

**LOAN AGREEMENT
(GENERAL 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 **NORTHEAST DENVER HOUSING CENTER, INC.**, a Colorado nonprofit corporation, whose address is 1735 Gaylord Street, Denver, Colorado 80206 (“Borrower”), each a “Party” and collectively the “Parties.”

WITNESSETH:

WHEREAS, the Borrower is the sole managing member of NDHC Central Park Apartments III LLC, which is the general partner of Central Park Apartments III LLLP (the “Owner”);

WHEREAS, the funds provided to the Borrower pursuant to this Loan Agreement will be loaned by the Borrower to the Owner for the development and construction of one hundred twenty-seven (127) affordable rental units located on the Property (as defined below) which will be known as Central Park Apartments III (the “Project”); and

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

WHEREAS, the 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 One Million Nine Hundred Eighty-Five Thousand Dollars and No/100 (\$1,985,000.00) (the “Loan”). In addition to this Loan Agreement, the Borrower will execute a promissory note in a form satisfactory to the City evidencing this Loan (the “Promissory Note”). The outstanding principal balance of the Loan shall bear simple interest at a rate of 1% per annum until paid in full. The Loan will mature and be due and payable on the date that is eighteen years, six months following the execution of the Promissory Note (“Maturity Date”), if not paid sooner.

B. **Borrower’s Use of Funds.** The Borrower will lend the entirety of the Loan proceeds to the Owner for the development of the Project in accordance with Exhibit A.

Borrower's loan to the Owner must be evidenced by a promissory note (the "Owner Note") and secured by a deed of trust on the Property (the "Owner Deed of Trust"). The Borrower must collaterally assign the Owner Note and Owner Deed of Trust to the City as security for the Loan. Borrower must cause the Owner to execute and record a covenant, a form acceptable to the City, securing the Property for use as affordable housing as required by Section 6 hereof.

C. **Repayment of Loan.** Borrower shall make annual payments at such place as may be designated by City. The first annual payment shall be due on the first June 1st that is twenty-four (24) calendar months after the effective date of the Promissory Note and subsequent annual payments shall be due on each June 1st thereafter, with the entire unpaid balance of principal and accrued interest due and payable on the Maturity Date, if not paid sooner. Annual payments shall be made in accordance with the order of priority and other provisions set forth and as described in **Exhibit F** attached hereto and incorporated herein. Each year after closing, Borrower must provide the City with an audited financial statement of the Owner, which the City will use to verify the required annual payment. In the event Owner makes any payments to Borrower on the loan from Borrower to Owner, Borrower must remit the entire amount received to the City with thirty (30) days of receipt and the City will reduce the outstanding balance of the Loan by the same amount.

2. **SECURITY:** Repayment of the Promissory Note shall be secured by a collateral assignment of the Owner Note and Owner Deed of Trust in form satisfactory to City (the "Collateral Assignment"). The Owner Deed of Trust will be granted by the Owner and encumber the real property known and numbered as 8305 E. 35th Avenue, Denver, CO 80238 and legally described as set forth in Exhibit D (the "Property"), attached hereto and incorporated herein.

3. **SUBORDINATION:**

A. **Borrower's Subordination of Owner Deed of Trust.** Borrower may not subordinate the lien of the Owner Deed 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 Deed of Trust and Covenant.**

i. The Executive Director is authorized to consent to the Borrower's subordination of the lien of the Owner Deed of Trust or execute documents necessary to subordinate the lien of the collaterally assigned Owner Deed of Trust and Covenant so long as (i) the

subordination agreement is substantially in the form attached hereto and incorporated herein as **Exhibit E**; (ii) encumbrances prior to the Owner Deed of Trust do not exceed Nineteen Million Two Hundred Thousand Dollars and NO/100 (\$19,200,000.00) under the construction loan or Thirteen Million Five Hundred Thousand Dollars and NO/100 (\$13,500,000.00) under the permanent loan; (iii) Borrower is not then in default of its obligations pursuant to this Loan Agreement, the Promissory Note, the Collateral Assignment, or the Owner Deed of Trust and the Owner is not in default of its obligations pursuant to the Covenant; and (iv) all additional financing for the Project is committed.

ii. The Executive Director is authorized to consent to the Borrower's subordination of the lien of the Owner Deed of Trust or to execute documents necessary to subordinate the collaterally assigned Owner Deed 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 Deed of Trust do not exceed Nineteen Million Two Hundred Thousand Dollars and NO/100 (\$19,200,000.00) under the construction loan or Thirteen Million Five Hundred Thousand Dollars and NO/100 (\$13,500,000.00) under the permanent loan; (iii) Borrower is not then in default of its obligations pursuant to this Loan Agreement, the Promissory Note, the Collateral Assignment, or the Owner Deed of Trust and the Owner is not then in default of its obligations pursuant to the Covenant.

iii. The Executive Director is authorized to consent to the Borrower's subordination of the lien of the Owner Deed of Trust to a deed of trust to secure a new senior loan obtained to refinance the Owner's indebtedness due at maturity of the Owner's senior loan; provided that the total principal amount of the new senior loan shall not exceed the amount due on loans that are then due.

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 City's Deed of Trust do not exceed Nineteen Million Two Hundred Thousand Dollars and NO/100 (\$19,200,000.00) under the construction loan or Thirteen Million Five Hundred Thousand Dollars and NO/100 (\$13,500,000.00) under the permanent loan; and (iii) Borrower is not in default of its obligations pursuant to this Loan Agreement, the Promissory Note, the Collateral Assignment, or the Owner Deed of Trust and the Owner is not then in default of its obligations pursuant to the Covenant.

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

A. Loan proceeds will be used to finance costs associated with the development of the Property for use as affordable housing, in accordance with **Exhibit A**, attached hereto and incorporated herein. The Borrower shall submit to the City requisitions with documentation of incurred costs on HOST approved forms, and otherwise comply with the financial administration requirements set forth in **Exhibit B**, attached hereto and incorporated herein.

B. Where the City's funds 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, which retainage shall be released upon the submittal of an Affirmative Marketing Plan (as defined below); (b) final inspection and approval of the Project by the City; (c) receipt of proof of release of liens from all applicable contractors, subcontractors, and suppliers; and (d) the issuance of a certificate of occupancy.

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 upon receipt from Borrower of all information necessary for the City's reporting requirements.

D. Expenses incurred prior to September 9, 2021 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 24, 2022 (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 has 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 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 the 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 the 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. Sixteen (16) 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 Colorado Housing and Finance Authority (“CHFA”), 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 published by CHFA, with adjustments for number of bedrooms in the unit.

ii. One hundred (100) 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 CHFA, 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 published by CHFA, with adjustments for number of bedrooms in the unit.

iii. Eleven (11) 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 CHFA, 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 published by CHFA, 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 CHFA'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 CHFA requirements. 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 the Borrower.

B. Occupancy/Income Limitations.

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

ii. The 50% Units shall be occupied by tenants whose incomes at the time of the tenants' initial lease are at or below fifty percent (50%) of the median income for the Denver area

as determined by CHFA, with adjustments for family size.

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

iv. By executing this Loan Agreement, Borrower acknowledges receipt of CHFA'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:

BEDROOMS	30% Units	50% Units	60% Units
Studio	0	9	3
1 Bedroom	8	22	3
2 Bedroom	2	67	7
3 Bedroom	1	2	3
TOTAL	11	100	16

D. Accessibility Requirements. Borrower 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 to this Loan Agreement.

F. Housing Assistance Payments Contract: Owner has or will enter into a housing assistance payments ("HAP") contract with the Denver Housing Authority, State Division of

Housing, or another entity that administers HAP contracts so that rental units at the Project may receive project-based voucher payments in accordance with the provisions of 24 C.F.R. Part 983. The City acknowledges that the HAP contract is vital for the financial viability of the Project. If the HAP contract applicable to the Project expires, is terminated, is not renewed, or the financial terms otherwise change, the City agrees that HOST will, in good faith, engage in discussions to renegotiate the affordability provisions contained in this Loan Agreement. Any changes or amendments to the affordability provisions will not be effective or binding on the City until an amendment to this Loan Agreement has been fully executed by all required signatories of the City, and if required by Charter, approved by the City Council.

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 shall provide and maintain good and efficient management of the Property satisfactory to the City. Borrower 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: The 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 the 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 the Borrower audited by an independent certified public accountant, which must include an annual balance sheet and profit and loss statement of the 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 Owner and their respective 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 and Owner's ownership 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, the Borrower shall not: (i) sell, convey, assign, or otherwise transfer any ownership interest Borrower has in the Owner; or (ii) sell, convey, assign, or otherwise

transfer any interest in the Borrower; or (iii) change the control or management of the Borrower; provided, that the City's consent shall not be required for (xi) any transfer of by Owner of the property to Borrower or any affiliate of Borrower, (xii) any transfer of a limited partner interest in Owner as permitted by Owner's partnership agreement, or to Borrower or any affiliate of Borrower, or (xiii) any collateral assignment of partnership interests of Owner as security for senior loan financing of the Project, exercise of remedies thereunder or transfer thereafter. Subject to the foregoing sentence, the removal, replacement, or transfer of interest of the general partner of Owner as permitted by the Owner's partnership agreement shall require the prior written consent of the City, which shall not be unreasonably withheld, conditioned, or delayed, provided the replacement general partner has affordable housing experience and otherwise meets the City's reasonable standards being applied at such time.

17. CAPITAL NEEDS ASSESSMENT: During the term of the Covenant, the 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**. The 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 City 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-is 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, Owner, and NDHC Central Park Apartments III, LLC, which must be acceptable to the City. Organizational 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 certified 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 Note and Deed of Trust; Covenant.** Borrower must execute and deliver to the closing agent the Promissory Note and Collateral Assignment. Borrower must cause the Owner to execute and record the Covenant and Owner Deed 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 the Borrower has secured all financing necessary to complete the Project. Documentation sufficient to satisfy the City may include, but not be limited to, commitment 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.

21. COSTS AND EXPENSES: The Borrower agrees to pay all direct costs, expenses and attorney fees reasonably incurred by the City in connection with the Borrower's breach or

default of this Loan Agreement, the Promissory Note, or the Collateral Assignment or the Owner's breach or default of the Owner Deed 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 Deed of Trust and Covenant, with the City named as loss payee.

E. 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 the Borrower under the terms of this indemnification obligation. The 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 the Borrower:

1. Any breach of this Loan Agreement, the Promissory Note, the Owner Deed of Trust, or the Collateral Assignment, or the Owner’s breach of the Covenant;
2. 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;

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

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

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

6. Owner sells, transfers, or conveys the Property without the consent of the City to the extent required above; and

7. Borrower is generally unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors; or the 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 the Borrower, and such appointment continues undischarged for a period of ninety (90) days; or the 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 the Borrower; or the 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 the Borrower provides the City with a reasonably detailed written plan of how the Borrower will cure the nonmonetary default and the 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, Deed of Trust, or Promissory Note, other than the obligation to make payments provided for in the Promissory note or Loan documents. The limited partner of Owner shall be provided with a copy of any notice of default sent to Borrower and shall have the right, but not the obligation, to cure any default under the Loan documents during the Cure Periods.

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 the Borrower, the City shall have the right to accelerate any outstanding obligations of the Borrower, 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 Deed of Trust. 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 the 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, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to Borrower at the address:

Northeast Denver Housing Center

With a copy to:

Northeast Denver Housing Center, Inc.
Attn: Getabecha Mekonnen
1735 Gaylord Street
Denver, CO 80206

If written notice of a default, with a copy to:

Bryan Cave Leighton Paisner LLC
1801 – 13th Street, Suite 300
Boulder, Colorado 80302

Attn: Paul Smith

And to:

RBC Community Investments, LLC
600 Superior Ave., Suite 2300
Cleveland, Ohio 44114
Attn: President and General Counsel

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. Notices sent by mail are effective upon deposit with the U.S. Postal Service. 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 the Borrower. The Borrower shall not assign, sublet or subcontract with respect to any of the rights, benefits, obligations or duties under this Loan Agreement except upon 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 the 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. NONRECOURSE: Notwithstanding any other provision contained herein, or the Promissory Note, the Deed of Trust, or the Covenant, it is agreed that the execution of this Loan Agreement, the Promissory Note, the Deed of Trust, and the Covenant shall impose no personal liability on Borrower or Owner or any partner, member or manager of Borrower or Owner for payment of any of the obligations described herein or therein, and the City’s sole recourse shall be against the Project

34. 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.

35. 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.

36. NO DISCRIMINATION IN EMPLOYMENT: In connection with the performance of work under this Loan Agreement, the 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. The 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 – Project Timeline and Costs

Exhibit B – HOST Financial Administration Requirements

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:
Contractor Name:

HOST-202160940-00
NORTHEAST DENVER HOUSING CENTER, 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:

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

Attorney for the City and County of Denver

By:

By:

By:

Contract Control Number:
Contractor Name:

HOST-202160940-00
NORTHEAST DENVER HOUSING CENTER, INC.

By:  _____

Name: Getabecha Mekonnen
(please print)

Title: Executive Director
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

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 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”

FIRSTBANK, a Colorado state banking corporation

By: _____

Title: _____

\

State of Colorado)
) ss.
County of)

The foregoing instrument was subscribed to and acknowledged before me this ____ day
of ____, 20 ____, by _____ as _____ of _____

Witness my hand and official seal.
My commission expires: _____.

Notary Public

With Agreement from the following parties:

NORTHEAST DENVER HOUSING CENTER,
INC.,
a Colorado nonprofit corporation

By: _____

Title: _____

CENTRAL PARK APARTMENTS III LLLP,
a Colorado limited liability limited partnership

By: NDHC Central Park Apartments III LLC,
General Partner

By: Northeast Denver Housing Center,
Inc., Manager

By: _____
Name: Getabecha Mekonnen
Title: Executive Director

EXHIBIT A

Project Timeline - Central Park III Apartments
8305 East 35th Avenue, Denver, Colorado 80238

Construction financing closes: 12/15/2021

General Contractor notice to proceed: 12/15/2021

Construction Complete: 2/15/2023

Stabilization/Lease Up: 9/1/2023

Permanent Loan Conversion: 2/15/2024

Project Activities

Uses	Total	
Site work	\$1,168,491	Approved City Use
Hard Costs	\$19,465,157	
Professional Fees	\$1,024,655	
Soft Costs	\$405,000	
Acquisition	\$2,200,000	Other Funding
Perm Financing Costs	\$188,000	
Construction Interim	\$2,354,502	
Developer Fees	\$2,631,242	
Project Reserves	\$521,257	
Total	\$29,958,304	

EXHIBIT B

FINANCIAL ADMINISTRATION:

1.1 Compensation and Methods of Payment

- 1.1.1 Disbursements shall be processed through the Department of Housing Stability (HOST) and the City and County of Denver's Department of Finance.
- 1.1.2 The method of payment to the Contractor by HOST shall be in accordance with established HOST procedures for line-item reimbursements. The Contractor must submit expenses to HOST on or before the last day of each month for the previous month's activity. Voucher requests for reimbursement of costs should be submitted on a regular and timely basis in accordance with HOST policies. Vouchers should be submitted within thirty (30) days of the actual service, expenditure or payment of expense.
- 1.1.3 The Contractor shall be reimbursed for services provided under this Agreement according to the approved line-item reimbursement budget attached to and made a part of this Agreement (Exhibit A).

1.2 Vouchering Requirements

- 1.2.1 In order to meet Government requirements for current, auditable books at all times, it is required that all vouchers be submitted monthly to HOST in order to be paid. Expenses cannot be reimbursed until the funds under this contract have been encumbered.
- 1.2.2 No more than four (4) vouchers may be submitted per contract per month, without prior approval from HOST.
- 1.2.3 All vouchers for all Agreements must be correctly submitted within thirty (30) days of the Agreement end date to allow for correct and prompt closeout.
- 1.2.4 City and County of Denver Forms shall be used in back-up documents whenever required in the Voucher Processing Policy.
- 1.2.5 For contracts subject to Federal Agreements, only allowable costs determined in accordance with 2 CFR Chapter I, Chapter II, Parts 200, 215, 220, 225 and 230, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (the "OMB Omni Circular") applicable to the organization incurring the cost will be reimbursed.
- 1.2.6 The reimbursement request, or draw request, for personnel and non-personnel expenses should be submitted to the City on a monthly basis, no later than the last day of the following month for expenses incurred in the prior month. The request for reimbursement should include:

- a. Amount of the request in total and by line item;
 - b. Period of services for current reimbursement;
 - c. Budget balance in total and by line item;
 - d. Authorization for reimbursement by the contract signatory (i.e., executive director or assistant director).
- 1.2.7 If another person has been authorized by the Contractor to request reimbursement for services provided by this contract, then the authorization should be forwarded in writing to HOST prior to the draw request.
- 1.2.8 The standardized HOST “Expense Certification Form” should be included with each payment request to provide the summary and authorization required for reimbursement.

1.3 Payroll

- 1.3.1 A summary sheet should be included to detail the gross salary of the employee, amount of the salary to be reimbursed, the name of the employee, and the position of the employee. If the employee is reimbursed only partially by this contract, the amount of salary billed under other contracts with the City or other organizations should be shown on the timesheet as described below. Two items are needed for verification of payroll: (1) the amount of time worked by the employee for this pay period; and (2) the amount of salary paid to the employee, including information on payroll deductions.
- 1.3.2 The amount of time worked will be verified with timesheets. The timesheets must include the actual hours worked under the terms of this contract, and the actual amount of time worked under other programs. The total hours worked during the period must reflect all actual hours worked under all programs including leave time. The employee’s name, position, and signature, as well as a signature by an appropriate supervisor, or executive director, must be included on the timesheets. If an electronic time system is used, signatures are not required. If the timesheet submitted indicates that the employee provided services payable under this contract for a portion of the total time worked, then the amount of reimbursement requested must be calculated and documented in the monthly reimbursement request.
- 1.3.3 A payroll register or payroll ledger from the accounting system will verify the amount of salary. Copies of paychecks are acceptable if they include the gross pay and deductions.

1.4 Fringe Benefits

- 1.4.1 Fringe benefits paid by the employer can be requested by applying the FICA match of 7.65 percent to the gross salary -less pre-tax deductions, if applicable,

paid under this contract. Fringe benefits may also include medical plans, retirement plans, worker's compensation, and unemployment insurance. Fringe benefits that exceed the FICA match may be documented by 1) a breakdown of how the fringe benefit percentage was determined prior to first draw request; or, 2) by submitting actual invoices for the fringe benefits. If medical insurance premiums are part of the estimates in item #1, one-time documentation of these costs will be required with the breakdown. Payroll taxes may be questioned if they appear to be higher than usual.

1.5 General Reimbursement Requirements

- 1.5.1 **Invoices:** All non-personnel expenses need dated and readable invoices. The invoices must be from a vendor separate from the Contractor, and must state what goods or services were provided and the delivery address. Verification that the goods or services were received should also be submitted, this may take the form of a receiving document or packing slips, signed and dated by the individual receiving the good or service. Copies of checks written by the Contractor, or documentation of payment such as an accounts payable ledger which includes the check number shall be submitted to verify that the goods or services are on a reimbursement basis.
- 1.5.2 **Mileage:** A detailed mileage log with destinations and starting and ending mileage must accompany mileage reimbursement. The total miles reimbursed and per mile rate must be stated. Documentation of mileage reimbursement to the respective employee must be included with the voucher request.
- 1.5.3 **Cell Phone:** If the monthly usage charge is exceeded in any month, an approval from the Executive Director or designee will be required.
- 1.5.4 **Administration and Overhead Cost:** Other non-personnel line items, such as administration, or overhead need invoices, and an allocation to this program documented in the draw request. An indirect cost rate can be applied if the Contractor has an approved indirect cost allocation plan. The approved indirect cost rate must be submitted to and approved by HOST.
- 1.5.5 **Service Period and Closeout:** All reimbursed expenses must be incurred during the time period within the contract. The final payment request must be received by HOST within thirty (30) days after the end of the service period stated in the contract.

2.1 Program Income

- 2.1.1 For contracts subject to Federal Agreements, program income includes, without limitation, income from fees for services performed, from the use or rental of real or personal property acquired with contract funds, from the sale of commodities or items fabricated under a contract agreement, and from payments of principal and interest on loans made with contract funds.

- 2.1.2 Program income may be deducted from total allowable costs to determine net allowable costs and may be used for current reimbursable costs under the terms of this contract. Program income which was not anticipated at the time of the award may be used to reduce the award contribution rather than to increase the funds committed to the project. ALL PROGRAM INCOME GENERATED DURING ANY GIVEN PERIOD SUBMITTED FOR PAYMENT SHALL BE DOCUMENTED ON THE VOUCHER REQUEST.
- 2.1.3 The Contractor, at the end of the program, may be required to remit to the City all or a part of any program income balances (including investments thereof) held by the Contractor (except AS PRE-APPROVED IN WRITING BY HOST, INCLUDING those needed for immediate cash needs).

3.1 Financial Management Systems

The Contractor must maintain financial systems that meet the following standards:

- 3.1.1 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 and/or city financial reporting requirements.
- 3.1.2 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.
- 3.1.3 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.
- 3.1.4 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.
- 3.1.5 For contracts subject to Federal Agreements, applicable OMB Omni Circular cost principles, agency program regulations, and the terms of the agreement will be followed in determining the reasonableness, allowability and allocability of costs.
- 3.1.6 Source documents such as cancelled checks, paid bills, payrolls, time and attendance records, contract documents, etc., shall be provided for all disbursements. The Contractor will maintain auditable records, i.e., records must be current and traceable to the source documentation of transactions.

- 3.1.7 For contracts subject to Federal Agreements, the Contractor shall maintain separate accountability for HOST funds as referenced in 24 C.F.R. 85.20 and the OMB Omni Circular.
- 3.1.8 The Contractor 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.
- 3.1.9 A proper filing of unemployment and worker's compensation (for staff only) insurance shall be made to appropriate organizational units.
- 3.1.10 The Contractor 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.

4.1 Audit Requirements

- 4.1.1 For contracts subject to Federal Agreements, if the Contractor expends seven hundred and fifty thousand dollars (\$750,000) or more of federal awards in the Contractor's fiscal year, the Contractor shall ensure that it, and its sub recipients(s), if any, comply with all provisions of the OMB Omni Circular.
- 4.1.2 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.
- 4.1.3 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 OMB Omni Circular. 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 Contractor shall prepare and submit a Corrective Action Plan to HOST in accordance with the Single Audit Act Amendments and the OMB Omni Circular, as set forth in 24 C.F.R. Part 45 for each applicable management letter matter.
- 4.1.4 All audit related material and information, including reports, packages, management letters, correspondence, etc., shall be submitted to **HOST Financial Services Team**.
- 4.1.5 The Contractor will be responsible for all Questioned and Disallowed Costs.
- 4.1.6 The Contractor 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 Contractor shall also institute policy and procedures for its sub recipients that comply with these audit provisions, if applicable.

5.1 Budget Modification Requests

- 5.1.1 HOST may, at its option, restrict the transfer of funds among cost categories, programs, functions or activities at its discretion as deemed appropriate by program staff, HOST executive management or its designee.
- 5.1.2 Minor modifications to the services provided by the Contractor or changes to each line item budget equal to or less than a ten percent (10%) threshold, which do not increase the total funding to the Contractor, will require notification to HOST program staff and upon approval may be submitted with the next monthly draw. Minor modifications to the services provided by Contractor, or changes to each line item budget in excess of the ten percent (10%) threshold, which do not increase the total funding to Contractor, may be made only with prior written approval by HOST program staff. Such budget and service modifications will require submittal by Contractor of written justification and new budget documents. All other contract modifications will require an amendment to this Agreement executed in the same manner as the original Agreement.
- 5.1.3 The Contractor understands that any budget modification requests under this Agreement must be submitted to HOST prior to the last Quarter of the Contract Period, unless waived in writing by the HOST Director.

6.1 Procurement

- 6.1.1 The Contractor 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.
- 6.1.2 The Contractor 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, contractor selection or rejection, and the basis for the contract price.
- 6.1.3 For contracts subject to federal agreements, 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 supplies are not needed for any other federally sponsored programs or projects the Contractor will compensate the awarding agency for its share.

7.1 Bonding

- 7.1.1 For contracts subject to federal agreements, HOST may require adequate fidelity bond coverage, in accordance with 24 C.F.R. 84.21 (d), where the subrecipient lacks sufficient coverage to protect the Federal Government's interest.

8.1 Records Retention

- 8.1.1 The Contractor must retain for seven (7) years financial records pertaining to the contract award. The retention period for the records of each fund will start on the day the single or last expenditure report for the period, except as otherwise noted, was submitted to the awarding agency.
- 8.1.2 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.

9.1 Contract Close-Out

- 9.1.1 All Contractors are responsible for completing required HOST contract close-out forms and submitting these forms to their appropriate HOST Contract Specialist within sixty (60) days after the Agreement end date, or sooner if required by HOST in writing.
- 9.1.2 Contract close out forms will be provided to the Contractor by HOST within thirty (30) days prior to end of contract.
- 9.1.3 HOST will close out the award when it determines that all applicable administrative actions and all required work of the contract have been completed. If Contractor fails to perform in accordance with this Agreement, HOST reserves the right to unilaterally close out a contract, "unilaterally close" means that no additional money may be expended against the contract.

10.1 Collection of amounts due

- 10.1.1 Any funds paid to a Contractor in excess of the amount to which the Contractor is finally determined to be entitled under the terms of the award constitute a debt to the Federal Government and 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 Contractor, or 3) 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 5:

A PART OF LOT 1, BLOCK 2, STAPLETON FILING NO. 32, CITY AND COUNTY OF DENVER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE FOUND #5 REBAR W/YELLOW PLASTIC CAP (LS. 20683) MONUMENTING THE NORTHEAST CORNER OF SAID LOT 1; THENCE S00°00'49"W, A DISTANCE OF 473.30 FEET ALONG THE EASTERLY LINE OF SAID LOT 1 TO THE PARCEL 5 POINT OF BEGINNING;
THENCE S00°00'49"W, A DISTANCE OF 200.59 FEET ALONG THE EASTERLY LINE OF SAID LOT 1;
THENCE N89°59'52"E, A DISTANCE OF 466.89 FEET ALONG THE SOUTHERLY LINE OF SAID LOT 1;
THENCE N00°00'00"E, A DISTANCE OF 218.14 FEET ALONG THE WESTERLY LINE OF SAID LOT 1;
THENCE S89°59'56"E, DEPARTING THE WESTERLY LINE OF SAID LOT 1 A DISTANCE OF 260.04 FEET;
THENCE S00°00'00"W, A DISTANCE OF 17.57 FEET;
THENCE N90°00'00"E, A DISTANCE OF 206.89 FEET, MORE OR LESS TO A POINT ON THE WESTERLY LINE OF LOT 1 TO THE PARCEL 5 POINT OF BEGINNING, AS DESCRIBED IN DENVER ASSESSOR'S PARCEL RECONFIGURATION FORM SPLIT RECORDED JUNE 21, 2018 AT RECEPTION NO. 2018076574, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

Purported address (for information only): [ADDRESS]

EXHIBIT E

SUBORDINATION AGREEMENT (Central Park Apartments III)

THIS SUBORDINATION AGREEMENT (this “Agreement”) dated _____, 2021], is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado, the present holder of a certain deed of trust, whose address is Department of Housing Stability, 201 W. Colfax Ave., Dept. 615, Denver, Colorado 80202 (the “Junior Lender”) and **FIRSTBANK**, a Colorado state banking corporation, whose address is 12345 West Colfax Avenue, Lakewood, CO 80215, attn: Jeremy Behmmeyer (the “Senior Lender”) with agreement from **CENTRAL PARK APARTMENTS III LLLP**, a Colorado limited liability limited partnership (“Project Partnership”) and **NORTHEAST DENVER HOUSING CENTER, INC.**, a Colorado nonprofit corporation (“NDHC”).

PRELIMINARY STATEMENTS

A. For purposes of funding certain construction costs of one hundred twenty seven (127) affordable multi-family housing dwelling units on the real Property commonly known as Central Park Apartments III to be located at [_____, Denver, CO 80238] (“Project”), Junior Lender made a loan to NDHC in the principal amount of [\$1,985,000] (as extended, amended, restated, modified or supplemented from time to time, “Junior Lender Loan”), evidenced by that certain Loan Agreement (General Fund) (as extended, amended, restated, modified or supplemented from time to time, “Junior Lender Loan Agreement”) and Promissory Note, dated as of [INSERT DATE], made by the NDHC and payable to the Junior Lender (as extended, amended, restated, modified or supplemented from time to time, “Junior Lender Promissory Note”).

B. The proceeds of the Junior Lender Loan were loaned from NDHC to the Project Partnership pursuant to that certain Promissory Note (as extended, amended, restated, modified or supplemented from time to time, “Partnership Note”) and are secured by the Deed of Trust, granted by the Project Partnership for the benefit of NDHC (as extended, amended, restated, modified or supplemented from time to time “Partnership Deed of Trust”) executed as of [and recorded in the real property records of the Clerk and Recorder of the City and County of Denver, Colorado (“Recorder”) on [INSERT RECORDATION DATE] at Reception No. [INSERT RECEPTION NUMBER] encumbering the real Property described therein (“Mortgaged Property”); the Partnership Note and the Partnership Deed of Trust were collaterally assigned to Junior Lender pursuant to a Collateral Assignment of Note and Deed of Trust recorded with the Recorder on [INSERT RECORDING DATE OF DEED OF TRUST] at Reception No. [INSERT RECEPTION NUMBER] (“Collateral Assignment”) as security for the NDHC’s obligations under the Junior Lender Loan Agreement and pursuant to the Junior Lender Loan.

C. The Junior Lender Loan and all obligations relating thereto are further secured by NDHC’s agreement to cause the Project Partnership to record a Rental and Occupancy Covenant on the Mortgaged Property for the benefit of the Junior Lender recorded with the Recorder on [INSERT RECORDING DATE OF COVENANT] at Reception No. [INSERT RECEPTION NUMBER] (the “Covenant”).

D. To finance costs of construction of the Project and for the longer term financing thereof, Senior Lender purchased the Multifamily Housing Revenue Bond (Central Park Apartments III Project) Series 2021 in the maximum principal amount of \$[MAX PAR AMOUNT] ("Bond") from Colorado Housing and Finance Authority (the "Authority") the proceeds of which were loaned from the Authority to the Project Partnership as evidenced by a Promissory Note payable from the Project Partnership to the Authority and assigned to the Senior Lender ("Borrower Promissory Note"). Additionally Senior Lender will loan to Borrower the amount of [\$3,100,000] pursuant to a Promissory Note (Taxable) ("Taxable Note," and together with the Bond, and Borrower Promissory Note, as each is extended, amended, restated, modified or supplemented from time to time, the "Senior Note"). The indebtedness evidenced by the Senior Note is hereafter referred to as the "Senior Loan". Among other collateral security, the Senior Note, Senior Loan and all other obligations of the Project Partnership to the Senior Lender are secured by a Deed of Trust, Security Agreement and Fixture Filing and Assignment of Leases, Rents and Other Rights each executed by the Project Partnership to or for the benefit of the Senior Lender recorded in the Records on [INSERT RECORDING DATE OF DEED OF TRUST] at Reception No. [INSERT RECEPTION NUMBER] and at Reception No. [INSERT RECEPTION NUMBER], respectively, encumbering the Mortgaged Property (collectively, as each is extended, amended, restated, modified or supplemented from time to time, "Senior Deed of Trust"). All documents evidencing or securing the Senior Loan, including the Senior Note and the Senior Deed of Trust as each such document is extended, amended, restated, modified or supplemented from time to time, are collectively hereafter referred to as the "Senior Loan Documents".

E. It is the desire of the parties and to the mutual benefit of all parties that the obligations of the Project Partnership to NDHC and/or the Junior Lender and the lien of the Partnership Deed of Trust be subordinated to the obligations of the Project Partnership to the Senior Lender and the lien of the Senior Deed of Trust, and, additionally to recognize that the Covenant is junior and subordinate to the lien of the Senior Deed of Trust and terminates upon foreclosure.

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 Senior Deed of Trust. As used herein, the following terms shall have the meanings assigned to them:

"Junior Obligations" means each and every debt, liability, covenant, and obligation of every type and description that the Project Partnership may have to NDHC or that NDHC or the Project Partnership may now or at any time hereafter owe to the Junior Lender in connection with the Junior Lender Loan, 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, and including all documents, evidencing, securing or relating to the Junior Lender Loan, including without limitation the

Junior Lender Promissory Note, Junior Lender Loan Agreement, Partnership Note and Partnership Deed of Trust as collaterally assigned pursuant to the Collateral Assignment and all obligations under the Covenant.

"Senior Obligations" means each and every debt, liability, covenant, and obligation of every type and description that the Project Partnership may now or at any time hereafter owe to NDHC or the Senior Lender in connection with the Senior Loan, 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, including the Senior Loan and including all documents evidencing, securing, or relating to the Senior Loan, including Senior Note and all any deed of trust or other mortgage, lien or encumbrance made by the Project Partnership to and for the benefit of the Senior Lender, including, without limitation, the Senior Deed of Trust.

2. Subordination. All Junior Obligations are hereby expressly subordinated to the extent and in the manner hereinafter set forth to the payment in full of the Senior Obligations. Each the Junior Lender, NDHC and the Project Partnership agree, respectively for themselves, that (regardless of any priority otherwise available to the Junior Lender by law or by agreement) any security interest or liens that the Junior Lender or NDHC, respectively, might now or hereafter hold in the Mortgaged Property and the Covenant in respect of the Junior Lender Loan, are fully subordinate and junior to any security interest or liens that the Senior Lender may now or hereafter hold in the Mortgaged Property in respect of the Senior Loan.

3. Collateral and Security Interest. Until all of the Senior Obligations have been paid in full, neither the Junior Lender nor NDHC will demand, receive or accept (except pursuant to the Partnership Deed of Trust as collaterally assigned and the Covenant) (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 ("Default Notice") as set forth in Section 8 herein, each the Junior Lender and NDHC (as each shall be entitled) shall be entitled to retain for its own account all payments made by the Project Partnership in connection with the Junior Obligations ("Permitted Payments"). From and after delivery a Default Notice, neither NDHC nor Junior Lender shall accept Permitted Payments from the Project Partnership.

5. Waiver and Consent. Senior Lender shall have no obligation to the Junior Lender or NDHC with respect to the Mortgaged Property or the Senior Obligations. 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, the Junior Lender's or NDHC's name, or in the Project Partnership's name, demand, sue for, collect or receive any money or Mortgaged 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) 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. 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 or NDHC, as applicable, obtains Senior Lender's permission pursuant to the following sentence, neither Junior Lender nor NDHC will commence any action or proceeding with respect to the Mortgaged Property or against the Project Partnership, 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 or NDHC, respectively, against the Project Partnership or with respect to the Mortgaged Property upon the Project Partnership's or NDHC's default with respect to the Junior Obligations, without the Senior Lender's prior written consent, which shall not be unreasonably withheld or delayed. In addition, and without limiting the generality of the foregoing, if the Project Partnership is in default under any of the Senior Loan Documents and the Senior Lender intends to sell any part of the Mortgaged Property to an unrelated third party, the Junior Lender and NDHC shall each, upon the Senior Lender's request, promptly execute and deliver to such purchaser such instruments as may reasonably be necessary to terminate and release the Covenant, the Partnership Deed of Trust and any security interest, lien or other right the Junior Lender and/or NDHC might have in the Mortgaged Property in respect of the Junior Lender Loan, including releasing the Partnership Deed of Trust as assigned and terminating the Covenant. Each of the Partnership Deed of Trust and the Covenant shall be deemed terminated and released upon Senior Lender obtaining legal title the Mortgaged Property by foreclosure, deed in lieu, or otherwise without any further action on the part of any party though upon request NDHC and Junior Lender shall execute such documents as may be requested to reflect in the record the termination thereof.

7. Notice of Default to Senior Lender. Any notice provided to the Project Partnership by the Junior Lender or NDHC of any default under the Partnership 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 (10) business days in each case where Senior Lender has given a default notice to the Project Partnership, though failure to deliver such notice shall not affect the Senior Lender's rights and remedies under the Senior Loan Documents. 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 Project Partnership 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 Partnership Deed of Trust. Notwithstanding the foregoing, Junior Lender shall not acquire by subrogation, contract or otherwise, any lien upon or any other right or interest in the Mortgaged Property which is or may be prior in right to Senior Lender's security interest in the Mortgaged Property.

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. Bankruptcy or Appointment of Trustee or Receiver. Upon the occurrence of an event of default under the Senior Loan Documents, or in the event of any bankruptcy or insolvency of the Project Partnership, or the appointment of a trustee, receiver or other representative or liquidator for all or any part of the property of the Project Partnership, all moneys and other property allocated or allocable to the Junior Obligations, and which would be payable or deliverable to Junior Lender in the absence of the provisions of this Agreement shall be paid and delivered directly to the Senior Lender for application by the Senior Lender to the Senior Obligations, in such order as the Senior Lender shall elect, until full payment of the Senior Obligations, regardless of whether Junior Lender or the Senior Lender or both file a claim on behalf of the Junior Obligations in any such proceeding. This Agreement shall serve as notice and direct any trustee in bankruptcy, receiver or other liquidator of any part of Borrower's property to pay any and all funds to Senior Lender for application to the Senior Obligations.

11. Condemnation Awards and Insurance Proceeds. Until repayment in full of the Senior Obligations, Junior Lender further agrees that any and all rights of Junior Lender to condemnation awards or insurance proceeds, shall be, and are hereby expressly made, subject and subordinate to the rights, interests and remedies of the Senior Lender and its successors and assigns (including the purchaser at any foreclosure sale or the transferee of any transfer in lieu of foreclosure) under the Senior Deed of Trust. If following any such application or disposition of the insurance proceeds or condemnation awards and other compensation in accordance with the terms of the Senior Loan Documents any balance remains, then such excess shall be made payable to the joint order of the Project Partnership and Junior Lender as their interests may appear under the Junior Loan Documents.

12. Undertakings Unaffected. Neither Junior Lender's or NDHC's rights in the Mortgaged Property under this Agreement shall be affected by (a) any neglect or omission on the part of the Senior Lender to preserve any collateral at any time securing payment of the Senior Obligations, or (b) any act on the part of the Senior Lender in releasing, canceling, or surrendering all or part of such collateral, or in extending the time for payment with respect to all or any part of the Senior Obligations or such collateral, or in enforcing or realizing upon such collateral.

13. Binding Effect; Miscellaneous. This Agreement shall be binding upon the Junior Lender, NDHC, and the Project Partnership and each of their respective successors and assigns and shall inure to the benefit of the Senior Lender and its participants, successors and assigns, but neither the Project Partnership nor any other secured party not party to this agreement or successor or assign of a party this Agreement shall be entitled to rely on or enforce this Agreement. This Agreement is irrevocable and shall continue effective until the Senior Loan has been paid in full and all financing arrangements between Project Partnership and the Senior Lender relating to the Senior Loan have been terminated. This Agreement cannot be waived or changed or ended, except by a writing signed by all parties 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 venue for any litigation initiated by either of them in connection with this Agreement shall be 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.

14. 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 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”

FIRSTBANK, a Colorado state banking corporation

By: _____

Title: _____

\

State of Colorado)
) ss.
County of)

The foregoing instrument was subscribed to and acknowledged before me this ____ day
of ____, 20 ____, by _____ as _____ of _____

Witness my hand and official seal.
My commission expires: _____.

Notary Public

With Agreement from the following parties:

NORTHEAST DENVER HOUSING CENTER,
INC.,
a Colorado nonprofit corporation

By: _____

Title: _____

CENTRAL PARK APARTMENTS III LLLP,
a Colorado limited liability limited partnership

By: NDHC Central Park Apartments III LLC,
General Partner

By: Northeast Denver Housing Center,
Inc., Manager

By: _____
Name: Getabecha Mekonnen
Title: Executive Director

EXHIBIT F

**[Attached to the Loan Agreement (General Fund) between the City and
County of Denver and Northeast Denver Housing Center, Inc.]**

Central Park Apartments III

The provisions of this Exhibit F, which set forth the manner for determining the Borrower's obligation to make payments to the City under the Promissory Note, reflect the terms of Section 11.03(b) of the First Amended and Restated Agreement of Limited Partnership of Central Park Apartments III LLLP (the "Partnership Agreement"), which defines the Owner's obligation to make payments to the Borrower under the Owner Note. The Borrower's obligation to make payments to the City under the Promissory Note is subject to the "Required Minimum Payment" specified below. A copy of the fully executed Partnership Agreement will be provided to the City after execution.

Distribution of Cash Flow

(Section 11.03(b) of the Partnership Agreement)

(b) Manner of Distribution. Subject to the approval of the Project Lenders, if required, Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

(i) to the Limited Partner until the aggregate amount of distributions made to the Limited Partner under Section 11.03(b)(i) of the Partnership Agreement for the current and all prior years equals the Limited Partner's Assumed Tax Liability for the current and all prior years;

(ii) to the Limited Partner in an amount equal to any Unpaid Tax Credit Shortfall, for any outstanding LP Loans and for any other amounts due and owing to the Limited Partner;

(iii) to the Special Limited Partner for any Asset Management Fees that were not paid in full when due pursuant to Section 13.04(j)(iii) of the Partnership Agreement;

(iv) to replenish the Operating Reserve pursuant to Section 4.02(m) of the Partnership Agreement;

(v) to the DHDP Special Limited partner, in the amount of 50% of the DHDP Asset Management Fee accrued for the prior year, with any amount otherwise not payable under this clause (v) due to insufficient Net Cash Flow added to the amount payable under this clause (v) in the following year;

(vi) to the Developer until all amounts due under the Development Agreement have been paid in full, to the payment of such amounts;

(vii) to the DHDP Special Limited partner, in the amount of the remaining 50% of the DHDP Asset Management Fee plus all amounts accrued and unpaid under this clause (vii) with respect to any prior year due to insufficient net Cash Flow;

(viii) to the General Partner for any General Partner Asset Management Fees;

(ix) 75% of the remaining Net Cash Flow to the payment of principal and interest on the DOH Loan and the NDHC City loan, with (i) two-thirds of that amount (i.e. 50% of the remaining Net Cash Flow) applied to the payment of principal and interest on the NDHC City Loan and (ii) one-third of that amount (i.e. 25% of the remaining Net Cash Flow) applied to the payment of principal and interest on the DOH Loan, with the balance (i.e. 25% of the remaining Net Cash Flow) distributable as provided in clause (x) and subsequent clauses below;

(x) 25% of the remaining Net Cash Flow to be deposited into the Property Tax Escrow Account (as defined in the Addendum), with the balance distributable as provided in clause (xi) and subsequent clauses below;

(xi) 100% of the remaining Net Cash Flow to the payment of principal and interest on the NDHC Land Loan;

(xii) 100% of the remaining Net Cash Flow to the payment of principal and interest on the NDHC Forest City Loan;

(xiii) to the payment of any outstanding Operating Deficit Loans and GP Loans, based on the respective outstanding balances of each;

(xiv) 90% of the remaining Net Cash Flow to the payment of the Incentive Management Fee; and

(xv) thereafter, 99.99% to the Limited Partner; 0.0050% to the General Partner; 0.0010% to the Special Limited Partner; 0.0040% to the DHDP Special Limited Partner; provided, however, that notwithstanding anything to the contrary herein, if the amount of the distribution to the Limited Partner under this clause (xv) is less than 10% of the aggregate amount distributed pursuant to Sections 11.03(b)(viii) and (xiv) of the Partnership Agreement, then the Limited Partner shall receive a priority distribution before any distributions under Sections 11.03(b)(viii) and (xiv) of the Partnership Agreement in an amount such that, when added to the sum distributable to the Limited Partner under this clause (xv), shall equal 10% of the aggregate amount distributed pursuant to Sections 11.03(b)(viii) and (xiv) of the Partnership Agreement.

Required Minimum Payment

Notwithstanding the provisions of Section 11.03(b) of the Partnership Agreement, beginning with the payment due under the Promissory Note in 2034 (based upon Net Cash Flow for 2033),

after payment in full of all amounts owing under the Development Agreement, the payment owing by Borrower under the Promissory Note shall not be less than \$20,000 per year (the “Required Minimum Payment”); provided that (i) if the amount of the payment to the City as determined under Section 11.03(b)(ix) of the Partnership Agreement exceeds the Required Minimum Payment, the amount determined under Section 11.03(b)(ix) shall govern, (ii) the obligation to make the Required Minimum Payment shall not modify the obligation of Borrower to repay the Promissory Note in full on or by the Maturity Date, and (iii) the City shall not unreasonably fail to agree to a request by Borrower to waive the Required Minimum Payment in any year upon a showing by Borrower that the Project does not have sufficient Net Cash Flow for the year to make a payment to Borrower under Section 11.03(b)(ix) of the Partnership in the amount of the Required Minimum Payment as a result of extraordinary capital expenses that the Owner was not able to fund in full from Project reserves.

Applicable Defined Terms

The following terms are used in Section 11.03(b) of the Partnership Agreement or relate to the Project financing, and are defined in Article II (Definitions) of the Partnership Agreement or elsewhere in the Partnership Agreement. Unless otherwise indicated, the definitions are in Article II of the Partnership Agreement or adapted from other provisions of the Partnership Agreement.

“**Addendum**” means that certain Addendum to Amended and Restated Agreement of Limited Partnership of the Partnership among the General Partner, the Limited Partner, the Special Limited Partner and the DHDP Special Limited Partner.

“**Assumed Tax Liability**” means for any given year the product of (i) the taxable income of a partner for federal income tax purposes, if any, resulting from allocations made to the partner pursuant to Article 11 of the Partnership Agreement but not including any taxable income resulting from a Capital Transaction, times (ii) a percentage equal to the sum of (A) the highest applicable federal corporate tax rate for such year, plus (B) the highest applicable state corporate tax rate for such year for the Project State.

“**Asset Management Fee**” means an annual fee equal to \$[5,000], increased annually by three percent (3%) of the Asset Management Fee for the preceding year, payable to RBC Community Investments, LLC or its Affiliate for an annual review of the operations of the Partnership and the Project.

“**Development Agreement**” means the Development Agreement between the Partnership and the Developer as of even date herewith relating to the development of the Project and providing for the payment of the Development Fee and attached as an Exhibit to the Partnership Agreement.

“**DHDP Asset Management Fee**” means the asset management fee payable to the DHDP Special Limited Partner pursuant to the Addendum.

“**DHDP Special Limited Partner**” means Denver Housing Development Partners, Inc., a Colorado nonprofit corporation that is affiliated with Denver Housing Authority.

“**DOH Loan**” means that certain loan to the Partnership from the State of Colorado, by and through the Department of Local Affairs, for the benefit of the Division of Housing in the principal amount of \$1,520,000.

“**General Partner Asset Management Fee**” means a fee payable to the General Partner in the amount of \$[10,000] per year, increasing annually by 3%, payable from Net Cash Flow, with any amount that is not paid in any year to accrue and be payable in subsequent years.

“**GP Loans**” means the loans which may be made by the General Partner to the Partnership pursuant to Section 5.07(a) of the Partnership Agreement.

“**Incentive Management Fee**” means the fee payable by the Partnership to the General Partner pursuant to the Incentive Management Fee Agreement and Section 8.12 of the Partnership Agreement.

“**NDHC City Loan**” means that certain loan from Northeast Denver Housing Center, Inc. to the Partnership in the principal amount of \$1,985,000 and more particularly described on Exhibit B of the Partnership Agreement.

“**NDHC Forest City Loan**” means that certain loan from Northeast Denver Housing Center, Inc. to the Partnership in the principal amount of \$550,000 and more particularly described on Exhibit B of the Partnership Agreement.

“**NDHC Land Loan**” means that certain loan from Northeast Denver Housing Center, Inc. to the Partnership in the principal amount of \$2,200,000 and more particularly described on Exhibit B of the Partnership Agreement.

“**Net Cash Flow**” means:

- (a) the sum of:
 - (i) all cash received from rents, lease payments and all other sources, but **excluding**
 - (A) tenant security or other deposits (except to the extent forfeited to the Partnership),
 - (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, other than fire and extended coverage and title insurance, to the extent not used for rebuilding of the Project, and

(iii) any other funds deemed available for distribution by the General Partner with the approval of the Project Lenders, if required, and the Special Limited Partner;

(b) 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 (whether or not such expenditure is deducted, amortized or capitalized for tax purposes), **including** the Asset Management Fee, the General Partner Asset Management Fee and the management fee to the Management Agent, but excluding expenses paid from reserves,

(ii) all payments on account of any loans made to the Partnership (whether such loan is made by a Partner or otherwise), but not including any amounts to be paid pursuant to the Development Agreement or pursuant to any loans made by any Partners where repayment of such loans is to be made out of Net Cash Flow, and

(iii) any deposits to cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, or for other purposes as may be required by the terms of this Agreement or the Project Loan Documents, in such amounts as may be required by the Project Lenders or the Special Limited Partner, or as may be determined from time to time by the General Partner with the Consent of the Special Limited Partner and the approval of the Project Lenders, if required, to be advisable for the operation of the Partnership.

“Operating Deficit Loan” means the loans made by the General Partner to the Partnership pursuant to Section 8.10(b) of the Partnership Agreement.

“Operating Reserve” means the reserve to be funded from the Third Capital Contribution and maintained pursuant to Section 4.02(m) of the Partnership Agreement.

“Tax Credit Recapture Event” means (a) the filing of a tax return, an Administrative Adjustment Request, IRS Forms 8985 or 8986 or an amended return by the Partnership evidencing a reduction in the qualified basis of the Project causing a recapture of Tax Credits previously allocated to the Limited Partner, (b) a reduction in the qualified basis of the Project following an audit by the Service which results in the assessment of a deficiency by the Service against the Partnership or the Limited Partner with respect to any Tax Credits previously claimed in connection with the Project, unless the Partnership shall timely file a petition with respect to such deficiency with the United States Tax Court or any other federal court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of such deficiency against the Partnership or the Limited Partner with respect to any Tax Credits previously claimed in connection with the Project, unless the Partnership shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, or (d) the decision of a federal court of competent jurisdiction affirming such decision.

“Tax Credit Shortfall” means, for any period of time, the difference between the Certified Credits for such period of time and the Actual Credits for such period of time. For purposes of determining the amount of the Tax Credit Shortfall for a particular period of time, if there is an adjustment to Capital Contributions under Section 5.01(g) of the Partnership Agreement because of a Late Delivery Adjustment, the Tax Credit Shortfall for such period of time shall be reduced by the Late Delivery Adjustment.

“Unpaid Tax Credit Shortfall” means the outstanding amount of any Tax Credit Shortfall and any unpaid amount due to the Limited Partner as a result of a Tax Credit Recapture Event for all the fiscal years of the Partnership, reduced by any amounts distributed to the Limited Partner pursuant to Sections 8.10(c), 11.03 (b)(ii) and 11.04(c)(i) of the Partnership Agreement. The Unpaid Tax Credit Shortfall shall bear interest at the “long-term applicable Federal rate” (as defined in Section 1274 of the Code) determined as of the date of the Limited Partner's Second Capital Contribution, compounded monthly.