

FIRST AMENDMENT TO LOAN AGREEMENT

This **FIRST AMENDMENT TO LOAN AGREEMENT** (the “Amendment”) is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (“City”) and **MHMP 15 E COLFAX LLLP**, a Colorado limited liability limited partnership, located at 1600 Broadway Ste 2000, Denver, Colorado 80202 (“Borrower”), each individual a “Party” and collectively the “Parties.”

WHEREAS, the Parties entered into that certain Loan Agreement dated October 28, 2021 (the “Loan Agreement”) relating to a loan to Borrower in the original principal amount of \$3,500,000.00 (the “Loan” or “City Loan”); and

WHEREAS, Borrower executed that certain Promissory Note dated December 23, 2021, evidencing the terms of the Loan (the “Note”); and

WHEREAS, repayment of the Note is secured by that certain Deed of Trust dated December 23, 2021, and recorded on December 28, 2021, at Reception No. 2021236113 (the “Deed of Trust”) as a lien against certain real property in the City and County of Denver; and

WHEREAS, Borrower caused that certain Rental and Occupancy Covenant dated December 23, 2021, and recorded on December 27, 2021, at Reception No. 2021235172, to be recorded against certain real property in the City and County of Denver to secure such property for use as affordable housing in conformance with the terms of the Loan Agreement (the “Covenant”); and

WHEREAS, collectively, the Loan Agreement, Note, Covenant, and Deed of Trust are referred to herein as the “Loan Documents;” and

WHEREAS, the Parties desire to amend the Loan Agreement to increase the City subordination limit, allow for an intercompany pass-through loan from the general partner to the Borrower, allow for additional debt from the general partner, amend the project timeline and costs, and amend the cash flow calculation.

WHEREAS, the Parties wish to amend Loan Agreement as set forth herein.

NOW THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and the Parties’ mutual covenants and obligations, the Parties agree as follows:

1. Section 3 of the Loan Agreement entitled “**SUBORDINATION**” is hereby deleted in its entirety and replaced with:

“3. SUBORDINATION:

A. The Executive Director, or the Executive Director’s designee (the “Executive Director”), of the City’s Department of Housing Stability (“HOST”) is authorized to execute documents necessary to subordinate the lien of the City’s Deed of Trust so long as (i) a subordination agreement is negotiated based on the form attached hereto as Exhibit E, with the final form being satisfactory to the City Attorney; (ii) encumbrances prior to the City’s Deed of Trust do not exceed Twenty-Two Million Five Hundred Thousand Dollars and No/100 (\$22,500,000.00) under the construction loan(s) or Eleven Million Five Hundred Thousand Dollars and No/100 (\$11,500,000.00) under the permanent loan(s); (iii) Borrower is not then in default of its obligations pursuant to this Agreement, the Promissory Note, the Deed of Trust or the Covenant; and (iv) all additional financing for the Project is committed.

B. The Executive Director is authorized to execute documents necessary to subordinate the City’s Deed of Trust to land use restriction agreements (“LURAs”), such as the LURA required by the Colorado Housing and Finance Authority and the regulatory agreement required by MCC (defined below) in connection with the financing described in Section 5 below, so long as (i) the subordination agreement is in the form acceptable to the City Attorney; (ii) encumbrances prior to the City’s Deed of Trust do not exceed Twenty-Two Million Five Hundred Thousand Dollars and No/100 (\$22,500,000.00) under the construction loan(s) or Eleven Million Five Hundred Thousand Dollars and No/100 (\$11,500,000.00) under the permanent loan(s); and (iii) Borrower is not in default of its obligations pursuant to this Agreement, the Deed of Trust, or the Covenant.

C. The Executive Director is authorized to execute documents necessary to accomplish the Loan, as set forth herein, so long as (i) such documents are in a form satisfactory to the City Attorney; (ii) encumbrances prior to the City’s Deed of Trust do not exceed Twenty-Two Million Five Hundred Thousand Dollars and No/100 (\$22,500,000.00) under the construction loan(s) or Eleven Million Five Hundred Thousand Dollars and No/100 (\$11,500,000.00) under the permanent loan(s); and (iii) Borrower is not in default of its obligations pursuant to this

Agreement, the Deed of Trust, or the Covenant.”

2. Section 14 of the Loan Agreement entitled “**EXAMINATION OF RECORDS/REPORTING REQUIREMENTS/ANNUAL MONITORING; INSPECTIONS**” is hereby deleted in its entirety and replaced with:

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

A. Examination of Records and Audits: Any authorized agent of the City, including the City Auditor or his or her representative, has the right to access, and the right to examine, copy and retain copies, at City’s election in paper or electronic form, any pertinent books, documents, papers and records related to Borrower’s performance pursuant to this Agreement, provision of any goods or services to the City, and any other transactions related to this Agreement. Borrower shall cooperate with City representatives and City representatives shall be granted access to the foregoing documents and information during reasonable business hours and until the latter of three (3) years after the final payment under the Agreement or expiration of the applicable statute of limitations. When conducting an audit of this Agreement, the City Auditor shall be subject to government auditing standards issued by the United States Government Accountability Office by the Comptroller General of the United States, including with respect to disclosure of information acquired during the course of an audit. No examination of records and audits pursuant to this paragraph shall require Borrower to make disclosures in violation of state or federal privacy laws. Borrower shall at all times comply with D.R.M.C. 20-276.

B. Records Related to Affordable Units. Borrower must retain all tenant file records for tenants who occupy or occupied an Affordable Unit, which shall include, but not be limited to: (a) move-in income verification, (b) annual recertifications, (c) leases (including lease renewals), (d) rental amounts for the Affordable Unit, and (e) utility allowance calculations. Borrower must also retain records of any inspection or inspections of an Affordable Unit or the Property. The records required to be retained by this subsection must be maintained for the duration of the tenant’s occupancy in an Affordable Unit until seven (7)

years after the tenant vacates an Affordable Unit. Upon the termination or expiration of the Covenant, records required to be retained by this subsection must be maintained for all tenants occupying an Affordable Unit at the time of Covenant expiration or termination until seven (7) years thereafter. File records can be maintained in electronic or hard-copy format so long as the records are accessible to HOST. In the event of a sale or conveyance of the Property, the resident file records must be maintained for seven (7) years after the date of sale or conveyance.

C. Required Information and Reports. Borrower shall submit 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 Affordable Units to verify compliance with affordability requirements and other requirements of this Agreement; (3) data on evictions, terminations of tenancies, or tenancies not renewed for individuals residing in Affordable 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 Affordable Units. The report required by subsection (2) of this Subsection B. 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 Agreement.

D. Access and Inspections. For the purposes of assuring compliance with the 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 Agreement.”

3. Section 26 of the Loan Agreement entitled “**NOTICES**” is hereby amended to refer to the following updated address for the federal investor limited partner and its counsel:

WF Affordable Housing LLC
550 S. Tryon Street
23rd Floor, MAC D1086-239
Charlotte, NC 28202-4200
Attention: Director of Tax Credit Asset Management

and a copy to:

Dentons US LLP
601 S. Figueroa St., Suite 2500
Los Angeles, CA 90017-5704
Attention: Emily Bias, Esq.
emily.bias@dentons.com

And to:

Affordable Housing Fund Colorado I LLC
17 W Lockwood Ave
St. Louis, MO 63119
Attn: Legal Department

4. Section 36 of the Loan Agreement entitled “**NO DISCRIMINATION IN EMPLOYMENT**” is hereby deleted in its entirety and replaced with:

“**36. NO DISCRIMINATION IN EMPLOYMENT:** In connection with the performance of work under the Agreement, the Contractor 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. The Contractor shall insert the foregoing provision in all subcontracts.”

5. Section 39 entitled “**COMPLIANCE WITH DENVER WAGE LAWS**” is hereby inserted into the Loan Agreement and states:

“**39. COMPLIANCE WITH DENVER WAGE LAWS:** To the extent applicable to the Contractor’s provision of Services hereunder, the Contractor shall comply with, and agrees to be bound by, all rules, regulations, requirements, conditions, and City determinations regarding the City’s Minimum Wage and Civil Wage Theft Ordinances, Sections 58-1 through 58-26 D.R.M.C., including, but not limited to, the requirement that every covered worker shall be paid all earned wages under applicable state, federal, and city law in accordance with the foregoing D.R.M.C. Sections. By executing this Agreement, the Contractor expressly acknowledges that the Contractor is aware of the requirements of the City’s Minimum Wage and Civil Wage Theft Ordinances and that any failure by the Contractor, or any other individual or entity acting subject to this Agreement, to strictly comply with the foregoing D.R.M.C. Sections shall result in the penalties and other remedies authorized therein

6. The City consents to a loan of Two Million Five Hundred Thousand Dollars and No Cents (\$2,500,000.00) from Mercy Community Capital (“MCC”) to Mercy Housing Mountain Plains, which Mercy Housing Mountain Plains will use to purchase \$2,500,000 of bonds from the City.

7. The City consents to additional debt of One Million Five Hundred Thousand Dollars and No Cents (\$1,500,000.00) from MHMP 15 E Colfax LLC to repay out-of-pocket expenses incurred by the Borrower in 2023 and 2024, to be subordinated to the City Loan.

8. **Exhibit A** is hereby deleted in its entirety and replaced with **Exhibit A-1 Project Timeline and Costs** attached and incorporated by reference herein. All references in the original Agreement to Exhibit A are changed to Exhibit A-1.

9. **Exhibit F** is hereby deleted in its entirety and replaced with **Exhibit F-1 Cash Flow Calculation** attached and incorporated by reference herein. All references in the original Agreement to Exhibit F are changed to Exhibit F-1.

10. The terms of this Amendment are conditioned on (i) receipt of approval of the senior permanent debt by FirstBank, (ii) receipt of approved intercompany loans from Mercy

Community Capital and MHMP 15 E Colfax LLC, and (iii) completion of the City bond reissuance process.

11. As herein amended, the Agreement is affirmed and ratified in each and every particular.

12. This Amendatory Agreement will not be effective or binding on the City until it has been fully executed by all required signatories of the City and County of Denver, and if required by Charter, approved by the City Council.

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Contract Control Number: HOST-202579038-01 HOST-202160023
Contractor Name: MHMP 15 E COLFAX LLLP

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: _____

APPROVED AS TO FORM: **REGISTERED AND COUNTERSIGNED:**
Attorney for the City and County of Denver
By: _____ By: _____

By: _____

Contract Control Number: HOST-202579038-01, HOST-202160023
Contractor Name: MHMP 15 E COLFAX LLLP

By:  _____
964350AD7FB94E7...

Name: Shelly Marquez

(please print)

Title: President

(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

EXHIBIT A-1

Project Timeline - The Rose On Colfax (Mercy Housing Mountain Plains / MHMP 15 E Colfax LLLP)

1510 Valentia Street, Denver, CO 80220

Construction financing closes	December 23, 2021
General Contractor notice to proceed	December 23, 2021
Construction completion	January 3, 2023
Lease-up completion date of restricted units	December 2023

PERMANENT SOURCES		USES	
First/Second Mortgage (FirstBank/MHMP Pass-through loan)	\$ 6,000,000	Land and Site Work	\$1,415,151
Mercy Gap Fund Third Mortgage	\$3,000,000		
LIHTC - 4%	\$ 11,572,104	Financing Costs	\$3,705,404
Affordable Housing Tax Credits	\$4,064,994		
City of Denver Loan	\$ 3,500,000	Construction Costs	\$22,375,333
CDOH Grant	\$ 1,020,000	Soft Costs + Prof. Fees	\$1,892,627
GP Equity	\$100		
Deferred Developer Fee	\$ 1,699,961	Developer Fee	\$2,163,013
GP Note	\$1,159,645	Reserves	\$465,276
TOTAL	\$32,016,804	TOTAL	\$32,016,804

EXHIBIT F-1

CASH FLOW CALCULATION

The provisions of this Exhibit F-1 are found in the Amended and Restated Agreement of Limited Partnership of MHMP 15 E Colfax LLLP (the "Partnership Agreement"). A copy of the fully executed Partnership Agreement will be provided to the City after execution.

Distribution of Cash Flow

Per the Partnership Agreement, the distribution of annual operating cash flow (surplus cash) is as follows:

- (i) First, to the Investor Limited Partner until the total amount received pursuant to this clause and Section 4.02(b)(i) equals the amount of any unpaid Downward Adjuster owed under Section 3.05 (including any interest on such amount described therein) and any amount that is solely attributable to a Change in Law) and to the State Limited Partner for any amounts owned to it under Section 3.05(m);
- (ii) Second, to repay any loans made by the Investor Limited Partner or State Limited Partner, with any such payments to be applied first to accrued but unpaid interest and then to principal;
- (iii) Third, to pay the Asset Management Fee to the Investor Limited Partner until the total amount of payments pursuant to this clause and Section 4.02(b)(iii) (including payments in all prior years) equals \$5,000 per year or portion thereof (commencing on January 1, 2023, and increasing at 3% per annum beginning in 2024), and (B) to pay the State Asset Management Fee to the State Limited Partner until the total amount of payments pursuant to this clause and Section 4.02(b)(ii) (including payments in all prior years) equals \$2,500 per year or portion thereof commencing on January 1, 2023, and increasing at 3% per annum beginning in 2024, with amounts paid on a pari passu basis in relation to amounts owed to each of the Investor Limited Partner and the State Limited Partner;
- (iv) Fourth, to maintain or replenish the Operating Reserve until the balance in the Operating Reserve is equal to the Operating Reserve Amount;
- (v) Fifth, to pay the first installment of the DHDP Special Limited Partner Asset Management Fee, in the amount of \$2,870 per year, or portion thereof, which increases by 10% every five years, beginning for the year commencing on January 1, 2023;
- (vi) Sixth, to repay any amounts then owed with respect to the Developer Loan;
- (vii) Seventh, to pay the first installment of the GP Asset Management Fee to the General Partner in an amount up to \$10,000 per year or portion thereof (commencing January 1, 2023 and increasing by 3% per annum commencing on January 1, 2024);

- (viii) Eighth, to pay the second installment of the DHDP Special Limited Partner Asset Management Fee, in the amount of \$2,870 per year or portion thereof, which increases by 10% every five years, beginning for the year commencing on January 1, 2023;
- (ix) Ninth, of Cash Flow remaining, thirty-six percent (36%) to make payments of accrued interest, and then principal, on the City of Denver HOST Loan;
- (x) Tenth, to repay any amounts then owed with respect to the Carrying Cost Loan;
- (xi) Eleventh, (A) to pay for any capital expenses not previously paid for, and then (B) to pay the second installment of the GP Asset Management Fee to the General Partner until the total amount of payments pursuant to this clause and Section 4.02(a)(vii) above equals \$20,500 per year or portion thereof (commencing on January 1, 2023 and increasing by 3% per annum commencing on January 1, 2024);
- (xii) Twelfth, to pay any accrued but unpaid DHDP Special Limited Partner Asset Management Fee;
- (xiii) Thirteenth, to repay any Operating Deficit Loans to the General Partner, with any such payments to be applied first to accrued but unpaid interest and then to principal;
- (xiv) Fourteenth, to pay any Deferred Management Fees to the Management Agent;
- (xv) Fifteenth, to pay any accrued, but unpaid GP Asset Management Fee;
- (xvi) Sixteenth, to reimburse MHMP of up to \$55,000 annually for Tenant Services to be provided to the tenants of the Apartment Complex;
- (xvii) Seventeenth, to make payments to DHA in the following priority: (A) a PILOT payment of \$6,000 annually, commencing on January 1, 2024, increasing by three percent (3%) annually, (B) any accrued but unpaid PILOT payment, and (C) twenty-five percent (25%) into a Property Tax Escrow Account pursuant to the terms of the DHDP Addendum;
- (xviii) Eighteenth, to pay debt service on interest and then principal on the Subordinate Bond Loan until the Subordinate Bond Loan is repaid in full, in accordance with the Mortgage Loan Documents for the Subordinate Bond Loan;
- (xix) Nineteenth, to pay debt service on interest and then principal on the Mercy GAP Loan until the Mercy GAP Loan is repaid in full, in accordance with the Mortgage Loan Documents for the Mercy GAP Loan; and
- (xx) The balance shall be distributed 10% to the Investor Limited Partner, 1.00% to the State Limited Partner, 0.005% to the DHDP Special Limited Partner and 88.995% to the General Partner.

Defined Terms

Defined Terms from the Partnership Agreement used in the waterfall above:

“*Asset Management Fee*” means the fee payable by the Partnership to the Investor Limited Partner pursuant to the Asset Management Fee Agreement from available Cash Flow or Net Proceeds as described in Sections 4.02(a) and Section 4.02(b) hereof, in the annual, cumulative (i.e., accrued if unpaid) amount of \$5,000 beginning in 2023, and increasing at 3% per annum beginning in 2024.

“*Asset Management Fee Agreement*” means the Asset Management Fee Agreement dated as of the Closing Date between the Partnership and the Investor Limited Partner providing for the payment of the Asset Management Fee.

“*Carrying Cost Loan*” means the funds provided by the General Partner to the Partnership to pay Construction Bond Loan interest, pay down the Construction Bond Loan, pay tax audit fees, and to pay other operational and administrative costs incurred prior to the date hereof due to the insufficiency of Partnership funds in the amount of \$1,159,645, which shall be treated as a non-interest bearing, unsecured loan from the General Partner to the Partnership, which shall be repaid pursuant to Section 4.02(a).

“*Cash Flow*” means, for any period of time, the total cash receipts of the Partnership from ordinary operations (i.e., excluding the proceeds of (A) Capital Events, (B) the Capital Contributions of the Partners (except that Investor Limited Partner Additional Benefit Contributions pursuant to Section 3.05(a) or Section 3.05(c) shall be included as Cash Flow), and (C) the proceeds of any Mortgage Loans), such as, but not limited to, Effective Gross Income plus any other funds (such as any reserves in excess of the amounts required to be established and maintained pursuant to this Agreement and, if applicable, the Mortgage Loan Documents, when and to the extent the General Partner no longer regards such excess reserves as reasonably necessary in the efficient conduct of the business of the Partnership) deemed available for distribution and designated as Cash Flow by the General Partner, *less* (i) the total cash disbursements of the Partnership (such as, but not limited to, operating expenses, costs of repair or restoration of the Apartment Complex, Management Fees (excluding the Deferred Management Fee, the GP Asset Management Fee, the Asset Management Fee, the DHA Asset Management Fee and the State Asset Management Fee), financing fees or other requirements of any Lender and interest and principal repayments of any Partnership loans, other than loans which are payable solely from Cash Flow and loans from the General Partner or any Affiliate thereof (such as the Developer Loan and Operating Deficit Loans)), *less* (ii) repayment of loans made by the Investor Limited Partner under Section 3.03(k), and *less* (iii) amounts paid in connection with the establishment or maintenance of reserves as required by Section 6.10 of this Agreement.

“*Change in Law*” means an amendment to the Code or Treasury Regulations that is applicable to the Apartment Complex or the Partnership and that provides for the reduction or elimination of the Credit for qualified low-income housing projects (as defined in Code Section 42(g)(1)) or substantially changes the requirements for qualifying for the Credit in a manner that the Partners reasonably agree cannot be satisfied by commercially reasonable efforts of the Partnership. Change in Law shall specifically exclude any changes, clarifications, guidance or rules by the Agency, the IRS or any other applicable governing body related to Income Averaging. Change in Law shall

also include any changes to the State Credit Provisions that provides for the reduction or elimination of the State Credit or substantially changes the requirements for qualifying for the State Credit by the State of Colorado or any instrumentality thereof in a manner that the Partners reasonably agree cannot be satisfied by the Partnership.

“*City of Denver HOST Loan*” means the construction/permanent loan from the City and County of Denver to the Partnership from exclusively nonfederal sources in the principal amount of \$3,500,000 bearing interest at the rate of 1.0% per annum, compounding annually, and having a 40-year maturity date. The City of Denver HOST Loan shall be payable from Cash Flow in accordance with Section 4.02(a). The City of Denver HOST Loan lien position is pari passu with the Mercy GAP Loan.

“*Deferred Management Fee*” has the meaning set forth in Section 7.01 hereof.

“*DHA*” means The Housing Authority of the City and County of Denver, Colorado, a Colorado public body corporate and politic.

“*DHDP Special Limited Partner Asset Management Fee*” means the asset management fee payable to DHA in the annual cumulative amount of \$5,740, payable from Cash Flow and Net Proceeds in accordance with Sections 4.02(a), 4.02(b) and 7.03, but subject to Section 7.03, and pursuant to the DHDP Special Limited Partner Asset Management Agreement.

“*DHDP Special Limited Partner*” means Denver Housing Development Partners, Inc., a Colorado nonprofit corporation.

“*DHDP Special Limited Partner Asset Management Agreement*” means that certain DHDP Special Limited Partner Asset Management Agreement dated as of the Closing Date by and between the Partnership and the DHDP Special Limited Partner.

“*Developer*” means MHMP.

“*Developer Fee*” means the fee payable to the Developer pursuant to Section 7.02 hereof for services under the Development Fee Agreement.

“*Developer Loan*” means the loan of the unpaid portion of the Developer Fee containing the terms and conditions specified in Section 7.02 hereof.

“*Downward Adjuster*” means, collectively, a Federal Credit Shortfall Adjuster, a Federal Credit Timing Adjuster, a Subsequent Federal Credit Shortfall Adjuster, and a Federal Credit Recapture Adjuster.

“*Federal Credit Recapture Adjuster*” shall have the meaning set forth in Section 3.05(f).

“*Federal Credit Shortfall Adjuster*” shall have the meaning set forth in Section 3.05(b).

“*Federal Credit Timing Adjuster*” shall have the meaning set forth in Section 3.05(d).

“*FirstBank*” means FirstBank, a Colorado state banking corporation.

“*First Mortgage Lender*” means, collectively, the Bond Issuer, and FirstBank, as assignee thereof.

“*First Mortgage Loan*” means that certain permanent loan from the First Mortgage Lender to the Partnership, funded with the proceeds of the sale of the Senior Permanent Bonds to FirstBank, in an amount not to exceed \$6,000,000, which bears interest at the rate of 5.50%, has a term of 16 years, and an amortization period of 35 years, and of which \$3,500,000 will be disbursed upon closing of the First Mortgage Loan and used to repay a portion of the Construction Bond Loan (the “*First Draw*”), and the remaining \$2,500,000 (the “*Second Draw*”) may be disbursed within three (3) years after the closing date of the First Mortgage Loan upon the Consent of the Investor Limited Partner, and in accordance with the terms of the Mortgage Loan Documents for the First Mortgage Loan, which Second Draw shall be used to repay the Subordinate Bond Loan.

“*General Partner*” means MHMP 15 E. Colfax GP LLC, a Colorado limited liability company.

“*GP Asset Management Fee*” means the asset management fee payable to the General Partner in the annual cumulative amount of \$20,500, increasing 3% annually, payable from Cash Flow and Net Proceeds in accordance with Sections 4.02(a), 4.02(b) and 7.03, but subject to Section 7.03, and pursuant to the GP Asset Management Fee Agreement, as compensation for its asset management services for the Partnership and its assets.

“*GP Asset Management Fee Agreement*” means the GP Asset Management Fee Agreement dated as of the Closing Date herewith by and between the Partnership and the General Partner relating to the payment of the GP Asset Management Fee.

“*Investor Limited Partner*” means WF Affordable Housing LLC, a North Carolina limited liability company (formerly a North Carolina corporation known as Wells Fargo Affordable Housing Community Development Corporation), and any Person or Persons who, at the time of reference thereto, have been admitted as additional or successor Investor Limited Partners.

“*Lender*” means any lender or its successors and assigns making a loan to the Partnership that is secured by a Mortgage, including Wells Fargo, the Bond Issuer, Mercy Housing, Inc., MHMP (as assignee of the Bond Issuer’s rights under the Subordinate Bond Loan), the First Mortgage Lender, and the City.

“*Management Agent*” means Mercy Housing Management Group, Inc., a Nebraska nonprofit corporation, and/or any successor or assign that is selected by the General Partner, with the Consent of the Investor Limited Partner, to provide management services with respect to the Apartment Complex from time to time in accordance with Article XI hereof.

“*Mercy GAP Loan*” means the construction/permanent loan from Mercy Housing, Inc. to the Partnership from exclusively nonfederal sources in the original principal amount of \$2,000,000, which was increased to the amount of \$3,000,000 pursuant to that certain First Amendment to Mercy GAP Loan Documents (The Rose on Colfax) dated as of November 5, 2024, bearing simple interest at the rate of 2.25% per annum, with interest only payments due semi-annually prior to the

distribution of Cash Flow (to the extent of available funds),k with any remaining unpaid interest and principal payable from Cash Flow as set forth in Section 4.02(a), and having a term of 250 months plus one day. The Mercy GAP Loan lien position is pari passu with the City of Denver HOST Loan.

“*MHMP*” means Mercy Housing Mountain Plains, a Colorado not for profit corporation and the sole member of the General Partner.

“*Mortgage Loan*” means any loan to the Partnership evidenced by any Mortgage Loan Documents, including the Construction Bond Loan, the First Mortgage Loan, the Subordinated Bond Loan, the Mercy GAP Loan, and the City of Denver HOST Loan.

“*Mortgage Loan Documents*” means any commitment, loan agreement, promissory note, Mortgage, regulatory agreement, security agreement, assignment, assumption agreement, or other instrument executed or to be executed by the Partnership in connection with any Mortgage Loan.

“*Net Proceeds*” means the difference between (A) the sum of (i) the gross proceeds from a Capital Event other than a refinancing; (ii) the excess proceeds from the refinancing of any Mortgage Loan (that is, any refinancing proceeds not needed for the repayment of the loan refinanced); and (iii) the receipt of any proceeds from insurance settlements or other claims attributable to fire or other casualty, or from condemnation, sales or grants of easements, rights-of-way or the like in excess of those needed for repair, restoration or replacement of the damaged, destroyed or condemned property and (B) the payment of or due provision for (i) all liabilities to creditors of the Partnership (excluding, except in the event of the dissolution and liquidation of the Partnership, fees payable from Cash Flow and owed to the General Partner and loans to the Partnership from the General Partner or Affiliates thereof for any purpose, including, without limitation, Operating Deficit Loans) and (ii) necessary and customary expenses of such Capital Event or refinancing (other than, except in the event of the dissolution and liquidation of the Partnership, expenses payable to the General Partner or an Affiliate thereof).

“*Operating Deficit Loan*” means any loan or loans made by the General Partner to the Partnership pursuant to Section 6.12 hereof.

“*Operating Reserve*” means that certain operating reserve of the Partnership funded from the Performance Installment and established and maintained pursuant to Section 6.10(o) hereof in the initial amount equal to the Operating Reserve Amount.

“*Operating Reserve Amount*” has the meaning set forth in Section 6.10(o).

“*PILOT*” means that certain payment in lieu of taxes payable to DHA pursuant to the terms of the PILOT Agreement.

“*PILOT Agreement*” means that certain Agreement for Payments in Lieu of Taxes dated as of the same date hereby by and between DHA and the Partnership.

“Senior Permanent Bonds” means the City and County of Denver, Colorado Multifamily Housing Revenue Bonds (The Rose on Colfax Project) Series 2025A in the amount of \$6,000,000 issued by the Bond Issuer and purchased by FirstBank.

“State Asset Management Fee” means the fee payable by the Partnership to the State Limited Partner pursuant to the State Asset Management Fee Agreement from available Cash Flow or Net Proceeds as described in Article IV hereof, in the annual, cumulative amount of \$2,500 beginning on January 1, 2023, and increasing at 3.0% per annum beginning on January 1, 2024.

“State Asset Management Fee Agreement” means the State Asset Management Fee Agreement dated as of the Closing Date between the Partnership and the State Limited Partner providing for the payment of the State Asset Management Fee.

“State Limited Partner” means Affordable Housing Fund Colorado I LLC, a Missouri limited liability company, and any Person or Persons who, at the time of reference thereto, have been admitted as additional or successor State Limited Partners.

“Subordinate Bond Loan” means that certain permanent loan from the Bond Issuer to the Partnership, funded with the proceeds of the sale of the Subordinate Permanent Bonds to MHMP, in the principal amount of \$2,500,000, which bears interest at the rate of __%, has a term of sixteen (16) years, and requires interest only payments due semi-annually prior the distribution of Cash Flow (to the extent of available funds), with any remaining unpaid interest and principal payable from Cash Flow as set forth in Section 4.02, provided that the Subordinate Bond Loan is required to be repaid upon disbursement of the Second Draw of the First Mortgage Loan in the amount of such disbursement.

“Subordinate Permanent Bonds” means the City and County of Denver, Colorado Subordinate Multifamily Housing Revenue Bonds (The Rose on Colfax Project) Series 2025B in the amount of \$2,500,000 issued by the Bond Issuer and purchased by MHMP.

“Subsequent Federal Credit Shortfall Adjuster” shall have the meaning set forth in Section 3.05(e)