

THIRD AMENDMENT AND MODIFICATION AGREEMENT

THIS THIRD AMENDMENT AND MODIFICATION AGREEMENT is made and entered into by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado ("City"), and **SPECTOR DEVELOPMENT, LLC**, a Colorado limited liability company ("Borrower"), whose address is 910 Santa Fe Drive, Unit 12, Colorado 80204-3023 (together, the "Parties").

WITNESSETH:

WHEREAS, the Parties entered into an Agreement dated June 17, 2003, as amended by an Amendment and Modification Agreement dated April 21, 2004, and a Second Amendment and Modification Agreement dated August 22, 2006 relating to a loan of \$660,000.00 to enable the creation of affordable housing at 910 Santa Fe Drive, Denver, Colorado (the "Loan Agreement"); and

WHEREAS, Borrower entered into a deed of trust (the "Deed of Trust") for the benefit of the City, dated July 15, 2003, and recorded on July 15, 2003 at Reception No. 2003145320 of the records of the City and County of Denver, State of Colorado, as amended, and encumbering the following described property:

Lots 13 through 17, Block 7,
Smith's Addition to the City of Denver,
City and County of Denver,
State of Colorado

also known and numbered as 910 Santa Fe Drive, Denver, Colorado (the "Property"), except as modified by partial releases; and

WHEREAS, the Deed of Trust secures the repayment of the indebtedness evidenced by Debtor's promissory note dated July 15, 2003, as amended (the "Note"); and

WHEREAS, the Property is also encumbered by a covenant dated July 15, 2003 and recorded on July 15, 2003 at Reception No. 2003145319, restricting the use and affordability of the living units at the Property (the "Covenant");

WHEREAS, the Parties wish to modify the terms and conditions of the Loan Agreement, Note, Deed of Trust, and Covenant, and any other documents evidencing or securing the City's loan (together, the "Loan Documents"), to revise the affordability restrictions attached to the Property;

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the adequacy of which is acknowledged, the Parties hereby modify the Loan Documents as follows:

1. Section 7, "**RESTRICTIONS ON USE OF PROPERTY**," is modified by deleting the current section in its entirety and inserting the following language:

"7. **RESTRICTIONS ON USE OF PROPERTY**:

A. Affordability limitations, For-Sale. Two (2) of the five units at the Property (the "For-Sale Restricted Units") shall be used as affordable, for-sale housing as provided at 24 C.F. R. §92.254 for a period of 20 years from the date of the recording of the Covenant. Two Hundred Forty Thousand Dollars (\$240,000.00) of the loan amount of the Note shall be allocated to these For-Sale Restricted Units. Housing that is for purchase by a family qualifies as affordable housing if the housing has an initial purchase price that does not exceed 95% of the median purchase price for the type of single-family housing for the jurisdiction as determined by the United States Department of Housing and Urban Development ("HUD"). The For-Sale Restricted Units shall be sold to families whose income does not exceed 80% of the HUD-established Denver median income (adjusted for household size) that will use the For-Sale Restricted Unit as their principal residence.

B. Affordability limitations, Rental. Two (2) of the five units at the Property (the "HOME 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. 888.11, 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. One (1) of the units at the Property (the "Low HOME Unit") shall have rents not exceeding the lesser of (i) 30% of the annual income of a family whose income equals 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, or (ii) the HOME Unit rent as calculated above. Three Hundred Sixty

Thousand Dollars (\$360,000.00) of the loan amount of the Note shall be allocated to these HOME Units and Low HOME Units. By executing this Loan Agreement, Borrower acknowledges receipt of HUD's current rent guidelines from the OED. It shall be Borrower's responsibility to obtain updated guidelines from OED or HUD, and comply with same. All three (3) of the HOME Units and Low Home Unit shall be "floating" units, in accordance with 24 C.F.R. 92.252(j).

C. Occupancy/Income Limitations. The HOME 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 pursuant to section 24 C.F.R. 5.609 or any successor regulation. The Low HOME Unit shall be occupied by tenants whose incomes are at or below 50% of the median income for the Denver area as determined by HUD pursuant to section 24 CFR 5.609 or any successor regulation. By executing this Loan Agreement, Borrower acknowledges receipt of HUD's current income guidelines from OED. It shall be Borrower's responsibility to obtain updated guidelines from OED or HUD, and comply with same.

D. Covenant Running with the Land – For-Sale Restricted Units. Prior to sale of the For-Sale Restricted Units, Borrower shall execute a covenant in form satisfactory to the City, setting forth the affordability limitation described in subparagraph A 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 For-Sale Restricted Units for a period of twenty (20) years from the date of its recording. Violation of said covenant shall be enforceable as an event of default pursuant to the paragraph below entitled "DEFAULT AND ACCELERATION."

E. Covenant Running with the Land – HOME and Low HOME Units. Borrower shall execute a covenant in form satisfactory to the City ("For-Rent Covenant"), setting forth the rental and occupancy limitations described in subparagraphs B and C 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 For-Rent Covenant shall encumber the Property for a period not less than twenty (20) years from the date of its

recording. Violation of said Covenant shall be enforceable as an event of default pursuant hereto.

2. The Loan Documents, and in particular the Covenant, are hereby modified to reflect the amended terms of the Note.

3. Borrower shall execute the For Rent Covenant at the time of the execution of this Third Amendment and Modification Agreement.

4. Borrower consents to the use of electronic signatures by the City. The 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 the 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 the 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.

4. Except as modified herein, the Loan Documents remain unmodified and are hereby ratified and reaffirmed.

[SIGNATURE PAGES IMMEDIATELY FOLLOWING]

Contract Control Number:

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:

By_____

By_____

By_____



Contract Control Number: OEDEV-GE3A040-03

Contractor Name: SPECTOR DEVELOPMENT LLC

By: 

Name: Cheryl Spector
(please print)

Title: Manager
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)



SPECTOR DEVELOPMENT, LLC,
a Colorado limited liability company
IRS No. 68-049462

By: [Signature]

Title: Manager

"BORROWER"

STATE OF COLORADO)
 CITY AND) ss.
COUNTY OF DENVER)

Acknowledged before me this 1st day of MAY, 2012, by
CHERYL SPECTOR as MANAGER of
SPECTOR DEVELOPMENT, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: 5/31/2012

[Signature]
Notary Public



My Commission Expires 05/31/2012



SPECTOR DEVELOPMENT, LLC,
a Colorado limited liability company
IRS No. 68-049462

By: _____

Title: _____

“BORROWER”

STATE OF COLORADO)
 CITY AND) ss.
COUNTY OF DENVER)

Acknowledged before me this _____ day of _____, 2012, by
_____ as _____ of

SPECTOR DEVELOPMENT, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires:_____

Notary Public