

WHEN RECORDED MAIL TO:

Attention: Stephanie Swift
201 W. Colfax Ave., Dept. 204
Denver, CO 80202

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

FIRST AMENDMENT AND MODIFICATION AGREEMENT

THIS FIRST AMENDMENT AND MODIFICATION AGREEMENT (“First Amendment”) is made and entered into by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (“City”), and **CHESTNUT & 18TH L.P.**, a Georgia limited partnership, whose address is 191 Peachtree Street, N.E., Suite 4100, Atlanta, Georgia (“Borrower”) (together, the “Parties”).

WITNESSETH:

WHEREAS, the Parties entered into that certain Loan Agreement dated November 18, 2013 (the “Loan Agreement”), relating to a loan of \$2,500,000.00 to make monies available to ensure the development of affordable housing near the Denver Union Station project (the “Project”); and

WHEREAS, Borrower executed that certain deed of trust (the “Deed of Trust”) for the benefit of the City, dated November 29, 2013, and recorded on December 2, 2013 at Reception No. 2013172680 of the records of the City and County of Denver, State of Colorado, and that certain Rental and Occupancy Covenant (the “Covenant”) dated November 29, 2013, and recorded on December 2, 2013 at Reception No. 2013172682 of the records of the City and County of Denver, State of Colorado, each encumbering the following described property:

BLOCK 2, THE COMMONS SUBDIVISION - FILING NO. 4, AS RECORDED AT RECEPTION NO. 2003197650, CITY AND COUNTY OF DENVER CLERK AND RECORDER'S OFFICE, SITUATED WITHIN THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

TOGETHER WITH

THAT PORTION OF CHESTNUT STREET VACATED BY ORDINANCE NO. 832, SERIES OF 2006, RECORDED DECEMBER 15, 2006 UNDER RECEPTION NO. 2006197704, DESCRIBED WITHIN SAID ORDINANCE AS PARCEL 1, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

also known and numbered as 1975 18th Street, Denver, Colorado; and

WHEREAS, the Deed of Trust secures the repayment of the indebtedness evidenced by that certain Promissory Note dated November 29, 2013 (the “Note”); and

WHEREAS, the Parties wish to modify the terms and conditions of the Loan Agreement, Note, Deed of Trust, and any other documents evidencing or securing the City’s loan (together, the “Loan Documents”), to modify certain terms contained therein;

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

1. The payment terms of the Note are hereby amended as follows:

a. The outstanding principal balance of the Loan is Two Million Three Hundred Forty One Thousand Three Hundred Eighty Three Dollars and NO Cents (\$2,341,383.00).

b. The outstanding principal balance of the Loan and any accrued interest shall be due and payable on November 18, 2055 (the “Maturity Date”).

c. The outstanding principal balance of the Loan shall bear simple interest at a rate of one-quarter of one percent (0.25%) per annum until paid in full.

d. Repayment of the outstanding principal balance of the Loan and the interest accrued thereon shall not be forgiven by the City on the Maturity Date.

2. The City hereby agrees to release the Deed of Trust so long as a new leasehold deed of trust, in a form satisfactory to the City and in the amount of \$2,500,000.00 (the “Leasehold Deed of Trust”), is executed and recorded which encumbers the following described property, including the Project, with prior encumbrances not to exceed \$22,000,000 in principal amount:

BLOCK 2, THE COMMONS SUBDIVISION - FILING NO. 4, AS RECORDED AT RECEPTION NO. 2003197650, CITY AND COUNTY OF DENVER CLERK AND RECORDER'S OFFICE, SITUATED WITHIN THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

TOGETHER WITH

THAT PORTION OF CHESTNUT STREET VACATED BY ORDINANCE NO. 832, SERIES OF 2006, RECORDED DECEMBER 15, 2006 UNDER RECEPTION NO. 2006197704, DESCRIBED WITHIN SAID ORDINANCE AS PARCEL 1, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

also known and numbered as 1975 18th Street, Denver, Colorado (the “Property”).

The release of the Deed of Trust and the recording of the Leasehold Deed of Trust will occur at the closing of the loan financing for the construction of the Project.

3. The City hereby agrees to release the Covenant so long as a covenant, reflecting the Leasehold Deed of Trust, in a form satisfactory to the City (the “Leasehold Covenant”), is executed and recorded which encumbers the Property, including the Project. The release of the Covenant and the recording of the Leasehold Covenant will occur at the closing of the construction loan financing for the Property.

4. The Director of the Office of Economic Development or his designee is authorized to execute documents necessary to subordination the lien of the City’s Leasehold Deed of Trust and Leasehold Covenant so long as (a) such documents are in form satisfactory to the City Attorney; (b) encumbrances prior to the City’s Leasehold Deed of Trust and Leasehold Covenant do not exceed \$22,000,000.00 in principal amount; and (c) Borrower is not then in default of its obligations under the Loan Agreement or pursuant to the Note, Covenant, or Deed of Trust.

5. On the Maturity Date, the Housing Authority of the City and County of Denver (the “Authority”) may purchase the Note and the City’s rights and obligations pursuant to the Loan Documents from the City for a purchase price equal to One Thousand Dollars and No Cents (\$1,000.00). Such notice of purchase shall be delivered to the City no sooner than ninety (90) days prior to the Maturity Date and no later than ten (10) days prior to the Maturity Date and shall include: (a) evidence that the Authority or its affiliate (collectively, the “Authority Owner Entity”) owns or will own the Property and the Project on the Maturity Date and (b) a certification that the Authority will cause the Project to continue to comply with the Leasehold Covenant. The Director of the Office of Economic Development or his designee is authorized to and shall execute documents necessary to sell the Note and the City’s rights and obligations pursuant to the Loan Documents so long as (a) such documents are in form satisfactory to the City Attorney; (b) encumbrances prior to the City’s Leasehold Deed of Trust and Leasehold Covenant do not exceed \$22,000,000.00 in principal amount; and (c) Borrower is not then in default of its obligations under the Loan Agreement or pursuant to the Note, Leasehold Covenant, or Leasehold Deed of Trust.

6. Upon an event of default:
- a. City shall provide notice of an event of default of the Borrower to:

The Borrower, at the following address:

Chestnut & 18th L.P.
c/o Integral Chestnut GP, LLC
191 Peachtree Street, NE
Suite 4100
Atlanta, Georgia 30303
Attention: Egbert L.J. Perry

With copies to:

Arnall Golden Gregory LLP
171 17th Street, NW, Suite 2100
Atlanta, Georgia 30363
Attention: Jonathan E. Eady, Esq.

and

Wincopin Circle LLLP, and its successors and assigns (the
“Limited Partner”)
c/o Enterprise Community Investments, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 7000
Columbia, MD 21044
Attention:

and

Gallagher Evelius & James LLP
218 N. Charles Street
Suite 400
Baltimore, MD 21201
Attention: Kenneth S. Gross, Esq.

To Senior Lender, at the following addresses:

Stearns Bank National Association (the Construction Lender)
4191 2nd Street South
St. Cloud, Minnesota 56301
Attention: David Feriancek

and

Cornerstone Permanent Mortgage Fund II LLC (the Permanent Lender)
One Boston Place, 22nd Floor

Boston, Massachusetts 02108
Attention: Sean Curry
Mortgage Loan No.: 00006

With copies to:

Massachusetts Mutual Life Insurance Company
c/o Cornerstone Real Estate Advisers
One Financial Plaza
Hartford, CT 06103
Attention: Vice President, Law

and

Holland & Knight LLP
10 St. James Avenue
Boston, MA 02116
Attention: Suanne C. St. Charles, Esq.

To the Authority, at the following address:

Denver Housing Authority
777 Grant Avenue, 4th Floor
Denver, Colorado 80203
Attention: Executive Director

b. The Borrower, the Senior Lender, the Limited Partner, and the Authority shall have the right, but not the obligation, to cure any defaults by Borrower under the Loan Documents. Any cure by the Senior Lender, the Limited Partner, or the Authority shall be deemed to be a cure by Borrower. Furthermore, notwithstanding anything to the contrary contained herein, if a default occurs under the terms of the Loan Documents, prior to exercising any remedies hereunder, the City shall give the Borrower, the Senior Lender, the Limited Partner, and the Authority written notice of such default. The Borrower, the Senior Lender, the Limited Partner, or the Authority shall have a period of thirty (30) days after receipt of such notice to cure the default prior to exercise of remedies by the City under the Loan Documents.

7. Exhibit A to the Loan Agreement is hereby amended and the revised Exhibit A is attached hereto and incorporated herein as **Exhibit A-1**. All references to “Exhibit A” in the Loan Agreement are hereby amended to read “Exhibit A-1.”

8. The Director of the City’s Office of Economic Development or permitted designee, is authorized to execute documents necessary to accomplish the amendments set forth

herein, so long as (a) such documents are in a form satisfactory to the City Attorney; (b) Borrower is not then in default of its obligations pursuant to any of the Loan Documents.

9. The Loan Documents are amended to reflect the amended terms of the Note.

10. The Parties hereby agree and confirm that the Guaranty (the "Guaranty"), dated November 29, 2013 from Integral Development, LLC, a Georgia limited liability company ("Guarantor"), for the benefit of the City and the Borrower, applies solely to that certain loan in the principal amount of \$950,000.00 from the City to the Borrower and does not apply to the Loan Documents. Solely with respect to the Loan Documents, the Parties hereby agree to release the Guarantor from any of the obligations set forth in the Guaranty.

11. Borrower consents to the use of electronic signatures by the City. This First Amendment, 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 First Amendment 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 First Amendment 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.

12. Except as modified herein, the Loan Documents remain unmodified.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

Contract Control Number:

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

SEAL

CITY AND COUNTY OF DENVER

ATTEST:

By _____

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By _____

By _____

By _____



Contract Control Number: OEDEV-201313697-01

Contractor Name: CHESTNUT & 18TH L P

By: Integral Chestnut GP, LLC
Its: General Partner

By: Vicki Lundy Wilbon

Name: VICKI LUNDY WILBON
(please print)

Title: VICE PRESIDENT
(please print)

ATTEST: [if required]

By: Aaron A. Martin

Name: Aaron A. Martin
(please print)

Title: Senior Development Director
(please print)

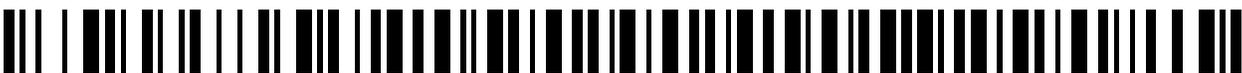


Exhibit A-1

Chestnut is a 107 unit mixed-income, transit oriented development that will be in the heart of the Denver Union Station development area. It will serve a critical role as the primary affordable workforce housing option in this highly anticipated development. It is within steps of the major transit hub, Denver Union Station, and will connect its residents to the entire Denver metro area as served by transit. It will also provide critical affordable housing within walking distance to downtown jobs. The building will incorporate significant energy efficiency measures complying with Enterprise Green Communities Standards. All aspects of the Chestnut residential project are planned to be sustainable. With access to true multi-modal transportation options, access to jobs, and access to healthy food choices, coupled with a design that supports energy savings and a contemporary lifestyle, this mixed-income affordable housing development is intended to be an aggressive and cutting edge example of how Denver embraces affordable housing in all that it does. This development will ensure that Denver is fulfilling its fundamental role of providing true workforce housing in the middle of where jobs are being created. This development represents a unique and limited opportunity to accomplish this goal.

The four-story building with partially covered parking will include 80 one-bedroom/one bath units with approximately 680 square feet each and 27 two-bedroom/one bath units with approximately 940 square feet each. The project also includes one retail unit that is programmed for a neighborhood serving use. Residential Units will include Energy Star appliances including dishwashers, stoves, refrigerators, and washers and dryers in the units. Some units also have patios or private balconies. The units will have internet and cable connections and will be individually metered for electricity.

The community amenities will include a community room, fitness room, business center, and a security system that includes surveillance cameras with controlled access entry. A B-Cycle station, and access to car share vehicles are all within steps of the building. The goal is to connect people with transportation to minimize the use of a car for its residents but also to provide enough parking availability so that the property is still highly marketable.)

The building will be a mix of concrete and wood frame construction. The design will be a contributing presence to the impressive new construction underway or planned in the Union Station neighborhood. Units will have high ceilings and some will have balconies to provide a spacious feeling. Chestnut will be based on a Universal Design approach and the building will be designed to encourage health in all aspects of how it functions and how its residents move throughout the space. This includes how stairs are designed in appropriate locations and opportunities will be provided for messaging and technology that can encourage healthy choices. Connectivity communications will be incorporated into the building to constantly reinforce walking or biking options for residents to connect to the surrounding services. Design materials will be varied with thoughtfulness towards being cost effective while complying with the standards of the local design review committee.

Chestnut will be a HUD Green Communities development. The building will include high efficiency heating and cooling equipment, EnergyStar appliances, low-E thermal pane windows and high R-value wall and attic insulation. The development will promote sustainable building techniques through the use of low- and no-VOC paints, carpeting, padding and adhesives and will promote water conservation with low-flow fixtures. Additionally, the building will have an efficient flat roof and will use recycled building materials.