1), whichever is greater, must be accessible for persons with hearing or visual

disabilities. Collectively, these units are referred to as the “Accessible Units.” The Accessible Units must be designed and constructed in accordance with American National Standards Institute (“ANSI”) Standard A117.1. Public and common areas must be readily accessible for persons with mobility disabilities and be designed and constructed in accordance with ANSI Standard A117.1.

E. Covenant Running with the Land. At closing, Borrower shall cause the Owner to execute a covenant in form satisfactory to the City (“Covenant”), setting forth the rental and occupancy limitations described in subsections A and B above, which shall be recorded in the real estate records of the City and County of Denver and which shall constitute a covenant running with the land. The Covenant shall encumber the Property for sixty (60) years from the date of the recording of the Covenant. Violation of said Covenant shall be enforceable as an event of default pursuant hereto.

7. **TENANT SELECTION:** The owner of the Project must adopt and have approved by the City written tenant selection policies. The tenant selection policies must be approved by the City prior the City making any disbursements under this Loan Agreement. The tenant selection policies must, at a minimum, contain criteria that:

A. Are consistent with the purpose of providing housing for very low-income and low-income families;

B. Are reasonably related to program eligibility and the applicant’s ability to perform the obligations of the lease;

C. Give reasonable consideration to the housing needs of families that would have a preference under federal selection preferences for admission to public housing;

D. Do not exclude an applicant with a certificate or voucher under the Section 8 Tenant-Based Assistance Housing Choice Voucher Program or an applicant participating in a HOME tenant-based rental assistance program because of the status of the applicant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document;

E. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable, with prompt written notification to any rejected applicant of the grounds for any rejection; and

F. Comply with the Violence Against Women Act requirements prescribed in 24 CFR § 92.359.

8. **AFFIRMATIVE MARKETING:** The owner of the Project shall comply with the

procedures outlined in the affirmative marketing program, attached hereto as **Exhibit C** and incorporated herein (the “Affirmative Marketing Program”), to provide information and otherwise attract eligible tenants from all racial, ethnic, and gender groups in the Property’s housing market area in accordance with 24 CFR 92.351. Except Borrower may limit eligibility or give preference to a particular segment of the population in accordance with 24 CFR 92.253(d). Prior to making any disbursement, Borrower must provide the plan required by the Affirmative Marketing Program (the “Affirmative Marketing Plan”) to HOST. The Affirmative Marketing Plan must be approved by HOST prior to Borrower adopting it or engaging in any affirmative marketing of the Project.

**9. LEASES:** There must be a written lease between the tenants of City Units and the owner of the Project for a period of not less than one year, unless by mutual agreement between the tenant and the Owner of the Project a shorter period is specified.

**10. PROHIBITED LEASE TERMS:** Leases pursuant to which City Units are occupied may not contain any of the following provisions:

A. Agreement to Be Sued. Agreement by the tenant to be sued, admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.

B. Treatment of Property. Agreement by the tenant that the owner may take, hold or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. However, the owner may dispose of personal property remaining in the unit after the tenant has moved out in accordance with Colorado law.

C. Excusing Owner from Responsibility. Agreement by the tenant not to hold the owner or the owner’s agents legally responsible for actions or failure to act, whether intentional or negligent.

D. Waiver of Notice. Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.

E. Waiver of Legal Proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

F. Waiver of Jury Trial. Agreement by the tenant to waive any right to a trial by jury.

G. Waiver of Right to Appeal. Agreement by the tenant to waive the tenant’s right to appeal, or to otherwise challenge a court decision in connection with the lease.



H. Tenant Chargeable with Cost of Legal Actions Regardless of Outcome. Agreement by tenant to pay attorney fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant.

I. Mandatory Supportive Services. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

**11. PROHIBITION OF CERTAIN FEES:** A tenant may not be charged fees that are not customarily charged in rental housing (e.g. laundry room access fees), except that a tenant may be charged the following: reasonable application fees to prospective tenants; parking fees to tenants only if such fees are customary for rental housing projects in the neighborhood; and fees for services such as bus transportation or meals, as long as the services are voluntary and fees are charged for services provided.

**12. TERMINATION OF TENANCY:** The owner of the Project may not terminate the tenancy or refuse to renew the lease of a tenant of any of the City Units except for serious or repeated violations of the terms and conditions of the lease; for violation of applicable Federal, State, or local laws; for completion of the tenancy period for transitional housing or failure to follow any required transitional supportive services plan; or for other good cause. Any termination or refusal to renew must be preceded by service of written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy. Notwithstanding the foregoing, nothing in this Agreement shall prevent the owner of the Project from terminating a tenancy in accordance with Colorado Revised Statutes § 13-40-107.5(4)(a) for a substantial violation as defined in that statute.

**13. MANAGEMENT OF PROPERTY:** Borrower or the Owner shall provide and maintain good and efficient management of the Property satisfactory to the City. Borrower or the Owner must execute and maintain in effect a management agreement for the Project with a qualified manager that has experience with affordable housing. Borrower shall notify the City of any (i) changes to the manager of the Property and (ii) of any significant changes staffing changes to the manager.

**14. EXAMINATION OF RECORDS/REPORTING REQUIREMENTS/ ANNUAL MONITORING; INSPECTIONS:**

A. Examination of Records: Borrower agrees that the City, or any of its duly authorized representatives shall, until the expiration of five (5) years after the expiration of the

affordability period set forth in Section 6, have access to and the right to examine any directly pertinent books, documents, papers, and records of Borrower or the Owner involving transactions related to this Loan Agreement. Borrower must also require its contractors and subcontractors and the Owner to allow access to such records when requested. The records maintained by Borrower and the Owner shall include, without limitation, (i) records evidencing the income of each family occupying a City Unit, and (ii) a copy of the lease pursuant to which each City Unit is occupied.

B. Required Information and Reports. Borrower shall submit or cause to be submitted to the City the following information and reports on HOST approved forms or online system: (1) annual compliance statement; (2) report on rents and occupancy of City Units to verify compliance with affordability requirements in Section 6 and other requirements of this Loan Agreement; (3) data on evictions, terminations of tenancies, or tenancies not renewed for individuals residing in City Units; (4) reports (including financial reports) that enable the City to determine the financial condition and continued financial viability of the rental project ; (5) for floating units, reports on unit substitution and filling vacancies to ensure that the Property maintains the required unit mix; and (6) template lease agreements for City Units. The report required by subsection (2) of this Section shall include, but not be limited to, information related to monthly rent amount, lease term, household size, total annual household income, and race and other demographic information. The reports and information required by this Section shall be due within thirty (30) days of the City making a request for such reports and information. The failure to submit the reports and information requested by the City within thirty (30) days of the City's request shall be considered a default of this Loan Agreement.

C. Access and Inspections. For the purposes of assuring compliance with the Loan Agreement, the City shall have the reasonable right of access to the Property, without charges or fees, (i) during the period of construction and (ii) during the period of affordability set forth in Section 6. During the period of affordability, the City shall be entitled to conduct annual physical inspections of the Property. Borrower shall fully cooperate with the City in an annual monitoring of Borrower's performance and site inspection to verify compliance with the requirements of this Loan Agreement.

**15. FINANCIAL STATEMENTS:** Borrower must furnish to the City annually, within ninety (90) days following the end of each calendar year, financial statements of Borrower audited by an independent certified public accountant, which must include an annual balance sheet and profit

and loss statement of Borrower, in a form reasonably required by the City.

**16. TRANSFERS:** Borrower acknowledges that the City has examined and relied on the experience of Borrower and its general partners, directors, and members in owning and operating affordable housing projects, such as the Project, in agreeing to make the Loan, and the City will continue to rely on Borrower's management of the Owner and control of the Property and Project as a means of maintaining the affordability requirements and the value of the Property as security for repayment of the Loan. Without the prior written consent of the City, which may not be unreasonably withheld, Borrower shall not: (i) sell, convey, assign, or otherwise transfer any ownership interest Borrower has in Owner; or (ii) sell, convey, assign, or otherwise transfer any interest in Borrower; or (iii) change the control or management of Borrower.

**17. CAPITAL NEEDS ASSESSMENT:** During the term of the Covenant, Borrower must provide the City with any capital needs assessment or physical needs assessment performed on or related to the Property or any improvements on the Property every ten (10) years or, if performed earlier, whenever such assessments are performed.

**18. MAINTENANCE AND REPLACEMENT:** The owner of the Project shall maintain the Property in compliance with all applicable housing quality standards and local code requirements. Newly constructed or substantially rehabilitated housing must meet applicable requirements referenced at 24 C.F.R. 92.251.

**19. LEAD-BASED PAINT HAZARDS:** Housing funded, in part, by funds provided through this Loan Agreement shall be subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4852 et seq.), and is therefore subject to 24 C.F.R. Part 35; the owner of the Project shall comply with these provisions in the construction of the Project.

**20. CONDITIONS PRECEDENT TO CLOSING LOAN:** In addition to any other conditions stated in the Loan Agreement, the following conditions must be satisfied at prior to the Closing Deadline:

A. **Environmental Reports.** Borrower must provide the City with a Phase I Environmental Site Assessment ("ESA") in form and substance acceptable to the City. If the ESA is not in the City's name, the City must be provided with a reliance letter in the name of the City from the environmental engineer, which must be satisfactory to the City.

B. **Title Insurance.** Borrower must obtain, on behalf of the City, a lenders title

policy insuring the Borrower in the principal amount of the Loan. Borrower must provide the City with a copy of the lenders title policy within thirty (30) days of closing.

C. **Appraisal.** Borrower must provide the City with an as-built appraisal of the Property, which must be satisfactory in form and substance to the City.

D. **Organizational Documents.** Borrower must provide the City with (i) evidence that it is a Colorado nonprofit corporation in good standing and authorized to transact business in the State of Colorado; (ii) evidence in a form satisfactory to the City that the person executing this Loan Agreement and any other documents related to the Loan has the full power and authority to bind Borrower; and (iii) all organizational documents related to Borrower, which must be acceptable to the City. Organization documents include, but are not limited to, Articles of Incorporation, bylaws, and, if a nonprofit corporation, tax exempt letter from the Internal Revenue Service and a list of board members, and a certificate of good standing.

E. **Management Agreement.** Borrower must provide the City with a copy of the management agreement for the Property, which must be satisfactory in form and substance to the City. The management agreement must contain a provision that the City has the right to release the management company in the event of a foreclosure.

F. **Survey.** Borrower must provide the City with a current ALTA survey of the Property. The ALTA survey must be prepared by a licensed land surveyor, certified to the City, and satisfactory to the City.

G. **Promissory Note; Collateral Assignment of Notes and Deeds of Trust; Covenant.** Borrower must execute and deliver to the closing agent the Promissory Note and Collateral Assignments. Borrower must cause the Owner to execute and record the Covenant, Owner Notes, and Owner Deeds of Trust.

H. **Evidence of Financing.** Borrower must provide such information and documentation sufficient to satisfy the City, in the City's sole discretion, that Borrower or the Owner has secured all financing necessary to complete the Project. Documentation sufficient to satisfy the City may include, but not be limited to, commitment or award letters for all other financing or funding.

I. **Insurance.** Borrower must provide the City with certificates of insurance or copies of the policies of insurance required under this Loan Agreement.

J. **Construction Budget; Timeline.** Borrower must provide the City with a

copy of the construction budget and development timeline, which must be satisfactory in form and substance to the City.

**21. COSTS AND EXPENSES:** Borrower agrees to pay all direct costs, expenses and attorney fees reasonably incurred by the City in connection with Borrower's breach or default of this Loan Agreement, the Promissory Note, or the Collateral Assignments or the Owner's breach or default of the Owner Deeds of Trust or the Covenant. Borrower agrees to pay reasonable loan closing costs, including all recording charges, title insurance charges, costs of surveys, costs for certified copies of instruments, costs incurred for obtaining any documents or reports required pursuant to this Loan Agreement, and all other costs incurred by the City in connection with the Loan.

**22. CONDITIONS:**

A. The obligation of the City to lend the above sums is limited to funds appropriated for the purpose of this Loan Agreement and paid into the City Treasury.

B. This Loan Agreement is subject to the provisions of the City Charter and Revised Municipal Code as the same may be amended from time.

**23. INSURANCE:** Borrower or its contractor(s) shall procure and maintain insurance in the following types and amounts:

A. Where loan proceeds are disbursed for construction, Builders Risk Insurance or an Installation Floater in the amount of the value of the Property as improved and renovated, with the City and County of Denver named as loss payee.

B. Commercial General Liability Insurance covering all operations by or on behalf of Borrower, on an occurrence basis with limits not less than \$1,000,000 per occurrence, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate. Borrower's contractor shall include all subcontractors as insureds under its policy or shall furnish separate certificates of insurance for each subcontractor.

C. Worker's Compensation and Employer's Liability Insurance at statutory limits and otherwise sufficient to ensure the responsibilities of Borrower and its contractor under Colorado law.

D. Property insurance satisfactory to the City in the amount of the value of the property subject to the Owner Deeds of Trust and Covenant, with the City named as loss payee.

E. Borrower shall maintain Automobile Liability with minimum limits of

\$1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Agreement.

F. Certificates of Insurance evidencing the above shall be submitted prior to the Closing Deadline. Policies shall include a waiver of subrogation and rights of recovery against the City. Insurance companies providing the above referenced coverage must be authorized and licensed to issue insurance in Colorado and be otherwise acceptable to the Risk Management Office.

**24. DEFENSE & INDEMNIFICATION:**

A. Borrower agrees to defend, indemnify, and hold harmless City, its appointed and elected officials, agents and employees against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Loan Agreement (“Claims”), unless and until such Claims have been specifically determined by the trier of fact to be due to the sole negligence or willful misconduct of the City. This indemnity shall be interpreted in the broadest possible manner to indemnify City for any acts or omissions of Borrower or its subcontractors either passive or active, irrespective of fault, including City’s concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of City.

B. Borrower’s duty to defend and indemnify City shall arise at the time written notice of the Claim is first provided to City regardless of whether Claimant has filed suit on the Claim. Borrower’s duty to defend and indemnify City shall arise even if City is the only party sued by claimant and/ or claimant alleges that City’s negligence or willful misconduct was the sole cause of claimant’s damages.

C. Borrower will defend any and all Claims which may be brought or threatened against City and will pay on behalf of City any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of City shall be in addition to any other legal remedies available to City and shall not be considered City’s exclusive remedy.

D. Insurance coverage requirements specified in this Loan Agreement shall in no way lessen or limit the liability of Borrower under the terms of this indemnification obligation. Borrower shall obtain, at its own expense, any additional insurance that it deems necessary for the City’s protection.

E. This defense and indemnification obligation shall survive the expiration or termination of this Loan Agreement.

**25. DEFAULT AND ACCELERATION:**

A. Default. The occurrence of any of the following events shall constitute a default by Borrower:

i. Any breach of this Loan Agreement, the Promissory Note, or the Collateral Assignments, or the Owner's breach of the Covenant or the Owner Deeds of Trust;

ii. The City determines that any warranty, representation, or statement made or furnished to the City by or on behalf of Borrower in connection with this Loan Agreement proves to have been false in any material respect when made or furnished;

iii. Borrower becomes delinquent to the City Loan or on any other contractual or tax obligations as due;

iv. Borrower fails to comply with any rule, regulation or provision referred to in the Loan Agreement;

v. Borrower fails to maintain a cash balance that is sufficient to cover sixty (60) days of Borrower's operating expenses; and

vi. Borrower is generally unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such a receiver, trustee or similar officer is appointed without the application or consent of Borrower, and such appointment continues undischarged for a period of ninety (90) days; or Borrower institutes (by petition, application, answer or otherwise) any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution, liquidation or similar proceedings under the laws of any jurisdiction; or any such proceeding shall be instituted against Borrower; or Borrower terminates or dissolves.

B. Cure Period. Upon a default, the City shall give written notice of the default to Borrower and other persons entitled to notice of a default pursuant to this Loan Agreement. After Borrower's receipt of the written notice, Borrower or a person on behalf of Borrower shall have ten (10) calendar days to cure any monetary default and thirty (30) calendar days to cure any nonmonetary default (collectively, the "Cure Period"). If a nonmonetary default is not a type which

can be cured within the Cure Period, the City, at its reasonable discretion, may extend the cure period if Borrower provides the City with a reasonably detailed written plan of how Borrower will cure the nonmonetary default and Borrower, at all times within such additional time period, actively and diligently pursues such plan. For purposes of this Loan Agreement, the term “monetary default” means a failure by Borrower to make any payment required of it pursuant to the applicable Promissory Note or any other Loan document, and the term “nonmonetary default” means a failure by Borrower or any other person to perform any obligation contained in the Loan Agreement, Covenant, Collateral Assignment, or Promissory Note, other than the obligation to make payments provided for in the Promissory note or Loan documents.

C. Acceleration; Interest Upon Default; and Withholding Disbursements. Upon the existence of a default and the failure to cure within the Cure Period, and without necessity of further notice, presentment, demand, protest, or notice of protest of any kind, all of which are expressly waived by Borrower, the City shall have the right to accelerate any outstanding obligations of Borrower, including any outstanding obligations of both the Cash Flow Portion and Performance Portion, which shall be immediately due and payable, including payments under the Promissory Note, to foreclose upon the Property, and to enforce or assign its rights under the Collateral Assignment. Borrower agrees to pay a late fee of five percent (5%) of any installment not received on or before the day the installment is due. Upon default and if the default remains after the Cure Period, the principal shall draw interest at the rate of fifteen percent (15%) per annum. If any of the Loan funds have not been disbursed to Borrower, the City may suspend or terminate the Loan Agreement, in whole or in part, and withhold one hundred percent (100%) of any undisbursed funds.

D. Effect of Default on Eligibility for Further Funding. If Borrower is in default, the City may declare Borrower ineligible for any further participation in City funding, in addition to other remedies as provided by law.

**26. NOTICES:** All notices required by the terms of this Loan Agreement must be hand delivered, sent by overnight courier service, or mailed by certified mail, return receipt requested, if to Borrower at the address:

Archway Investment Corporation, Inc.  
Attn: Sebastian Corradino  
8585 W. 14<sup>th</sup> Avenue, Suite A  
Lakewood, Colorado, 80215



With a copy to:

Bryan Cave Leighton Paisner LLP  
Attn: Ben Doyle  
1801 13th Street, Ste. 300  
Boulder, Colorado 80302

With a copy to:

Hudson Housing Capital LLC  
630 Fifth Avenue, 28<sup>th</sup> Floor  
New York, New York 10111  
Attention: Robert J. Castano  
Email: [bob.castano@hudsonhousing.com](mailto:bob.castano@hudsonhousing.com)

With a copy to:

Kutak Rock. LLP  
1801 California Street, Suite 3000  
Denver, Colorado 80202  
Attention: Ellen K. O'Brien  
Email: [ellen.obrien@kutakrock.com](mailto:ellen.obrien@kutakrock.com)

and if to the City at:

Executive Director of the Department of Housing Stability  
City and County of Denver  
201 West Colfax Avenue, Dept. 615  
Denver, Colorado 80202

With a copy to:

Denver City Attorney's Office  
1437 Bannock St., Room 353  
Denver, Colorado 80202

Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. The Parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.

**27. DISPUTES:** All disputes between the City and Borrower arising out of or regarding this Loan Agreement will be resolved by administrative hearing pursuant to the procedure established by D.R.M.C. § 56-106(b)-(f). For the purposes of that administrative procedure, the City

official rendering a final determination shall be the Executive Director.

**28. ASSIGNMENT AND SUBCONTRACTING:** The City is not obligated or liable under this Loan Agreement to any party other than Borrower. Borrower shall not assign, sublet or subcontract with respect to any of the rights, benefits, obligations or duties under this Loan Agreement, except as allowed in Section 1, without prior written consent of the City.

**29. CITY NOT PARTY TO CONSTRUCTION CONTRACT:** The City is not, and nothing in this Loan Agreement shall be construed to constitute the City, a party to any construction contract pursuant to which the loan or grant proceeds hereof are expended

**30. PUBLICATIONS/ANNOUNCEMENTS:** HOST approval must be obtained prior to publicizing activities or projects funded by HOST or prior to any radio or television announcements, newspaper advertisements, press releases, pamphlets, mail campaigns, or any other marketing methods for any activities or projects funded by HOST. In any event, all such publicizing activities must include the following statement: "The funding source for this activity is the City and County of Denver, Department of Housing Stability." HOST shall be acknowledged in any events regarding the project being funded, including groundbreakings and openings.

**31. ACKNOWLEDGEMENT OF FUNDING:** Borrower will provide and install at the Property signs, in a form mutually agreeable to the Executive Director and Borrower, acknowledging the participation of the City and the City funding of the Project.

**32. WAIVER:** No waiver of any breach or default under this Loan Agreement shall be held to be a waiver of any other or later breach or default. All remedies afforded in this Loan Agreement shall be construed as cumulative, in addition to every other remedy provided herein or by law.

**33. DURATION/BINDING EFFECT:** This Loan Agreement shall remain in effect for the period of affordability specified in Section 6(E) above, and shall be binding upon the parties and shall inure to the benefit of their respective successors, assignees, representatives, and heirs.

**34. COUNTERPARTS:** This Loan Agreement may be executed in multiple counterparts, each of which, when executed and delivered, shall be deemed to be an original and, taken together, shall constitute one and the same instrument.

**35. NONRECOURSE:** Notwithstanding any other provision contained herein or in the Promissory Note or Collateral Assignments, it is agreed that the execution of this Loan Agreement,

the Promissory Note and Collateral Assignments shall impose no personal liability on Borrower or any partner, member or manager of Borrower for payment of any of the obligations described herein or therein, and the City's sole recourse shall be against the Project.

**36. NO DISCRIMINATION IN EMPLOYMENT:** In connection with the performance of work under this Loan Agreement, Borrower may not refuse to hire, discharge, promote, demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, ethnicity, citizenship, immigration status, gender, age, sexual orientation, gender identity, gender expression, marital status, source of income, military status, protective hairstyle, or disability. Borrower shall insert the foregoing provision in all subcontracts.

**37. RECITALS:** All of the recitals above are hereby confirmed and incorporated herein as part of this Loan Agreement.

**38. ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS:**  
Borrower consents to the use of electronic signatures by the City. This Loan Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of this Loan Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of this Loan Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

List of Exhibits to Loan Agreement

Exhibit A – Intentionally Omitted  
Exhibit B – Disbursement Terms & Conditions  
Exhibit C – Affirmative Marketing Program  
Exhibit D – Legal Description of Property  
Exhibit E – Form of Subordination Agreement  
Exhibit F – Cash Flow Calculation

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**Contract Control Number:**

HOST-202265780-00

**Contractor Name:**

ARCHWAY INVESTMENT CORPORATION, INC.

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at  
Denver, Colorado as of:

**SEAL**

**CITY AND COUNTY OF DENVER:**

**ATTEST:**

By:

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**APPROVED AS TO FORM:**

**REGISTERED AND COUNTERSIGNED:**

Attorney for the City and County of Denver

By:

By:

---

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By:

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**Contract Control Number:**  
**Contractor Name:**

HOST-202265780-00  
ARCHWAY INVESTMENT CORPORATION, INC.

By: See attached signature page

Name: See attached signature page  
(please print)

Title: \_\_\_\_\_  
(please print)

ATTEST: [if required]

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

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_  
(please print)

Contract Control Number:  
Contractor Name:

HOST-202265780-00  
ARCHWAY INVESTMENT CORPORATION, INC.

By: Sebasti Corrado

Name: Sebastian Corradino  
(please print)

Title: President / CEO  
(please print)

ATTEST: [if required]

By: N/A

Name: \_\_\_\_\_  
(please print)

Title: \_\_\_\_\_  
(please print)

Exhibit A  
INTENTIONALLY OMITTED

## EXHIBIT B

### DISBURSEMENT TERMS AND CONDITIONS

#### I. **Disbursement Request Procedures**

- a. Disbursements shall be processed through the Department of Housing Stability (“HOST”) and the Department of Finance (“DOF”).
- b. HOST will disburse Loan funds to the Borrower for “hard” and “soft” expenses (“Disbursement”) upon the Borrower’s written request delivered to HOST (the “Disbursement Request”). The Disbursement Request shall be in the form approved or required by HOST and DOF and may be submitted no more frequently than once every month. Disbursement Requests must be submitted by Borrower electronically to the assigned HOST staff member who will review the submission for completeness and accuracy.
- c. Prior to the first Disbursement Request, Borrower must provide to the City for review and approval, if necessary, the following items:
  - i. A completed ACH form with a voided check or deposit slip.
  - ii. A partnership agreement, operating agreement, corporate resolution, or other corporate documentation to demonstrate who has authority for the Borrower to submit Disbursement Requests.
  - iii. The affirmative marketing plan.
  - iv. The tenant selection plan.
  - v. The form lease agreement for dwelling units at the Project, which contains no prohibited provisions as described in the Loan Agreement.
- d. All Disbursements will be via ACH, unless a physical check or other method of disbursement is requested.
- e. Disbursements involving federal funds must have satisfied all environmental review requirements under 24 C.F.R. Part 58.
- f. The Borrower may not make a Disbursement Request until such funds are needed to pay costs of the Project. The amount of each Disbursement Request must be limited to the amount needed to pay costs actually incurred by the Borrower at the time of the Disbursement Request. The Disbursement Request may not include items previously submitted to and reimbursed by other lenders, amounts for prospective or future needs, funds to be placed into escrow accounts, or advances in lump sums to the Borrower.
- g. Each Disbursement Request must be accompanied by documentation acceptable to HOST and DOF that evidence payments for which a disbursement request has been made. HOST and DOF will review documentation for incurred costs that match the Disbursement Request. Documentation to be submitted with a Disbursement Request shall include, but not be limited to:



## EXHIBIT B

- i. A completed HOST expense certification form.
  - ii. For hard cost draws, a completed standard AIA Form G702 and Form G703 certified by the architect and signed and notarized by the general contractor. If the Disbursement Request includes costs for minor construction not shown on the G702 and G703, the scope of work and contractor invoices must be submitted.
  - iii. Invoices and other evidence satisfactory to HOST and DOF for “hard” or direct costs provided to the Project with respect to the Disbursement Request. All invoices must show the Project name and address.
  - iv. Invoices and other evidence satisfactory to the City for “soft” or indirect costs provided to the Project with respect to the Disbursement Requests. All invoices must show the Project name and address.
  - v. Evidence satisfactory to HOST and DOF to demonstrate proof of payment of any cost or expense contained on a Disbursement Request. Evidence of proof of payment may include, but not be limited to: cancelled checks; copies of checks; documentation of cost or expense in a general ledger; credit or debit card statements; final signed settlement statements, wire transfer records, or bank statements.
  - vi. An updated itemized budget.
  - vii. Updated certificates of insurance at least 30 days prior to expiration.
  - viii. Project update summarizing construction progress, delays, timeframe to completion, and if remaining funding is sufficient to finish the project.
  - ix. Lien waivers from all applicable contractors, subcontractors, and suppliers.
  - x. Updated title policy with date down endorsement or copy of date down endorsement for senior lender dated within 15 days of draw request.
  - xi. Copy of construction inspection report (if available)
  - xii. For loan agreements receiving federal funding and to which the Davis-Bacon Act applies, Borrower must be current in submissions of all paperwork and documentation requested by the City to demonstrate compliance with the requirements of the Davis-Bacon Act.
  - xiii. For Disbursement Requests being funded at loan closing, the following items will be required: a) Preliminary closing statement; b) wire instructions on bank letterhead including date wire is required; and c) final settlement statement and recorded documents after closing.
- h. The Borrower must cooperate with HOST in obtaining or providing any additional documentation that may be required by HOST, DOF, or any other agency of the City.
- i. The City will retain the first \$10,000.00 of Disbursements for the purposes of the Compliance Retainer as set forth in the Loan Agreement. The \$10,000.00 that is retained pursuant to this provision will be released under the terms described in Section II.

## EXHIBIT B

- j. The City will disburse to the Borrower 90% of hard expenses for each Disbursement and all of the soft expenses. The retained 10% of hard expense (the “Retainage”) shall be disbursed as all or part of the final Disbursement under the terms described in Section II.
- k. At all times during the construction of the Project, the City shall have the right, but not the obligation, to enter and inspect all work done, and all materials, equipment, and other matters relating to the Project.
- l. HOST reserves the right, in its sole and absolute discretion, to revise or modify the processes, procedures, and requirements related to the disbursement procedures. HOST will notify Borrower of any such changes to the disbursement procedures.
- m. The City will not make any Disbursements of Loan proceeds to the Borrower for costs or expenses that:
  - i. Are prohibited by Federal or City regulations related to the funding source.
  - ii. Are not requested or otherwise not in accordance with Loan Agreement or the procedures for a Disbursement Request set forth herein.
  - iii. Were requested or incurred, or both, after the termination of the Loan Agreement or outside the time periods set forth in the Loan Agreement.
  - iv. Were requested during the occurrence and continuation of an event of default specified in the Loan Agreement.

### II. **Disbursement of Compliance Retainer and Retainage**

- a. *Compliance Retainer.* For the City to release the Compliance Retainer, a Disbursement Request must be submitted along with the following information:
  - i. A completed HOST expense certification form.
  - ii. For loans funded with federal funds, an Integrated Disbursement and Information System (“IDIS”) set up form. The City must review and approve any completed IDIS set up form for any federally funded loan agreement.
  - iii. All documents or items required to be submitted to the City pursuant to the Loan Agreement not previously provided.
  - iv. A certificate of occupancy or a temporary certificate of occupancy.
  - v. Updated certificates of insurance at least 30 days prior to expiration
  - vi. Updated title policy with date down endorsement or copy of date down endorsement for senior lender dated within 15 days of draw request.
  - vii. The Project must pass a Housing Quality Standards (“HQS”) inspection performed by the City. In the event the City cannot perform the inspection, the Borrower will provide a signed authorization providing the City with the right to inspect the Project and a sample of the fully constructed dwelling units in the future.

## EXHIBIT B

- viii. Lease-up information on the City Units or HOME Units, as applicable. The information must include number of bedrooms in the unit, household size, tenant household incomes, date of income certification, tenant paid portion of rent, total lease rent, voucher amounts, voucher type (project based or tenant based), utility allowance amount, lease start and end dates, and demographic data. HOST will review this information to confirm the Project's lease-up is in compliance with the affordability restrictions contained in the Loan Agreement and Rental & Occupancy Covenant.
- b. *Retainage.* For the City to release the Retainage, a Disbursement Request must be submitted along with the following information:
  - i. A completed HOST expense certification form.
  - ii. Final lien waivers or proof of release of liens in form and substance satisfactory to the City from all applicable contractors, subcontractors, and suppliers, as applicable.
  - iii. A copy of the completed AIA G704 Form for the senior lender, signed by the architect, general contractor, and Borrower that shows -\$0.00- as the cost estimate of work that is incomplete or defective.
  - iv. A copy of the completed AIA G706 Form for the senior lender, signed by the general contractor and notarized, verifying that all debts and claims have been settled.
  - v. A copy of the completed AIA G706A Form for the senior lender, signed by the general contractor and notarized, stating that all releases or waivers of liens have been received.
  - vi. All documents or items required to be submitted to the City pursuant to the Loan Agreement not previously provided.
  - vii. A certificate of occupancy or a temporary certificate of occupancy.
  - viii. Updated certificates of insurance at least 30 days prior to expiration
  - ix. Updated title policy with date down endorsement or copy of date down endorsement for senior lender dated within 15 days of draw request.
  - x. The Project must also pass a Housing Quality Standards ("HQS") inspection performed by the City. In the event the City cannot perform the inspection, the Borrower will provide a signed authorization providing the City with the right to inspect the Project and a sample of the fully constructed dwelling units in the future.
  - xi. Uniform Relocation Assistance and Real Property Acquisition Policies Act ("URA") Determination, as applicable.
  - xii. Final approved OPMR, as applicable.
  - xiii. Environmental mitigation memorandum of understanding, as applicable.
  - xiv. Any other documents required by HOST.

### III. **Conditions Precedent to All Disbursements**

- a. The making of each Disbursement shall be subject to the satisfaction of each of the following additional conditions precedent, and a waiver of any condition to any Disbursement shall not constitute a waiver as to any subsequent

## EXHIBIT B

Disbursement. The City may, in its sole discretion, withhold all or a portion of a Disbursement if any of the following conditions have not been satisfied or if the Borrower has not submitted the required documentation and information required by the Loan Agreement, including the documentation and information required by these terms and conditions.

- i. *No Default.* The Borrower must be in full compliance with, and must not be in default under the Promissory Note, the Deed of Trust, or the Covenant or any other document executed by the Borrower in connection with the Loan.
- ii. *Time to Complete the Project.* In the sole opinion of the City, there must be sufficient time remaining to complete the construction of the Project in accordance with Exhibit A, and in conformance with federal regulations and requirements for federally funded loans.
- iii. *Sufficient Funds Available to Complete the Project.* If requested by the City, the Borrower shall furnish evidence satisfactory to the City, in its sole discretion, that the amount of the Loan yet to be disbursed, together with any other sources of funds available to the Borrower and not yet disbursed, will be sufficient to complete the Project in compliance with the Loan Agreement and to pay all costs therefore, and all other direct or indirect costs relating to the Loan and the Project.
- iv. *Lien waivers.* If requested by the City, the Borrower shall furnish data in a form satisfactory to the City with respect to prior Disbursements and expenditures relating to the Project, and shall furnish lien waivers from the contractor and all subcontractors for work done and materials supplied to the Project to the date of the Disbursement Request.
- v. *Use of Funds.* Subject to the terms of the Loan Agreement, the Borrower shall use the proceeds of the Loan exclusively for the costs of the Project.
- vi. *Compliance with Federal Requirements.* As applicable, Borrower must be compliant with all federal requirements, including, but not limited to, compliance with the Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968, and all reporting obligations under any such federal requirements.
- vii. *Pass-Through Loans.* If the Loan Agreement is structured as a “pass-through” loan, Borrower must demonstrate that Borrower has the authority to submit disbursement requests on behalf of the Project owner, which may be done by providing HOST with an operating agreement or partnership agreement establishing such authority. A “pass-through” loan is defined as a loan made by the City to the Borrower where Loan proceeds will be granted or loaned by the Borrower to the developer or owner of the Project for construction and development costs.

### IV. Financial Management Systems

**The Borrower must maintain financial systems that meet the following standards:**

## **EXHIBIT B**

- a. Financial reporting must be accurate, current, and provide a complete disclosure of the financial results of financially assisted activities and be made in accordance with federal financial reporting requirements.
- b. Accounting records must be maintained which adequately identify the source and application of the funds provided for financially assisted activities. The records must contain information pertaining to contracts and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. Accounting records shall provide accurate, separate, and complete disclosure of fund status.
- c. Effective internal controls and accountability must be maintained for all contract cash, real and personal property, and other assets. Adequate safeguards must be provided on all property and it must be assured that it is used solely for authorized purposes.
- d. Actual expenditures or outlays must be compared with budgeted amounts and financial information must be related to performance or productivity data, including the development of cost information whenever appropriate or specifically required.
- e. For contracts subject to Federal Agreements, applicable 2 C.F.R. Part 200 cost principles, agency program regulations, and the terms of the agreement will be followed in determining the reasonableness, allowability and allocability of costs.
- f. Source documents such as cancelled checks, paid bills, payrolls, time and attendance records, contract documents, etc., shall be provided for all disbursements. The Borrower will maintain auditable records, i.e., records must be current and traceable to the source documentation of transactions.
- g. For contracts subject to Federal Agreements, the Borrower shall maintain separate accountability for HOST funds as referenced in 2 C.F.R. Part 200.
- h. The Borrower must properly report to Federal, State, and local taxing authorities for the collection, payment, and depositing of taxes withheld. At a minimum, this includes Federal and State withholding, State Unemployment, Worker's Compensation (staff only), City Occupational Privilege Tax, and FICA.
- i. A proper filing of unemployment and worker's compensation (for staff only) insurance shall be made to appropriate organizational units.
- j. The Borrower shall participate, when applicable, in HOST provided staff training sessions in the following financial areas including, but not limited to (1) Budgeting and Cost Allocation Plans; (2) Vouchering Process.

### **V. Audit Requirements**

## EXHIBIT B

- a. For contracts subject to Federal Agreements, if the Borrower expends seven hundred and fifty thousand dollars (\$750,000) or more of federal awards in the Borrower's fiscal year, the Borrower shall ensure that it, and its sub recipients(s), if any, comply with all provisions of the 2 C.F.R. Part 200.
- b. A copy of the final audit report must be submitted to the HOST Financial Manager within the earliest of thirty (30) calendar days after receipt of the auditor's report; or nine (9) months after the end of the period audited.
- c. A management letter, if issued, shall be submitted to HOST along with the reporting package prepared in accordance with the Single Audit Act Amendments and the 2 C.F.R. Part 200. If the management letter is not received by the subrecipient at the same time as the Reporting Package, the Management Letter is also due to HOST within thirty (30) days after receipt of the Management Letter, or nine (9) months after the end of the audit period, whichever is earlier. If the Management Letter has matters related to HOST funding, the Contactor shall prepare and submit a Corrective Action Plan to HOST in accordance with the Single Audit Act Amendments and the 2 C.F.R. Part 200, as set forth in 2 C.F.R. 200.511(c) for each applicable management letter matter.
- d. All audit related material and information, including reports, packages, management letters, correspondence, etc., shall be submitted to **HOST Financial Services Team**.
- e. The Borrower will be responsible for all Questioned and Disallowed Costs.
- f. The Borrower may be required to engage an audit committee to determine the services to be performed, review the progress of the audit and the final audit findings, and intervene in any disputes between management and the independent auditors. The Borrower shall also institute policy and procedures for its sub recipients that comply with these audit provisions, if applicable.

### VI. Procurement

- a. The Borrower shall follow the City Procurement Policy to the extent that it requires that at least three (3) documented quotations be secured for all purchases or services (including insurance) supplies, or other property that costs more than ten thousand dollars (\$10,000) in the aggregate.
- b. The Borrower will maintain records sufficient to detail the significant history of procurement. These records will include, but are not limited to the following: rationale for the method of procurement, selection of contract type, Borrower selection or rejection, and the basis for the contract price.
- c. If there is a residual inventory of unused supplies exceeding five thousand dollars (\$5,000) in total aggregate upon termination or completion of award, and if the

## **EXHIBIT B**

supplies are not needed for any other federally sponsored programs or projects the Borrower will compensate the awarding agency for its share.

### **VII. Bonding**

- a. HOST may require adequate fidelity bond coverage, in accordance with 2 C.F.R. 200.304(b), where the subrecipient lacks sufficient coverage to protect the Federal Government's interest.
- b. The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access, upon reasonable notice, to any pertinent books, documents, papers, or other records which are pertinent to the contract, in order to make audits, examinations, excerpts, and transcripts.

### **VIII. Collection of amounts due**

- a. Any funds paid to a Borrower in excess of the amount to which the Borrower is finally determined to be entitled under the terms of the award constitute a debt to the Federal Government and/or the City. If not paid within a reasonable period after demand, HOST may: 1) Make an administrative offset against other requests for reimbursements, 2) Withhold advance payments otherwise due to the Borrower, or 3) Pursue other action permitted by law.

**EXHIBIT C**  
**(Affirmative Marketing)**

**City and County of Denver**  
**Affirmative Marketing Program**

The City and County of Denver is committed to the goal of adequate housing for all its citizens and to affirmatively furthering fair housing opportunities. The City has developed written material explaining the City's Housing Programs for dissemination and will inform the public, owners, and potential tenants about Federal fair housing laws. These materials will display the "equal housing opportunity" slogan and logo. The City will also publicize its Housing programs through press releases, solicitations to property owners and written communications to fair housing groups and local lenders. The City will display the "equal housing opportunity" slogan on all such communications.

All contracts, grant agreements and/or loan agreements between the City or its agents and property owners executed in connection with the Housing Programs will:

- (1) prohibit discrimination in the rental of housing rehabilitated through the City's Housing programs on the basis of race, color, religion, sex, national origin, age, handicap, or household composition;
- (2) require compliance with all applicable fair housing and equal opportunity laws, and
- (3) include a copy of our Affirmative Marketing Program and require compliance with all procedures contained herein for the period of affordability of the term of the loan, whichever is greater.

In the City's Housing Loan Program, the objective of the Affirmative Marketing Program and a project's Affirmative Marketing Plan will be to increase the racial/ethnic diversity of the project's tenant population so that the tenant population is not made up exclusively of persons of one race/ethnicity.

In order to accomplish this, owners will be required to adopt a plan that will inform and solicit applications from persons in the housing market who are least likely to apply for the housing without special outreach. In general, persons who are not of the race/ethnicity of the majority of the residents of the neighborhood in which the property is located will be considered as persons least likely to apply.

The City will work with the project owner to identify which racial/ethnic groups in the population are least likely to apply for housing in each project without special outreach. The City will assist the owner in developing a project specific Affirmative Marketing Plan which includes special outreach efforts and the City will approve the Plan. The property manager or rental agent will be required to maintain records enabling the City to assess the results of the owner's actions to affirmatively market units. These records will include rental applications, all vacancy notices, and rental receipts. The City or its agent will review the owner's records and these records must be made available to



the City. Additionally, the City will require the owner to submit annual tenant reports that will include tenant characteristics including race/ethnicity. The project's Plan will identify specific actions the owner must take when becoming aware of an impending vacancy. In some cases the owner will also be required to advertise the vacancy in a general circulation newspaper.

Owners who rent exclusively to one segment of the population to the exclusion of applicants from other segments will be notified of potential noncompliance. The City will provide technical assistance to the owners in expanding outreach efforts. If necessary, specific corrective actions will be required.

Owners who discriminate or who fail to comply with the requirements of this Affirmative Marketing Program may be found in breach of contract or in default on their grant or loan agreement, and the City may take action to recover all funds made available to the owner by the City plus applicable penalties.

The City has adopted a policy to aggressively encourage landlords to rehabilitate units that are accessible to persons with physical disabilities.

## **Exhibit D**

### **LEGAL DESCRIPTION**

The following real property located in the City and County of Denver, State of Colorado:

#### PARCEL 1 – PRESIDENTS AND FOUNDERS HALLS

FEE SIMPLE TO THE IMPROVEMENTS:

(1) THE BUILDING KNOWN AS “PRESIDENTS HALL”AND ADDRESSED AS 7110 MONTVIEW BLVD, DENVER, CO 80220, ALL FIXTURES ANNEXED TO SUCH BUILDING, AND ALL APPURTENANT UTILITIES BEGINNING AT THE POINT WHERE THESE APPURTENANCES ENTER SUCH BUILDING, AND

(2) THE BUILDING KNOWN AS “FOUNDERS HALL”AND ADDRESSED AS 7150 MONTVIEW BLVD, DENVER, CO 80220, ALL FIXTURES ANNEXED TO SUCH BUILDING, AND ALL APPURTENANT UTILITIES BEGINNING AT THE POINT WHERE THESE APPURTENANCES ENTER SUCH BUILDING.

AND LOCATED ON THE FOLLOWING DESCRIBED LAND:

A PARCEL OF LAND BEING A PORTION OF BLOCK A, MONTROSE, LOCATED IN THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 32, THENCE S34°14'16"W A DISTANCE OF 72.58 FEET TO THE NORTHEAST CORNER OF SAID BLOCK A; THENCE ALONG THE EASTERLY LINE OF SAID BLOCK A ALSO BEING THE WESTERLY RIGHT-OF-WAY LINE OF QUEBEC STREET, S00°02'12"W A DISTANCE OF 406.90 FEET; THENCE N89°57'48"W A DISTANCE OF 5.12 FEET TO A POINT OF CURVATURE; THENCE 78.11 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 52.00 FEET, A CENTRAL ANGLE OF 86°04'03", AND A CHORD WHICH BEARS N46°55'47"W A DISTANCE OF 70.97 FEET; THENCE N03°53'45"W A DISTANCE OF 21.92 FEET TO A POINT OF CURVATURE;

THENCE 38.97 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 26.00 FEET, A CENTRAL ANGLE OF 85°52'01", AND A CHORD WHICH BEARS N46°49'46"W A DISTANCE OF 35.42 FEET; THENCE N89°45'46"W A DISTANCE OF 137.17 FEET TO THE POINT OF BEGINNING;

THENCE S02°39'54"E A DISTANCE OF 140.20 FEET;

THENCE 14.29 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 46.36 FEET, A CENTRAL ANGLE OF 17°39'55", AND A CHORD WHICH BEARS S39°23'37"W A DISTANCE OF 14.24 FEET;

THENCE N89°59'33"W A DISTANCE OF 133.25 FEET;

THENCE N28°26'52"W A DISTANCE OF 73.66 FEET;

THENCE 79.89 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 95.00 FEET, A CENTRAL ANGLE OF 48°10'53", AND A CHORD WHICH BEARS N52°32'18"W A DISTANCE OF 77.55 FEET;

THENCE 46.09 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 260.00 FEET, A CENTRAL ANGLE OF 10°09'22", AND A CHORD WHICH BEARS N81°42'26"W A DISTANCE OF 46.03 FEET;

THENCE N00°15'14"E A DISTANCE OF 170.42 FEET TO A POINT OF CURVATURE;

THENCE 31.57 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°25'44", AND A CHORD WHICH BEARS N44°57'38"W A DISTANCE OF 28.39 FEET;

THENCE S89°49'30"W A DISTANCE OF 51.89 FEET;

THENCE N00°08'30"E A DISTANCE OF 153.51 FEET TO A POINT ON THE NORTHERLY LINE OF SAID BLOCK A ALSO BEING THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST MONTVIEW BOULEVARD;

THENCE ALONG SAID NORTHERLY LINE OF BLOCK A, N89°57'53"E A DISTANCE OF 172.49 FEET;

THENCE S00°09'23"W A DISTANCE OF 193.51 FEET TO A POINT OF CURVATURE;

THENCE 82.77 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 98.00 FEET, A CENTRAL ANGLE OF 48°23'33", AND A CHORD WHICH BEARS S24°02'24"E A DISTANCE OF 80.33 FEET;

THENCE S48°14'10"E A DISTANCE OF 42.54 FEET TO A POINT OF CURVATURE;

THENCE 45.66 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 63.00 FEET, A CENTRAL ANGLE OF 41°31'36", AND A CHORD WHICH BEARS S68°59'58"E A DISTANCE OF 44.67 FEET;

THENCE S89°45'46"E A DISTANCE OF 70.65 FEET TO THE POINT OF BEGINNING.

#### PARCEL 2 – JOHNSON AND WALES HALLS

FEE SIMPLE TO THE IMPROVEMENTS:

(1) THE BUILDING KNOWN AS JOHNSON HALL AND ADDRESSED AS 7190 E. MONTVIEW BLVD, DENVER, COLORADO, ALL FIXTURES ANNEXED TO SUCH BUILDING, AND ALL APPURTENANT UTILITIES BEGINNING AT THE POINT WHERE THESE APPURTENANCES

ENTER SUCH BUILDING, BUT EXCLUDING AN ATTACHED BRICK STRUCTURE WITH APPROXIMATELY 1,300 SQUARE FEET KNOWN AS THE DATA CENTER, AND

(2) THE BUILDING KNOWN AS WALES HALL AND ADDRESSED AS 7196 E. MONTVIEW BLVD, DENVER, CO 80220, ALL FIXTURES ANNEXED TO SUCH BUILDING, AND ALL APPURTENANT UTILITIES BEGINNING AT THE POINT WHERE THESE APPURTENANCES ENTER SUCH BUILDING,

AND LOCATED ON THE FOLLOWING DESCRIBED LAND:

A PARCEL OF LAND BEING A PORTION OF BLOCK A, MONTROSE, LOCATED IN THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 32, THENCE  $S34^{\circ}14'16''W$  A DISTANCE OF 72.58 FEET TO THE NORTHEAST CORNER OF SAID BLOCK A, SAID POINT BEING THE POINT OF BEGINNING;

THENCE ALONG THE EASTERLY LINE OF SAID BLOCK A ALSO BEING THE WESTERLY RIGHT-OF-WAY LINE OF QUEBEC STREET,  $S00^{\circ}02'12''W$  A DISTANCE OF 380.90 FEET;

THENCE  $N89^{\circ}57'48''W$  A DISTANCE OF 5.12 FEET TO A POINT OF CURVATURE;

THENCE 39.06 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 26.00 FEET, A CENTRAL ANGLE OF  $86^{\circ}04'03''$ , AND A CHORD WHICH BEARS  $N46^{\circ}55'47''W$  A DISTANCE OF 35.49 FEET;

THENCE  $N03^{\circ}53'45''W$  A DISTANCE OF 21.92 FEET TO A POINT OF CURVATURE;

THENCE 77.93 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 52.00 FEET, A CENTRAL ANGLE OF  $85^{\circ}52'01''$ , AND A CHORD WHICH BEARS  $N46^{\circ}49'46''W$  A DISTANCE OF 70.84 FEET;

THENCE  $N89^{\circ}45'46''W$  A DISTANCE OF 207.83 FEET TO A POINT OF CURVATURE;

THENCE 26.82 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 37.00 FEET, A CENTRAL ANGLE OF  $41^{\circ}31'36''$ , AND A CHORD WHICH BEARS  $N68^{\circ}59'58''W$  A DISTANCE OF 26.23 FEET;

THENCE  $N48^{\circ}14'10''W$  A DISTANCE OF 42.54 FEET TO A POINT OF CURVATURE;

THENCE 60.81 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 72.00 FEET, A CENTRAL ANGLE OF  $48^{\circ}23'33''$ , AND A CHORD WHICH BEARS  $N24^{\circ}02'24''W$  A DISTANCE OF 59.02 FEET;

THENCE  $N00^{\circ}09'23''E$  A DISTANCE OF 144.57 FEET;

THENCE  $N89^{\circ}52'03''E$  A DISTANCE OF 109.99 FEET;

THENCE N00°02'07"W A DISTANCE OF 48.84 FEET TO A POINT ON THE NORTHERLY LINE OF SAID BLOCK A ALSO BEING THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST MONTVIEW BOULEVARD;

THENCE ALONG SAID NORTHERLY LINE OF BLOCK A, N89°57'53"E A DISTANCE OF 262.17 FEET TO THE POINT OF BEGINNING.

PARCEL 3 – LEASEHOLD ESTATE

A LEASEHOLD ESTATE PURSUANT TO AN AMENDED AND RESTATED LAND LEASE BETWEEN DEP, LLC, AS LANDLORD, AND PARK HILL CAMPUS LIHTC LLLP, AS TENANT, DATED DECEMBER [ ], 2022, A MEMORANDUM OF WHICH WAS RECORDED ON [ ] [ ], 202[ ] IN THE REAL PROPERTY RECORD OF THE CITY AND COUNTY OF DENVER, COLORADO.

THE LEASEHOLD ESTATE CONSISTS OF THE FOLLOWING DESCRIBED LAND:

A PARCEL OF LAND BEING A PORTION OF BLOCK A, MONTROSE, LOCATED IN THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 32, THENCE S34°14'16"W A DISTANCE OF 72.58 FEET TO THE NORTHEAST CORNER OF SAID BLOCK A; THENCE ALONG THE EASTERLY LINE OF SAID BLOCK A ALSO BEING THE WESTERLY RIGHT-OF-WAY LINE OF QUEBEC STREET, S00°02'12"W A DISTANCE OF 406.90 FEET; THENCE N89°57'48"W A DISTANCE OF 5.12 FEET TO A POINT OF CURVATURE; THENCE 78.11 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 52.00 FEET, A CENTRAL ANGLE OF 86°04'03", AND A CHORD WHICH BEARS N46°55'47"W A DISTANCE OF 70.97 FEET; THENCE N03°53'45"W A DISTANCE OF 21.92 FEET TO A POINT OF CURVATURE;

THENCE 38.97 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 26.00 FEET, A CENTRAL ANGLE OF 85°52'01", AND A CHORD WHICH BEARS N46°49'46"W A DISTANCE OF 35.42 FEET; THENCE N89°45'46"W A DISTANCE OF 137.17 FEET TO THE POINT OF BEGINNING;

THENCE S02°39'54"E A DISTANCE OF 140.20 FEET;

THENCE 14.29 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 46.36 FEET, A CENTRAL ANGLE OF 17°39'55", AND A CHORD WHICH BEARS S39°23'37"W A DISTANCE OF 14.24 FEET;

THENCE N89°59'33"W A DISTANCE OF 133.25 FEET;

THENCE N28°26'52"W A DISTANCE OF 73.66 FEET;

THENCE 79.89 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 95.00 FEET, A CENTRAL ANGLE OF  $48^{\circ}10'53''$ , AND A CHORD WHICH BEARS  $N52^{\circ}32'18''W$  A DISTANCE OF 77.55 FEET;

THENCE 46.09 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 260.00 FEET, A CENTRAL ANGLE OF  $10^{\circ}09'22''$ , AND A CHORD WHICH BEARS  $N81^{\circ}42'26''W$  A DISTANCE OF 46.03 FEET;

THENCE  $N00^{\circ}15'14''E$  A DISTANCE OF 170.42 FEET TO A POINT OF CURVATURE;

THENCE 31.57 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF  $90^{\circ}25'44''$ , AND A CHORD WHICH BEARS  $N44^{\circ}57'38''W$  A DISTANCE OF 28.39 FEET;

THENCE  $S89^{\circ}49'30''W$  A DISTANCE OF 51.89 FEET;

THENCE  $N00^{\circ}08'30''E$  A DISTANCE OF 153.51 FEET TO A POINT ON THE NORTHERLY LINE OF SAID BLOCK A ALSO BEING THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST MONTVIEW BOULEVARD;

THENCE ALONG SAID NORTHERLY LINE OF BLOCK A,  $N89^{\circ}57'53''E$  A DISTANCE OF 172.49 FEET;

THENCE  $S00^{\circ}09'23''W$  A DISTANCE OF 193.51 FEET TO A POINT OF CURVATURE;

THENCE 82.77 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 98.00 FEET, A CENTRAL ANGLE OF  $48^{\circ}23'33''$ , AND A CHORD WHICH BEARS  $S24^{\circ}02'24''E$  A DISTANCE OF 80.33 FEET;

THENCE  $S48^{\circ}14'10''E$  A DISTANCE OF 42.54 FEET TO A POINT OF CURVATURE;

THENCE 45.66 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 63.00 FEET, A CENTRAL ANGLE OF  $41^{\circ}31'36''$ , AND A CHORD WHICH BEARS  $S68^{\circ}59'58''E$  A DISTANCE OF 44.67 FEET;

THENCE  $S89^{\circ}45'46''E$  A DISTANCE OF 70.65 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH

A PARCEL OF LAND BEING A PORTION OF BLOCK A, MONTROSE, LOCATED IN THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 32, THENCE  $S34^{\circ}14'16''W$  A DISTANCE OF 72.58 FEET TO THE NORTHEAST CORNER OF SAID BLOCK A; THENCE ALONG THE NORTHERLY LINE OF SAID BLOCK A ALSO BEING

THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST MONTVIEW BOULEVARD,  
S89°57'53"W A DISTANCE OF 262.17 FEET TO THE POINT OF BEGINNING;

THENCE S00°02'07"E A DISTANCE OF 48.84 FEET;

THENCE S89°52'03"W A DISTANCE OF 109.99 FEET;

THENCE N00°09'23"E A DISTANCE OF 49.02 FEET TO A POINT ON SAID NORTHERLY  
LINE OF BLOCK A, ALSO BEING THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST  
MONTVIEW BOULEVARD;

THENCE ALONG SAID NORTHERLY AND SOUTHERLY LINE, N89°57'53"E A  
DISTANCE OF 109.82 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH

A PARCEL OF LAND BEING A PORTION OF BLOCK A, MONTROSE, LOCATED IN THE  
SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 3 SOUTH, RANGE 67 WEST OF  
THE SIXTH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, COLORADO,  
BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 32, THENCE  
S34°14'16"W A DISTANCE OF 72.58 FEET TO THE NORTHEAST CORNER OF SAID  
BLOCK A, SAID POINT BEING THE POINT OF BEGINNING;

THENCE ALONG THE EASTERLY LINE OF SAID BLOCK A ALSO BEING THE  
WESTERLY RIGHT-OF-WAY LINE OF QUEBEC STREET, S00°02'12"W A DISTANCE OF  
380.90 FEET;

THENCE N89°57'48"W A DISTANCE OF 5.12 FEET TO A POINT OF CURVATURE;

THENCE 39.06 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A  
RADIUS OF 26.00 FEET, A CENTRAL ANGLE OF 86°04'03", AND A CHORD WHICH  
BEARS N46°55'47"W A DISTANCE OF 35.49 FEET;

THENCE N03°53'45"W A DISTANCE OF 21.92 FEET TO A POINT OF CURVATURE;

THENCE 77.93 FEET ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS  
OF 52.00 FEET, A CENTRAL ANGLE OF 85°52'01", AND A CHORD WHICH BEARS  
N46°49'46"W A DISTANCE OF 70.84 FEET;

THENCE N89°45'46"W A DISTANCE OF 207.83 FEET TO A POINT OF CURVATURE;

THENCE 26.82 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A  
RADIUS OF 37.00 FEET, A CENTRAL ANGLE OF 41°31'36", AND A CHORD WHICH  
BEARS N68°59'58"W A DISTANCE OF 26.23 FEET;

THENCE N48°14'10"W A DISTANCE OF 42.54 FEET TO A POINT OF CURVATURE;

THENCE 60.81 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 72.00 FEET, A CENTRAL ANGLE OF 48°23'33", AND A CHORD WHICH BEARS N24°02'24"W A DISTANCE OF 59.02 FEET;

THENCE N00°09'23"E A DISTANCE OF 144.57 FEET;

THENCE N89°52'03"E A DISTANCE OF 109.99 FEET;

THENCE N00°02'07"W A DISTANCE OF 48.84 FEET TO A POINT ON THE NORTHERLY LINE OF SAID BLOCK A ALSO BEING THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST MONTVIEW BOULEVARD;

THENCE ALONG SAID NORTHERLY LINE OF BLOCK A, N89°57'53"E A DISTANCE OF 262.17 FEET TO THE POINT OF BEGINNING.

#### PARCEL 4 – PARKING EASEMENT

AN EASEMENT TO ACCESS AND USE THE "PARKING LOT" FOR VEHICULAR PARKING, AS MORE FULLY DEFINED AND DESCRIBED IN PARKING EASEMENT RECORDED DECEMBER 27, 2021 UNDER RECEPTION NO. 2021235127, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

#### PARCEL 5 – FIRE LANE EASEMENT

A NON-EXCLUSIVE EASEMENT FOR EMERGENCY ACCESS, GENERAL VEHICULAR AND PEDESTRIAN USE, AND TO ACCESS, MAINTAIN AND REPAIR UTILITIES OVER AND UPON THE "FIRE LANE" AS MORE FULLY DEFINED AND DESCRIBED IN ACCESS EASEMENT AGREEMENT RECORDED DECEMBER 27, 2021 UNDER RECEPTION NO. 2021235128, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

#### PARCEL 6 – CAMPUS EASEMENT

A NON-EXCLUSIVE EASEMENT OVER CERTAIN "ASSOCIATION MAINTENANCE AREAS" IDENTIFIED ON THE "MAP" COMPRISED OF THE "DATA CENTER" AND THE "OPEN SPACE" FOR SO LONG AS SUCH "DATA CENTER" AND "OPEN SPACE" ARE "ASSOCIATION MAINTENANCE AREAS", AND A NON-EXCLUSIVE EASEMENT OVER THE "OPEN SPACE" AND SIDEWALKS ON "UNIT 1" (SHOWN ON THE MAP) FOR SO LONG AS THE "OPEN SPACE" IS AN "ASSOCIATION MAINTENANCE AREA", ALL AS MORE FULLY DEFINED AND DESCRIBED IN MASTER DECLARATION FOR PARK HILL CAMPUS RECORDED DECEMBER 16, 2021 UNDER RECEPTION NO. 2021229831, CITY AND COUNTY OF DENVER, STATE OF COLORADO.



## **Exhibit E**

### **SUBORDINATION AGREEMENT**

THIS SUBORDINATION AGREEMENT (this “Agreement”) dated \_\_\_\_\_, 2022, is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado, whose address is Department of Housing Stability, 201 W. Colfax Ave., Dept. 615, Denver, Colorado 80202 (the “Junior Lender”) and Colorado Housing and Finance Authority, a body corporate and political subdivision of the State of Colorado, whose address is 1981 Blake Street, Denver, Colorado 80202 (the “Senior Lender”).

### **PRELIMINARY STATEMENTS**

A. The Junior Lender has made a loan to Archway Investment Corporation, Inc., a Colorado nonprofit corporation (the “Borrower”) in the principal amount of \$3,850,000, evidenced by that certain Promissory Note, dated as of December [\_\_\_], 2022 made by the Borrower and payable to the Junior Lender (the “City Note”).

B. Borrower has made two loans to Park Hill Campus LIHTC LLLP, a Colorado limited liability limited partnership (the “Owner”), one in the principal amount of \$2,850,000, evidenced by that certain Promissory Note, dated as of December [\_\_\_], 2022, made by the Partnership and payable to the Borrower; and the second in the principal amount of \$1,000,000, evidenced by that certain Promissory Note, dated as of December [\_\_\_], 2022, made by the Partnership and payable to the Borrower (together, the “Partnership Note”) and secured by two Deeds of Trust (together, the “Junior Deed of Trust”) made as of December [\_\_\_], 2022 and recorded on December [\_\_\_], 2022 at Reception Nos. [\_\_\_\_\_] and [\_\_\_\_\_] of the real property records in the office of the Clerk and Recorder of the City and County of Denver, State of Colorado, encumbering the following described property (the “Mortgaged Property”):

### **SEE LEGAL DESCRIPTION – ATTACHMENT A**

C. Pursuant to that certain Collateral Assignment of Note and Deed of Trust dated as of December [\_\_\_], 2022 made by Borrower for the benefit of the Junior Lender and recorded on December [\_\_\_], 2022 at Reception No. [\_\_\_\_\_] of the real property records in the office of the Clerk and Recorder of the City and County of Denver, State of Colorado (the “Collateral Assignment”), Borrower has assigned to Junior Lender, as collateral for the City Note, the rights of Borrower under the Partnership Note and the Junior Deed of Trust.

D. The Senior Lender plans to grant or has granted Owner loans of \$[34,500,000] and \$[11,428,389], which loans will be evidenced by promissory notes (“Senior Note”) in like amounts and secured by a deed of trust (“Senior Deed of Trust”) which will cover and encumber all or part of the Mortgaged Property (the Senior Note together with the Senior Deed of Trust and all other documents evidencing, securing, or executed in connection with the Senior Obligations (defined below) are collectively the “Senior Loan Documents”); and the Senior Deed of Trust will be recorded in the records of the office of the Clerk and Recorder of the City and County of Denver, State of Colorado.

E. It is the desire of the parties and to the mutual benefit of all parties that the lien of the Junior Deed of Trust be subordinated to the lien of the Senior Deed of Trust.

## **AGREEMENT**

For and in consideration of the mutual benefits accruing to the parties hereto, and the promises set forth, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings given such terms in the Junior Deed of Trust. As used herein, the following terms shall have the meanings assigned to them:

"Senior Obligations" means each and every debt, liability and obligation of every type and description that the Owner may now or at any time hereafter owe to the Senior Lender in connection with the Senior Deed, up to the maximum amount of [\$45,928,389], whether such debt, liability or obligation now exists or is hereafter assumed, created or incurred and whether it is or may be direct or indirect, due or to become due, or absolute or contingent.

"Junior Obligations" means each and every debt, liability and obligation of every type and description that the Borrower or Owner may now or at any time hereafter owe to the Junior Lender in connection with the Junior Deed of Trust, whether such debt, liability or obligation now exists or is hereafter assumed, created or incurred and whether it is or may be direct or indirect, due or to become due, or absolute or contingent

2. Subordination. The Junior Lender hereby agrees that (regardless of any priority otherwise available to the Junior Lender by law or by agreement) any security interest that the Junior Lender might now hold in the Mortgaged Property, is fully subordinate to any security interest that the Senior Lender may now or hereafter hold in the Mortgaged Property up to the maximum amount of [\$45,928,389].

3. Collateral and Security Interest. Until all of the Senior Obligations have been paid in full, the Junior Lender shall not demand, receive or accept, except as otherwise described in this Agreement (i) a pledge of any of the Mortgaged Property as security for the Junior Obligations, or (ii) a grant of any security interest or any other right or interest in any of the Mortgaged Property.

4. Payments Before Default Under Senior Loan Documents. Until the Junior Lender receives notice from the Senior Lender that a default has occurred in connection with the Senior Loan Documents as set forth in Section 8 herein, the Junior Lender shall be entitled to retain for its own account all payments made in connection with the Junior Obligations.

5. Waiver and Consent. The Senior Lender shall have no obligation to the Junior Lender with respect to the Mortgaged Property or the Senior Obligations. The Senior Lender may in accordance with the Senior Deed of Trust (a) exercise collection rights, (b) take possession of, sell or dispose of, and otherwise deal with, the Mortgaged Property, (c) in the

Senior Lender's name or in the Owner's name, demand, sue for, collect or receive any money or property at any time payable or receivable on account of the Mortgaged Property; (d) prosecute, settle and receive proceeds on any insurance claims relating to the Mortgaged Property, and (e) exercise and enforce any right or remedy available to the Senior Lender with respect to the Mortgaged Property, whether available before or after the occurrence of any default; all without notice to or consent by anyone except as specifically required by law. The Senior Lender may apply the proceeds of the Mortgaged Property in any order the Senior Lender deems appropriate in its sole discretion, except as required by law.

6. No Action. Except to the extent that Junior Lender obtains Senior Lender's permission pursuant to the following sentence, the Junior Lender will not commence any action or proceeding with respect to the Mortgaged Property or against the Owner, will not take possession of, sell or dispose of, or otherwise deal with, the Mortgaged Property, and will not exercise or enforce any other right or remedy that may be available to the Junior Lender against the Owner or with respect to the Mortgaged Property upon Borrower's or Owner's default with respect to the Junior Obligations, without the Senior Lender's prior written consent, which shall not be unreasonably withheld or delayed.

7. Notice of Default to Senior Lender. Any notice provided to the Borrower or the Owner by the Junior Lender of any default under the Junior Deed of Trust shall also be sent to Senior Lender.

8. Notice of Default to Junior Lender. Senior Lender shall deliver to the Junior Lender a default notice within ten business days in each case where Senior Lender has given a default notice to the Owner. The Junior Lender shall have the right, but not the obligation, to cure any default under the Senior Loan Documents within the same time, and the same manner, as the Owner pursuant to the Senior Loan Documents. All amounts paid by the Junior Lender to Senior Lender to cure a default under the Senior Loan Documents shall be deemed to have been advanced by the Junior Lender pursuant to, and shall be secured by the lien of, the Junior Deed of Trust.

9. No Representations or Warranties. Neither the Junior Lender nor the Senior Lender (i) makes any representation or warranty concerning the Mortgaged Property or the validity, perfection or (except as to the subordination effected hereby) priority of any security interest therein, or (ii) shall have any duty to preserve, protect, care for, insure, take possession of, collect, dispose of or otherwise realize upon any of the Mortgaged Property.

10. Binding Effect; Miscellaneous. This Agreement shall be binding upon the Junior Lender and its respective successors and assigns and shall inure to the benefit of the Senior Lender and its participants, successors and assigns, but neither the Owner nor any other secured party shall be entitled to rely on or enforce this Agreement. This Agreement cannot be waived or changed or ended, except by a writing signed by the party to be bound thereby. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Colorado. Each party consents to the personal jurisdiction of the state and federal courts located in the State of Colorado in connection with any controversy related to this Agreement, waives any argument that venue in any such forum is not convenient, and agrees that any litigation initiated by either of them in connection with this Agreement shall be venued in the City and

County of Denver. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. The Junior Lender waives notice of the Senior Lender's acceptance hereof.

11. Notice. Any notice required under this Agreement shall be deemed to have been given when mailed by certified mail, return receipt requested, or by overnight express mail or courier service, to the addresses of the Junior Lender or the Senior Lender, as the case may be, set out in the first paragraph of this Agreement.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

“JUNIOR LENDER”

**CITY AND COUNTY OF DENVER**, a Colorado  
Municipal Corporation

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

Title: \_\_\_\_\_, Department of Housing  
Stability

State of Colorado        )  
                                      ) ss.  
County of                 )

The foregoing instrument was subscribed to and acknowledged before me this \_\_\_\_ day of \_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of the Department of Housing Stability for the City and County of Denver, a municipal corporation of the State of Colorado, for and on behalf of the City.

Witness my hand and official seal.  
My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

“SENIOR LENDER”

Colorado Housing and Finance Authority, a Colorado  
public body corporate and politic

By: \_\_\_\_\_  
Name: Thomas Bryan  
Title: Chief Financial Officer

State of Colorado            )  
                                          ) ss.  
County of                    )

The foregoing instrument was subscribed to and acknowledged before me this \_\_\_\_ day  
of \_\_\_\_, 2022, by Thomas Bryan as Chief Financial Officer of Colorado Housing and Finance  
Authority.

Witness my hand and official seal.  
My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

Acknowledged by OWNER:

Park Hill Campus LIHTC LLLP, a Colorado limited  
liability limited partnership

By: Park Hill Campus LIHTC GP LLC, a Colorado  
limited liability company, as its General Partner

By: Archway Investment Corporation, Inc.,  
a Colorado nonprofit corporation, as its  
Manager

By: \_\_\_\_\_  
Name: Sebastian Corradino  
Title: President and CEO

Acknowledged by BORROWER:

Archway Investment Corporation, Inc., a Colorado nonprofit corporation

By: \_\_\_\_\_  
Name: Sebastian Corradino  
Title: President and CEO

ATTACHMENT A

[INSERT LEGAL DESCRIPTION]



## **EXHIBIT F**

### **CASH FLOW CALCULATION**

The provisions of this Exhibit F are found in the Partnership Agreement of Park Hill Campus LIHTC LLLP dated December \_\_, 2022 (the "Partnership Agreement"). A copy of the fully executed Partnership Agreement will be provided to the City after execution.

Notwithstanding anything to the contrary, the calculation of net cash flow includes regular monthly or annual deposits into a replacement reserve account or capital reserve account but does not include capital expenditures.

"Net Cash Flow" means the sum of (i) all cash received from rents, lease payments and all other sources, but excluding (A) tenant security or other deposits (unless forfeited), (B) Capital Contributions and interest thereon (other than if used to pay for an item deducted below in determining Net Cash Flow), (C) proceeds from Capital Transactions and (D) interest on reserves not available for distribution, (ii) the net proceeds of any insurance (including rental interruption insurance), other than fire and extended coverage and title insurance, to the extent not reinvested, and (iii) any other funds deemed available for distribution by the General Partner with the approval of the Special Limited Partner and the Lender, if required, less the sum of (i) all cash expenditures, and all expenses unpaid but properly accrued, which have been incurred in the operation of the Partnership's business including the management fee to the Management Agent and the Asset Management Fee but excluding expenditures paid from any Partnership reserve account (whether or not such expenditure is deducted, amortized or capitalized for tax purposes) (ii) all payments on account of any loans (including unpaid principal and accrued interest) made to the Partnership (whether such loan is made by a Partner pursuant to Section 8.16 or otherwise), but not including any amounts to be paid pursuant to the Development Agreement or on account of Operating Deficit Loans, or otherwise payable from Net Cash Flow, (iii) the payment of any tax liability owed by the Limited Partners, (iv) the Ground Lease Payment, (v) the DHDP Asset Management Fee, (vi) any cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be required by the Lender or the Special Limited Partner or may be determined from time to time by the General Partner with the approval of the Special Limited Partner, and the Lender, if required, to be advisable for the operation of the Partnership.

Net Cash Flow shall be determined separately for each fiscal year or portion thereof commencing on the day after Final Closing and shall not be cumulative.

### **Distribution of Net Cash Flow**

Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

- (i) first, in the event that any Operational Reduction Amount is due and owing pursuant to Section 5.01(e)(iii) or the General Partner has not made any required payment in violation of any other provisions of Section 5.01(e), an amount equal to the payment due and owing under such Section 5.01(e) shall be distributed to the Investment Partner in satisfaction of such obligation;

- (ii) second, an amount equal to the payment necessary to maintain the Operating Reserve Minimum in accordance with Section 8.08(b);
- (iii) third, to the payment of Operating Deficit Loan(s) until such Loan(s) is repaid;
- (iv) fourth, an amount equal to any deferred Asset Management Fee not paid pursuant to the terms of this Agreement shall be distributed to the Special Limited Partner;
- (v) fifth, to the payment of the Development Fee until fully paid;
- (vi) sixth, to the payment of the Social Services Expenses;
- (vii) seventh, 50% to payments on the Sponsor HOST Cash Flow Loan, and 50% to payments on the CDOH Supplemental Loan until fully paid;
- (viii) eighth, to the payment of the Sponsor Loan of CDOH Funds;
- (ix) ninth, to the payment of the Sponsor HOST Performance Loan;
- (x) tenth, to the payment of the Annual PILOT;
- (xi) eleventh, to the payment of the Seller Loan;
- (xii) twelfth, the payment of the DHA Property Tax Escrow; and
- (xiii) any remaining amount to the Partners in accordance with their respective Percentage Interests.

### **Defined Terms**

“Annual PILOT” means the annual payment by the Partnership to DHA of \$5,000.00, adjusted annually by three percent (3%), payable solely from Net Cash Flow.

“Asset Management Fee” means the fee payable to the Special Limited Partner for its services in monitoring the operations of the Partnership on behalf of the Investment Partner as set forth in Section 12.04(h).

“Capital Contribution” means the total amount of money or other property contributed or agreed to be contributed, as the context requires, to the Partnership by each Partner pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Partner shall include the Capital Contribution made by a predecessor holder of the Interest of such Partner.

“Capital Transaction” means any transaction, the proceeds of which are not includable in determining Net Cash Flow, including without limitation the disposition, whether by partial sale (except when such sale proceeds are to be used pursuant to a plan or budget approved by all of the Partners), casualty (where the proceeds are not to be used for reconstruction), condemnation, refinancing or similar event of any part of the Apartment Complex.

“CDOH Supplemental Loan” means the mortgage loan in the anticipated principal amount of \$2,500,000.00 with interest at 1% compounded annually, paid solely from Net Cash Flow and has a permanent term of 50 years to be made to the Partnership by AIC from the proceeds of a CDOH Loan and which will be evidenced by the promissory note to be given by the Partnership to AIC at the Initial Closing, which will be secured by a Deed of Trust in fifth lien priority, both of which will be collaterally assigned to CDOH, and other related security documents and financing statements, and which will be nonrecourse to the Partnership and the Partners from and after Initial Closing (other than customary nonrecourse carve out-provisions which have been Consented to by the Special Limited Partner).

“Development Agreement” means the Agreement between the Partnership and the Developer as of even date herewith relating to the development of the Apartment Complex and providing for the payment of the Development Fee, in the form set forth in Exhibit B.

“DHA Property Tax Escrow” has the meaning given to it in the Addendum.

“DHDP Asset Management Fee” means the fee payable by the Partnership to DHDP in the initial amount of \$7,700.00 per year as provided in the Addendum. Unpaid amounts shall accrue interest at 3% until paid as provided in the Addendum.

“Final Closing” means the occurrence of all of the following: (i) Final Completion, (ii) approval by the Construction Lender, if required, of the Partnership’s certification of actual costs as to the development and rehabilitation of the Apartment Complex to achieve Final Completion, (iii) receipt and approval by the Special Limited Partner of a Cost Certification; (iv) disbursement by the Lender of all Mortgage Loan proceeds, (v) Bond Loan Conversion; (vi) the achievement of Breakeven Operations; (vii) receipt by the Special Limited Partner of evidence, as certified to by the Accountants, that at least 50% of the aggregate basis of each building of the Apartment Complex, for purposes of Section 42(h)(4) of the Code, have been by the proceeds of the Tax-Exempt Bonds; (viii) the occurrence of Rental Achievement, (ix) Historic Certification has occurred and (x) the funding of all required reserves under this Agreement including the Reserve Fund for Replacements.

“General Partner” means Park Hill Campus LIHTC GP LLC, a Colorado limited liability company, and any other Person admitted as a general partner pursuant to this Agreement, and their respective successors pursuant to this Agreement, including particularly the provisions of Section 9.02, 8.01 and 8.12.

“Ground Lease Payment” means the annual payment of \$66,000.00 and increasing at a rate of five percent every five years payable by the Partnership to the Landlord under the Ground Lease for the term of the Ground Lease.

“Investment Partner” means Hudson Park Hill LLC, a Delaware limited liability company.

“Lender” means Boston Capital Finance as to the Bond Loan and AIC as to the Subordinate Loans in its capacity as the maker of the Mortgage Loan, or its successors and assigns in such capacity, acting through any authorized representative. Notwithstanding anything to the contrary herein, no provision of this Agreement that confers any rights or benefits upon a Lender shall be deemed to apply to the Subordinate Loans.

“Limited Partner(s)” means the Special Limited Partner, the Investment Partner, and DHDP Special Limited Partner or any other Limited Partner in such Person’s capacity as a limited partner of the Partnership.

“Management Agent” means the management and rental agent for the Apartment Complex designated pursuant to Section 8.13 (and, if applicable, any lease-up agent responsible for overseeing initial tenant lease up and ongoing compliance with Tax Credit regulations).

“Operating Reserve Minimum” shall have the meaning given to it in Section 8.08(b).

“Partner” means any General Partner and any Limited Partner.

“Partnership” means Park Hill Campus LIHTC LLLP.

“Payment Date” means the later of the date which is ninety (90) days after the end of the Partnership’s fiscal year with respect to the preceding fiscal year or the date on which the General Partner has delivered to all Partners the financial statements and information required to be delivered under Section 12.04(a)(i) and (ii).

“Percentage Interest” means the percentage Interest of each Partner as set forth in Section 5.01.

“Seller Loan” means the mortgage loan in the anticipated principal amount of \$4,250,000.00 with interest at [AFR], compounded annually, paid solely from Net Cash Flow and has a permanent term of 50 years to be made to the Partnership by AIC which will be evidenced by the promissory note to be given by the Partnership to AIC at the Initial Closing, which will be secured by a Deed of Trust in fifth lien priority and other related security documents and financing statements, and which will be nonrecourse to the Partnership and the Partners from and after Initial Closing (other than customary nonrecourse carve out-provisions which have been Consented to by the Special Limited Partner).

“Special Limited Partner” means Hudson SLP-J LLC, a Delaware limited liability company.

“Social Services Expenses” means the expenses associated with carrying out the Social Services Agreement and complying with the terms of Section 4.02.

“Sponsor Loan of CDOH Funds” means the mortgage loan in the anticipated principal amount of \$4,950,000.00 with interest at 1% compounded annually, paid solely from Net Cash Flow and has a permanent term of 50 years to be made to the Partnership by AIC from the proceeds of a CDOH Grant and which will be evidenced by the promissory note to be given by the Partnership to AIC at the Initial Closing, which will be secured by a Deed of Trust in third lien priority and other related security documents and financing statements, and which will be nonrecourse to the Partnership and the Partners from and after Initial Closing (other than customary nonrecourse carve out-provisions which have been Consented to by the Special Limited Partner).

“Sponsor Loan of City HOST Funds” means two Mortgage Loans: (i) one loan in the anticipated principal amount of \$1,000,000.00 with interest at 0.5% compounded annually, paid solely from Net Cash Flow and proceeds of a Capital Transaction and has a permanent term of 30 years to be made to the Partnership by AIC from the proceeds of a HOST Grant and which will be

evidenced by the promissory note to be given by the Partnership to AIC at the Initial Closing, which will be secured by a Deed of Trust in second lien priority (“Sponsor HOST Cash Flow Loan”); (ii) the second loan in the anticipated principal amount of \$2,850,000.00 with interest at 0.5% compounded annually, paid solely from Net Cash Flow and proceeds of a Capital Transaction and has a permanent term of 60 years to be made to the Partnership by AIC from the proceeds of a HOST Grant and which will be evidenced by the promissory note to be given by the Partnership to AIC at the Initial Closing (“Sponsor HOST Performance Loan”), which will be secured by a Deed of Trust in third lien priority and other related rental covenants, security documents and financing statements, and which will be nonrecourse to the Partnership and the Partners from and after Initial Closing (other than customary nonrecourse carve out-provisions which have been Consented to by the Special Limited Partner).