

## **FIRST AMENDMENT TO LOAN AGREEMENT**

**THIS FIRST AMENDMENT TO LOAN AGREEMENT** (the “Amendment”) is made and entered by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation organized pursuant to the Constitution of the State of Colorado (“City”), and **ALBION APARTMENTS LLLP**, a Colorado limited liability limited partnership, whose address is 155 S. Madison St., Ste. 326, Denver, Colorado 80209 (“Borrower”), each individually a “Party” and collectively the “Parties.”

### **RECITALS:**

**WHEREAS**, the Parties entered into that certain Loan Agreement dated September 25, 2024 (the “Loan Agreement”) relating to a loan to Borrower in the original principal amount of \$6,760,000.00 (the “Loan”); and

**WHEREAS**, Borrower executed that certain Promissory Note dated October 7, 2024, evidencing the terms of the Loan (the “Note”); and

**WHEREAS**, repayment of the Note is secured by that certain Deed of Trust dated October 7, 2024, and recorded on October 8, 2024, at Reception No. 2024093780 (the “Deed of Trust”) as a lien against certain real property in the City and County of Denver; and

**WHEREAS**, Borrower caused that certain Rental and Occupancy Covenant dated October 7, 2024, and recorded on October 8, 2024, at Reception No. 2024093779, to be recorded against certain real property in the City and County of Denver to secure such property for use as affordable housing in conformance with the terms of the Loan Agreement (the “Covenant”); and

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

**WHEREAS**, the Parties wish to amend Loan Agreement as set forth herein; and

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

1. Section 1 of the Loan Agreement entitled “**LOAN TO BORROWER**” subsection A. is hereby deleted in its entirety and replaced with:

“A. Subject to the terms of this Agreement, the City agrees to lend Borrower the sum of SIX MILLION SEVEN HUNDRED SIXTY THOUSAND DOLLARS and NO/100

(\$6,760,000.00) (the “Loan”). In addition to this Agreement, the Borrower will execute a promissory note in a form satisfactory to the City evidencing this Loan (the “Promissory Note”) and a Covenant securing the Property for use as affordable housing as required by Section 6 hereof. Simple interest at a rate of one percent (1%) per annum shall commence accruing on the outstanding principal balance of the Promissory Note on the date on which the first draw on the Loan is made. Interest will be calculated on the basis of a 365-day year and the actual number of days elapsed.”

2. Section 5.B of the Loan Agreement is hereby amended to extend the dated for submission of all draw down requests and completion of the Project to November 1, 2027.

3. Section 17 of the Loan Agreement entitled “**TRANSFERS**” is hereby deleted in its entirety and replaced with:

“**17. TRANSFERS:** Borrower acknowledges that the City has examined and relied on the experience of Borrower and its general partners, directors, and members in owning and operating affordable housing projects, such as the Project, in agreeing to make the Loan, and the City will continue to rely on Borrower’s 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 or dispose of the Property or any part thereof (other than leases to tenants), 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 (iv) any transfer of the Property to any affiliate of Borrower as permitted by Borrower’s partnership agreement, (v) any transfer of a limited partner interest in Borrower as permitted by Borrower’s partnership agreement, or to Borrower or any affiliate of Borrower, (vi) any collateral assignment of a general partner’s partnership interests of Borrower as security for senior loan financing of the Project, or the exercise of remedies thereunder or transfer thereafter, or (vii) a refinancing of the

permanent loan for the Project in a transaction that does not result in net cash proceeds after transactions expenses (provided that the foregoing will not be construed to prohibit or otherwise limit any reasonable increase in proceeds for rehabilitation in the context of preservation transaction). The removal, replacement, or transfer of interest of the general partner of Borrower or the DHDP Special Limited Partner or Class C Limited Partner as permitted by Borrower's partnership agreement shall not require the prior written consent of the City.

4. Section 27 of the Loan Agreement entitled "**DEFAULT AND ACCELERATION**" sub-section B entitled "**Cure Period**" is hereby deleted in its entirety and replaced with:

"B. **Cure Period.** Upon a default, HOST shall give written notice of the default to Borrower, Borrower's Investor Limited Partner and other persons entitled to notice of a default pursuant to this Agreement. After Borrower's receipt of the written notice, Borrower, Borrower's Investor Limited Partner 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"). Borrower's Investor Limited Partner has the right, but not the obligation, to cure a default of behalf of Borrower. If a nonmonetary default is not a type which can be cured within the Cure Period, the Executive Director of HOST, at their reasonable discretion, may extend the cure period if the Borrower or Borrower's Investor Limited Partner provides the City with a reasonably detailed written plan of how the Borrower or Borrower's Investor Limited Partner will cure the nonmonetary default and the Borrower or Borrower's Investor Limited Partner, at all times within such additional time period, actively and diligently pursues such plan. For purposes of this 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 Agreement, Covenant, Deed of Trust, or Promissory Note, other than the obligation to make payments provided for in the Promissory note or Loan documents."

5. Under Section 28 of the Loan Agreement entitled “**NOTICES**,” the language “To Be Found in the Borrower’s partnership agreement.” is hereby deleted in its entirety and replaced with:

“Wells Fargo Bank, National Association  
550 S. Tryon Street  
23rd Floor, MAC D1086-239  
Charlotte, NC 28202-4200  
Attention: Director of Tax Credit Asset Management”

In addition, the notice address for Wells Fargo Bank, National Association in the Deed of Trust shall be replaced by the notice address set forth above.

6. The fifth paragraph of the Note is hereby deleted in its entirety and replaced with:

“This Promissory Note is secured by, and the hold of this Promissory Note is entitled to the benefits of a Deed of Trust and Rent & Occupancy Covenant of even date herewith (the “Security Documents”). Reference is made to the Security Documents for a description of the property covered thereby and the rights, remedies, and obligations of the holder thereof in respect hereto.”

7. All references to “Exhibit E” in the Agreement shall be amended to read: “Exhibit E and E-1” as applicable. The form subordination agreement marked as **Exhibit E-1** attached to this Amendatory Agreement is hereby incorporated by reference.

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

9. The Executive Director of HOST or the Executive Director’s designee is authorized to execute documents necessary and appropriate to accomplish the objectives of this Amendment, so long as the documents are in a form acceptable to the City Attorney.

10. Except as stated herein, the Loan Documents continue in effect, and are affirmed and ratified in each and every particular.

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

**[THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**  
**[SIGNATURE PAGES TO FOLLOW]**

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

HOST-202578506-01  
ALBION APARTMENTS LLLP

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

**SEAL**

**CITY AND COUNTY OF DENVER:**

**ATTEST:**

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

\_\_\_\_\_

**APPROVED AS TO FORM:**  
  
Attorney for the City and County of Denver  
  
By:  
  
\_\_\_\_\_

**REGISTERED AND COUNTERSIGNED:**  
  
By:  
  
\_\_\_\_\_  
  
By:  
  
\_\_\_\_\_

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

HOST-202578506-01  
ALBION APARTMENTS LLLP

By:

DocuSigned by:

Joseph Delzotto

42EB519C14CD48E...

Name:

Joseph Delzotto

(please print)

Title:

Manager

(please print)

ATTEST: [if required]

By:

Name:

(please print)

Title:

(please print)

# Exhibit E-1

**PREPARED BY AND WHEN  
RECORDED RETURN TO:**

Greenberg Traurig LLP  
1000 Louisiana, Suite 6700  
Houston, TX 77002  
Attention: Wayne A. Yaffee, Esq.

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Reference Loan Number: 0000069422  
Property Name: Albion Apartments

**SUBORDINATION AGREEMENT  
GOVERNMENTAL ENTITY**

THIS SUBORDINATION AGREEMENT (“**Agreement**”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2025, by and between **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association (“**Senior Lender**”), and the **CITY AND COUNTY OF DENVER**, a municipal corporation organized pursuant to the Constitution and State of Colorado (“**Subordinate Lender**”).

**RECITALS**

- A. Albion Apartments LLLP, a limited liability limited partnership organized under the laws of the State of Colorado (“**Borrower**”) is the owner of certain land located in the City and County of Denver, Colorado, described in Exhibit A (“**Land**”). The Land will be improved with a multifamily rental housing project (“**Improvements**”).
- B. Senior Lender has made a loan to Borrower in the original principal amount of **\$58,000,000.00** (“**Senior Loan**”) upon the terms and conditions of a Convertible Debt Construction Loan Agreement dated as of \_\_\_\_\_ 1, 2025 (“**Senior Loan Agreement**”) by and between Senior Lender and Borrower in connection with the Mortgaged Property. The Senior Loan is secured by a Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of \_\_\_\_\_ 1, 2025 (“**Senior Mortgage**”) encumbering the Land, the Improvements and related personal and other property described and defined in the Senior Mortgage as the “**Mortgaged Property**.”
- C. Pursuant to a Loan Agreement dated as of September 25, 2024 between Subordinate Lender and Borrower (“**Subordinate Loan Agreement**”), Subordinate Lender has made or is making a loan to Borrower in the original principal amount of \$6,760,000 (“**Subordinate Loan**”). The Subordinate Loan is or will be secured by a



Deed of Trust dated October 7, 2024 (“**Subordinate Mortgage**”) encumbering all or a portion of the Mortgaged Property.

- D. The Senior Mortgage is or will be recorded in the official public records of the Clerk and Recorder of Denver County, Colorado (“**Recording Office**”). The Subordinate Mortgage is or will be recorded in the Recording Office following the recording of the Senior Mortgage.
- E. The execution and delivery of this Agreement is a condition of Senior Lender’s consenting to Subordinate Lender’s making of the Subordinate Loan and Borrower’s granting of the Subordinate Mortgage.

## **AGREEMENT**

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

- 1. **Definitions.** The following terms, when used in this Agreement (including, as appropriate, when used in the above recitals), will have the following meanings.

Any term used in this Agreement and not otherwise defined in this Agreement will have the meanings given to those terms in the Senior Loan Agreement.

“**Bankruptcy Proceeding**” means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

“**Borrower**” means all persons or entities identified as “Borrower” in the first Recital of this Agreement, together with their successors and assigns, and any other person or entity who acquires title to the Mortgaged Property after the date of this Agreement; provided that the term “Borrower” will not include Senior Lender if Senior Lender acquires title to the Mortgaged Property.

“**Casualty**” means the occurrence of damage to or loss of all or any portion of the Mortgaged Property by fire or other casualty.

“**Enforcement Action**” means any of the following actions taken by or at the direction of Subordinate Lender: the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee’s sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or

arbitration proceeding based upon the Subordinate Note or any other of the Subordinate Loan Documents, the exercising of any banker's lien or rights of set-off or recoupment, or the exercise of any other remedial action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

**"Enforcement Action Notice"** means a Notice given from Subordinate Lender to Senior Lender following one or more Subordinate Mortgage Default(s) and the expiration of any applicable notice or cure periods, setting forth in reasonable detail the Subordinate Mortgage Default(s) and the Enforcement Actions proposed to be taken by Subordinate Lender.

**"Lien"** means any lien, encumbrance, estate or other interest, recorded against or secured by the Mortgaged Property.

**"Loss Proceeds"** means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any condemnation affecting the Land or casualty affecting the Improvements.

**"Notice"** means all notices, requests, demands, consents, approvals or other communication pursuant to this Agreement provided in accordance with the provisions of Section 10.

**"Regulatory Agreement"** means the Rental and Occupancy Covenant by Borrower for the benefit of Subordinate Lender dated October 7, 2024 to be recorded in the Recording Office.

**"Senior Indebtedness"** means the "Indebtedness" of Borrower as evidenced by the Senior Loan Documents.

**"Senior Lender"** is defined above. When any other person or entity becomes the legal holder of the Senior Note, such other person or entity will automatically become Senior Lender.

**"Senior Loan Documents"** collectively means the "Taxable Loan Documents" as defined in the Senior Loan Agreement.

**"Senior Mortgage Default"** means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of Notice or the passage of time, or both, would constitute, an "Event of Default" as defined in the Senior Loan Documents.

**"Senior Note"** means the Taxable Loan Note as defined in the Senior Loan Agreement.

**"Subordinate Indebtedness"** means all sums evidenced or secured or guaranteed by, or otherwise due and payable to Subordinate Lender pursuant to, the Subordinate Loan Documents.

**“Subordinate Lender”** means the person or entity named as such in the first paragraph of this Agreement and any other person or entity who becomes the legal holder of the Subordinate Note after the date of this Agreement.

**“Subordinate Loan Documents”** means the Subordinate Mortgage, the Subordinate Note, the Subordinate Loan Agreement, the Regulatory Agreement and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as such documents may be amended.

**“Subordinate Mortgage Default”** means any act, failure to act, event, condition, or occurrence which allows (but for any contrary provision of this Agreement) Subordinate Lender to take an Enforcement Action.

**“Subordinate Note”** means the promissory note or other evidence of the Subordinate Indebtedness and any replacement of the Subordinate Note.

**“Surplus Cash”** means, with respect to any period, any revenues of Borrower remaining after paying, or setting aside funds for paying, all the following:

- (i) All sums due or currently required to be paid under the Senior Loan Documents, including any reserves and imposition reserve deposits.
- (ii) All reasonable operating expenses of the Mortgaged Property, including real estate taxes, insurance premiums, utilities, building maintenance, painting and repairs, management fees, payroll, administrative expenses, legal expenses and audit expenses (excluding any developer fees payable with respect to the Mortgaged Property).

## **2. Subordinate Lender’s Representations and Warranties.**

- (a) Subordinate Lender represents and warrants that each of the following is true as of the date of this Agreement:
  - (i) Subordinate Lender is now the owner and holder of the Subordinate Loan Documents.
  - (ii) No Subordinate Mortgage Default has occurred and is continuing.
  - (iii) The current unpaid principal balance of the Subordinate Indebtedness is \$6,760,000.
  - (iv) No scheduled payments under the Subordinate Note have been prepaid.
- (b) Without the prior written consent of Senior Lender, Subordinate Lender will not do any of the following:

- (i) Pledge, assign, transfer, convey, or sell any interest in the Subordinate Indebtedness or any of the Subordinate Loan Documents.
- (ii) Take any action which has the effect of increasing the Subordinate Indebtedness, except to cure a Senior Mortgage Default as contemplated under Section 5(a) of this Agreement.
- (iii) Accept any prepayment of the Subordinate Indebtedness.

### **3. Terms of Subordination.**

- (a) Agreement to Subordinate. The Subordinate Indebtedness is and will at all times continue to be subject and subordinate in right of payment to the prior payment in full of the Senior Indebtedness. Each of the Subordinate Loan Documents is, and will at all times remain, subject and subordinate in all respects to the liens, terms, covenants, conditions, operations, and effects of each of the Senior Loan Documents.
- (b) Subordination of Subrogation Rights. If Subordinate Lender, by indemnification, subrogation or otherwise, acquires any Lien on any of the Mortgaged Property, then that Lien will be fully subject and subordinate to the receipt by Senior Lender of payment in full of the Senior Indebtedness, and to the Senior Loan Documents, to the same extent as the Subordinate Indebtedness and the Subordinate Loan Documents are subordinate pursuant to this Agreement.
- (c) Payments Before Senior Loan Default; Soft Subordinate Debt. Until the occurrence of a Senior Mortgage Default, Subordinate Lender will be entitled to retain for its own account all payments of the principal of and interest on the Subordinate Indebtedness pursuant to the Subordinate Loan Documents; provided that Subordinate Lender expressly agrees that it will not accept any such payment that is made more than 10 days in advance of its due date and provided further that Subordinate Lender will not accept any payment in an amount that exceeds 75% of then available Surplus Cash.
- (d) Payments After Senior Loan Default or Bankruptcy.
  - (i) Immediately upon Subordinate Lender's receipt of Notice or actual knowledge of a Senior Mortgage Default, Subordinate Lender will not accept any payments of the Subordinate Indebtedness, and the provisions of Section 3(d) of this Agreement will apply.
  - (ii) If Subordinate Lender receives any of the following, whether voluntarily or by action of law, after a Senior Mortgage Default of which Subordinate Lender has actual knowledge (or is deemed to have actual knowledge as provided in Section 4(c)) or has been given Notice, such will be received and held in trust for Senior Lender:

- (A) Any payment, property, or asset of any kind or in any form in connection with the Subordinate Indebtedness.
- (B) Any proceeds from any Enforcement Action.
- (C) Any payment, property, or asset in or in connection with any Bankruptcy Proceeding.
- (iii) Subordinate Lender will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets described in Section 3(d)(ii) to Senior Lender. Senior Lender will apply any payment, asset, or property so received from Subordinate Lender to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Lender determines in its sole and absolute discretion.
- (e) Bankruptcy. Without the prior written consent of Senior Lender, Subordinate Lender will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, Subordinate Lender will not vote affirmatively in favor of any plan of reorganization or liquidation unless Senior Lender has also voted affirmatively in favor of such plan.

#### **4. Default Under Subordinate Loan Documents.**

- (a) Notice of Subordinate Loan Default and Cure Rights.
  - (i) Subordinate Lender will deliver to Senior Lender a copy of each Notice delivered by Subordinate Lender pursuant to the Subordinate Loan Documents within 5 Business Days of sending such Notice to Borrower. Neither giving nor failing to give a Notice to Senior Lender pursuant to this Section 4(a) will affect the validity of any Notice given by Subordinate Lender to Borrower.
  - (ii) For a period of 90 days following delivery to Senior Lender of an Enforcement Action Notice, Senior Lender will have the right, but not the obligation, to cure any Subordinate Mortgage Default. However, if such Subordinate Mortgage Default is a non-monetary default and is not capable of being cured within such 90-day period and Senior Lender has commenced and is diligently pursuing such cure to completion, Senior Lender will have such additional period of time as may be required to cure such Subordinate Mortgage Default or until such time, if ever, as Senior Lender takes either of the following actions:
    - (A) Discontinues its pursuit of any cure.

- (B) Delivers to Subordinate Lender Senior Lender's written consent to the Enforcement Action described in the Enforcement Action Notice.
  - (iii) Senior Lender will not be subrogated to the rights of Subordinate Lender under the Subordinate Loan Documents as a result of Senior Lender having cured any Subordinate Mortgage Default.
  - (iv) Subordinate Lender acknowledges that all amounts advanced or expended by Senior Lender in accordance with the Senior Loan Documents or to cure a Subordinate Mortgage Default will be added to and become a part of the Senior Indebtedness and will be secured by the lien of the Senior Mortgage.
- (b) Subordinate Lender's Exercise of Remedies After Notice to Senior Lender.
- (i) In the event of a Subordinate Mortgage Default, Subordinate Lender will not commence any Enforcement Action until 90 days after Subordinate Lender has delivered to Senior Lender an Enforcement Action Notice. During such 90-day period or such longer period as provided in Section 4(a), Subordinate Lender will be entitled to seek specific performance to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions contained in the Regulatory Agreement, subject to Senior Lender's right to cure a Subordinate Mortgage Default set forth in Section 4(a).
  - (ii) Subordinate Lender may not commence any other Enforcement Action, including any foreclosure action under the Subordinate Loan Documents, until the earlier of:
    - (A) The expiration of such 90-day period or such longer period as provided in Section 4(a).
    - (B) The delivery by Senior Lender to Subordinate Lender of Senior Lender's written consent to such Enforcement Action by Subordinate Lender.
  - (iii) Subordinate Lender acknowledges that Senior Lender may grant or refuse consent to Subordinate Lender's Enforcement Action in Senior Lender's sole and absolute discretion. At the expiration of such 90-day period or such longer period as provided in Section 4(a) and, subject to Senior Lender's right to cure set forth in Section 4(a), Subordinate Lender may commence any Enforcement Action.
  - (iv) Senior Lender may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by Subordinate Lender. No action or failure to act on the part of Senior Lender in the

event of a Subordinate Mortgage Default or commencement of an Enforcement Action will constitute a waiver on the part of Senior Lender of any provision of the Senior Loan Documents or this Agreement.

- (c) Cross Default. Subordinate Lender acknowledges that a Subordinate Mortgage Default constitutes a Senior Mortgage Default. Accordingly, upon the occurrence of a Subordinate Mortgage Default, Subordinate Lender will be deemed to have actual knowledge of a Senior Mortgage Default. If Subordinate Lender notifies Senior Lender in writing that any Subordinate Loan Default of which Senior Lender has received Notice has been cured or waived, as determined by Subordinate Lender in its sole discretion, then provided that Senior Lender has not conducted a sale of the Mortgaged Property pursuant to its rights under the Senior Loan Documents, any Senior Loan Default under the Senior Loan Documents arising solely from such Subordinate Loan Default will be deemed cured, and the Senior Loan will be reinstated.

## **5. Default Under Senior Loan Documents.**

- (a) Notice of Senior Loan Default and Cure Rights.
  - (i) Senior Lender will deliver to Subordinate Lender a copy of any Notice sent by Senior Lender to Borrower of a Senior Mortgage Default within 5 Business Days of sending such Notice to Borrower. Failure of Senior Lender to send Notice to Subordinate Lender will not prevent the exercise of Senior Lender's rights and remedies under the Senior Loan Documents.
  - (ii) Subordinate Lender will have the right, but not the obligation, to cure any monetary Senior Mortgage Default within 30 days following the date of such Notice. During such 30-day period Senior Lender will be entitled to continue to pursue its remedies under the Senior Loan Documents.
  - (iii) Subordinate Lender may, within 90 days after the date of the Notice, cure a non-monetary Senior Mortgage Default if during such 90-day period, Subordinate Lender keeps current all payments required under the Senior Loan Documents. If such a non-monetary Senior Mortgage Default creates an unacceptable level of risk relative to the Mortgaged Property, or Senior Lender's secured position relative to the Mortgaged Property, as determined by Senior Lender in its sole discretion, then during such 90-day period Senior Lender may exercise all available rights and remedies to protect and preserve the Mortgaged Property and the rents, revenues and other proceeds from the Mortgaged Property.
  - (iv) All amounts paid by Subordinate Lender to Senior Lender to cure a Senior Mortgage Default will be deemed to have been advanced by Subordinate Lender pursuant to, and will be secured by the lien of, the Subordinate Mortgage. Notwithstanding anything in this Section 5(a) to the contrary,

Subordinate Lender's right to cure any Senior Mortgage Default will terminate immediately upon the occurrence of any Bankruptcy Proceeding.

(b) Release of Mortgaged Property.

(i) Subordinate Lender consents to and authorizes any future release by Senior Lender of all or any portion of the Mortgaged Property from the lien, operation, and effect of the Senior Loan Documents. Subordinate Lender waives to the fullest extent permitted by law, all equitable or other rights it may have in connection with the release of all or any portion of the Mortgaged Property, including any right to require Senior Lender to do any of the following:

- (A) To conduct a separate sale of any portion of the Mortgaged Property.
- (B) To exhaust its remedies against all or any portion of the Mortgaged Property or any combination of portions of the Mortgaged Property or any other collateral for the Senior Indebtedness.
- (C) To proceed against Borrower, any other party that may be liable for any of the Senior Indebtedness (including any general partner of Borrower if Borrower is a partnership), all or any portion of the Mortgaged Property or combination of portions of the Mortgaged Property or any other collateral, before proceeding against all or such portions or combination of portions of the Mortgaged Property as Senior Lender determines.

(ii) Subordinate Lender consents to and authorizes, at the option of Senior Lender, the sale, either separately or together, of all or any portion of the Mortgaged Property. Subordinate Lender acknowledges that without Notice to Subordinate Lender and without affecting any of the provisions of this Agreement, Senior Lender may do any of the following:

- (A) Extend the time for or waive any payment or performance under the Senior Loan Documents.
- (B) Modify or amend in any respect any provision of the Senior Loan Documents.
- (C) Modify, exchange, surrender, release, and otherwise deal with any additional collateral for the Senior Indebtedness.

(c) Termination Upon Foreclosure. The lien of the Subordinate Loan Documents will automatically terminate upon the acquisition by Senior Lender or by a third-party purchaser of title to the Mortgaged Property pursuant to a foreclosure of, deed in



lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Mortgage.

**6. Conflicts.** If there is any conflict or inconsistency between the terms of the Subordinate Loan Documents and the terms of this Agreement, then the terms of this Agreement will control. Borrower acknowledges that the terms and provisions of this Agreement will not, and will not be deemed to do any of the following:

- (a) Extend Borrower's time to cure any Senior Loan Default or Subordinate Loan Default.
- (b) Give Borrower the right to receive notice of any Senior Loan Default or Subordinate Loan Default, other than that, if any, provided, respectively under the Senior Loan Documents of the Subordinate Loan Documents.
- (c) Create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

**7. Rights and Obligations of Subordinate Lender Under the Subordinate Loan Documents and of Senior Lender under the Senior Loan Documents.**

(a) Insurance.

- (i) All requirements pertaining to insurance under the Subordinate Loan Documents (including requirements relating to amounts and types of coverages, deductibles and special endorsements) will be deemed satisfied if Borrower complies with the insurance requirements under the Senior Loan Documents and of Senior Lender.
- (ii) All original policies of insurance required pursuant to the Senior Loan Documents will be held by Senior Lender.
- (iii) Nothing in this Section 7(a) will preclude Subordinate Lender from requiring that it be named as a mortgagee and loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Mortgaged Property, provided such action does not affect the priority of payment of Loss Proceeds, or that Subordinate Lender be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Mortgaged Property.

(b) Condemnation or Casualty.

In the event of a condemnation affecting the Land or a casualty affecting the Improvements, the following provisions will apply:

- (i) The rights of Subordinate Lender (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a condemnation affecting the Land or a casualty affecting the

Improvements, or to participate or join in any settlement of, or to adjust, any claims resulting from a condemnation affecting the Land or a casualty affecting the Improvements, will be and remain subordinate in all respects to Senior Lender's rights under the Senior Loan Documents, and Subordinate Lender will be bound by any settlement or adjustment of a claim resulting from a condemnation affecting the Land or a casualty affecting the Improvements made by Senior Lender.

- (ii) All Loss Proceeds will be applied either to payment of the costs and expenses of restoration of the Improvements or to payment on account of the Senior Indebtedness, as and in the manner determined by Senior Lender in its sole discretion; provided however, Senior Lender agrees to consult with Subordinate Lender in determining the application of casualty proceeds. In the event of any disagreement between Senior Lender and Subordinate Lender over the application of casualty proceeds, the decision of Senior Lender, in its sole discretion, will prevail.
- (iii) If Senior Lender holds Loss Proceeds, or monitors the disbursement of Loss Proceeds, Subordinate Lender will not do so. Nothing contained in this Agreement will be deemed to require Senior Lender to act for or on behalf of Subordinate Lender in connection with any restoration of the Improvements or to hold or monitor any Loss Proceeds in trust for or otherwise on behalf of Subordinate Lender, and all or any Loss Proceeds may be commingled with any funds of Senior Lender.
- (iv) If Senior Lender elects to apply Loss Proceeds to payment on account of the Senior Indebtedness, and if the application of such Loss Proceeds results in the payment in full of the entire Senior Indebtedness, any remaining Loss Proceeds held by Senior Lender will be paid to Subordinate Lender unless another party has asserted a claim to the remaining Loss Proceeds.
- (c) Modification of Subordinate Loan Documents. Subordinate Lender agrees that, until the principal of, interest on and all other amounts payable under the Senior Loan Documents have been paid in full, it will not, without the prior written consent of Senior Lender, increase the amount of the Subordinate Loan, increase the required payments due under the Subordinate Loan, decrease the term of the Subordinate Loan, increase the interest rate on the Subordinate Loan, or otherwise amend the Subordinate Loan terms in a manner that creates an adverse effect upon Senior Lender under the Senior Loan Documents. If Subordinate Lender either (i) amends the Subordinate Loan Documents in the manner set forth above or (ii) assigns the Subordinate Loan without Senior Lender's consent then such amendment or assignment will be void ab initio and of no effect whatsoever.

- (d) Modification of Senior Loan Documents. Senior Lender may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provisions of the Senior Loan Documents without the necessity of obtaining the consent of or providing Notice to Subordinate Lender, and without affecting any of the provisions of this Agreement. Notwithstanding the foregoing, Senior Lender may not modify any provision of the Senior Loan Documents that increases the Senior Indebtedness, except for increases in the Senior Indebtedness that result from advances made by Senior Lender to protect the security or lien priority of Senior Lender under the Senior Loan Documents or to cure defaults under the Subordinate Loan Documents.
- (e) Commercial or Retail Leases. If requested, Subordinate Lender will enter into attornment and non-disturbance agreements with all tenants under commercial or retail leases, if any, to whom Senior Lender has granted attornment and non-disturbance, on the same or substantially similar terms and conditions given by Senior Lender.
- (f) Consent Rights. Whenever the Subordinate Loan Documents give Subordinate Lender approval or consent rights with respect to any matter, and a right of approval or consent for the same or substantially the same matter is also granted to Senior Lender pursuant to the Senior Loan Documents or otherwise, Senior Lender's approval or consent or failure to approve or consent will be binding on Subordinate Lender. None of the other provisions of Section 7 are intended to be in any way in limitation of the provisions of this Section 7(f).
- (g) Escrows. Except as provided in this Section 7(g), and regardless of any contrary provision in the Subordinate Loan Documents, Subordinate Lender will not collect any escrows for any cost or expense related to the Mortgaged Property or for any portion of the Subordinate Indebtedness. However, if Senior Lender is not collecting escrow payments for one or more impositions, Subordinate Lender may collect escrow payments for such impositions; provided that all payments so collected by Subordinate Lender will be held in trust by Subordinate Lender to be applied only to the payment of such impositions.
- (h) Certification. Within 15 days after request by Senior Lender, Subordinate Lender will furnish Senior Lender with a statement, duly acknowledged and certified, setting forth the then-current amount and terms of the Subordinate Indebtedness, confirming that there exists no default under the Subordinate Loan Documents (or describing any default that does exist), and certifying to such other information with respect to the Subordinate Indebtedness as Senior Lender may request; provided, however, any certification must not be in conflict with any requirements of the Charter of the City and County of Denver, the Denver Revised Municipal Code, or any applicable provisions of state or federal law.

- 8. Refinancing.** Subordinate Lender agrees that Borrower may refinance all or any part of the Senior Indebtedness without the consent of Subordinate Lender, and the Subordinate

Lender's agreement to subordinate under this Agreement will extend to any new mortgage debt which is for the purpose of refinancing all or any part of the

Senior Indebtedness (including reasonable and necessary costs associated with the closing and/or the refinancing, and any reasonable increase in proceeds for rehabilitation in the context of a preservation transaction); provided that, in accordance with the Subordinate Loan Documents, Subordinate Lender only agrees to its subordination under this Agreement to such new mortgage debt so long as the original principal balance of such new mortgage does not exceed fifty-eight million dollars (\$58,000,000.00). All terms and covenants of this Agreement will inure to the benefit of any holder of any such refinanced debt, and all references to the Senior Loan Documents and Senior Lender will mean, respectively, the refinance loan documents and the holder of such refinanced debt.

**9. Governmental Powers.** Nothing in this Agreement is intended, nor will it be construed, to in any way limit the exercise by Subordinate Lender of its governmental powers (including police, regulatory and taxing powers) with respect to Borrower or the Mortgaged Property to the same extent as if it were not a party to this Agreement or the transactions contemplated by this Agreement.

**10. Notices.**

- (a) Any Notice required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery (any Notice so delivered will be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any Notice so sent will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

Notices intended for Senior Lender will be addressed to:

Wells Fargo Bank, National Association  
 550 S. Tryon Street  
 23rd Floor, D1086-239  
 Charlotte, North Carolina 28202-4200  
 Attn: Manager, Deal Management  
 Loan # 0000069422

with a copy to:

Wells Fargo Bank, National Association  
 Community Lending & Investment  
 801 Walnut Street, 2<sup>nd</sup> Floor  
 Mail Code: F0006-022

Des Moines, Iowa 50309  
Attention: Jeremy Fischer

(Reference Loan No. 0000069422)

and to:

Wells Fargo Bank, National Association 201  
Main Street, Suite 300  
Mail Code: T9639-031 Fort  
Worth, Texas 76102 Attn:  
Misty D. Ramsey

and to:

Greenberg Traurig LLP  
1000 Louisiana, Suite 6700  
Houston, Texas 77002  
Attention: Wayne A. Yaffee, Esq. (Reference Loan No. 0000069422)  
Email: Wayne.Yaffee@gtlaw.com  
Telephone: (713) 374-3655

Notices intended for Subordinate Lender will be addressed to:

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

- (b) Any party, by Notice given pursuant to this Section 10, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its Notices, but Notice of a change of address will only be effective upon receipt. Neither party will refuse or reject delivery of any Notice given in accordance with this Section 10.

## 11. Miscellaneous Provisions.

- (a) Assignments/Successors. This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties to this Agreement. No other party will be entitled to any benefits under this Agreement, whether as a third-party beneficiary or otherwise. This Agreement may be assigned at any time by Senior Lender to any subsequent holder of the Senior Note.
- (b) No Partnership or Joint Venture. Nothing in this Agreement or in any of the Senior Loan Documents or Subordinate Loan Documents will be deemed to constitute Senior Lender as a joint venturer or partner of Subordinate Lender.
- (c) Further Assurances. Upon Notice from Senior Lender, Subordinate Lender will execute and deliver such additional instruments and documents, and will take such actions, as are required by Senior Lender to further evidence or implement the provisions and intent of this Agreement; provided, however, that any such documents or instruments must be approved by the City Attorney for the City and County of Denver and not be in conflict with any requirements of the Charter for the City and County of Denver or any other law applicable to Subordinate Lender.
- (d) Amendment. This Agreement may be amended, changed, modified, altered or terminated only by a written instrument signed by the parties to this Agreement or their successors or assigns.
- (e) Governing Law. This Agreement will be governed by the laws of the State in which the Land is located.
- (f) Severable Provisions. If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is invalid, illegal, or unenforceable in any respect, the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected or impaired.
- (g) Term. The term of this Agreement will commence on the date of this Agreement and will continue until the earliest to occur of the following events:
  - (i) The payment of all the Senior Indebtedness; provided that this Agreement will be reinstated in the event any payment on account of the Senior Indebtedness (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, any or all of the Senior Indebtedness originally intended to be satisfied will be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the



Senior Indebtedness had not been made.

- (ii) The payment of all the Subordinate Indebtedness other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to this Agreement.
- (iii) The acquisition by Senior Lender or by a third-party purchaser of title to the Mortgaged Property pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Mortgage.
- (iv) With the prior written consent of Senior Lender, without limiting the provisions of Section 4(b)(iv), the acquisition by Subordinate Lender of title to the Mortgaged Property subject to the Senior Mortgage pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale under) the Subordinate Mortgage.
- (h) Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.
- (i) Entire Agreement. This Agreement represents the entire understanding and agreement between the parties regarding the matters addressed in this Agreement, and will supersede and cancel any prior agreements regarding such matters.
- (j) Authority. Each person executing this Agreement on behalf of a party to this Agreement represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations under this Agreement.
- (k) No Waiver. No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.
- (l) Remedies. Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

**[SIGNATURE AND ACKNOWLEDGMENT PAGES FOLLOW]**

**IN WITNESS WHEREOF**, the parties have duly executed this Agreement as of the day and year first above written.

**SENIOR LENDER:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of \_\_\_\_\_ )  
County/City of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_ (insert name and title of the officer), personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
(Signature)

**SUBORDINATE LENDER:**

**CITY AND COUNTY OF DENVER**, a  
Colorado municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of \_\_\_\_\_ )  
County/City of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_ (insert name and title of the officer), personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
(Signature)

## CONSENT OF BORROWER

Borrower acknowledges receipt of a copy of this Subordination Agreement, dated \_\_\_\_\_, 2025, by and between Wells Fargo Bank, National Association and the City and County of Denver and consents to the agreement of the parties set forth in this Agreement.

ALBION APARTMENTS LLLP, a Colorado  
limited liability limited partnership

By: Albion Apartments GP Delaware LLC,  
a Delaware limited liability company, its General Partner

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

Joseph A. DelZotto, Manager

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Colorado ) County/City of Denver )

On \_\_\_\_\_ before me, \_\_\_\_\_, personally appeared Joseph A. DelZotto, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Colorado that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

---

(Signature)

**EXHIBIT A**  
**LEGAL DESCRIPTION**

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

Parcel A

LOTS 4 THROUGH 7, INCLUSIVE, BLOCK 102, WARREN'S UNIVERSITY HEIGHTS, SECOND FILING, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

Purported address (for information only): 2222 SOUTH ALBION STREET,  
DENVER, CO 80222

Parcel B

PARCEL 1:  
LOTS 8 AND 9, BLOCK 102, WARREN'S UNIVERSITY HEIGHTS, SECOND FILING,  
CITY AND COUNTY OF DENVER, STATE OF COLORADO.

PARCEL 2:  
LOTS 10 TO 14, INCLUSIVE, BLOCK 102, WARREN'S UNIVERSITY HEIGHTS,  
SECOND FILING, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

Purported address (for information only): 2236 & 2242 - 2250 SOUTH ALBION STREET,  
DENVER, CO 80222

Parcel C

LOTS 15 TO 24, INCLUSIVE, BLOCK 102, WARREN'S UNIVERSITY HEIGHTS, SECOND FILING, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

Purported address (for information only): 2280 SOUTH ALBION STREET,  
DENVER, CO 80222

## EXHIBIT F-1

### (To HOST Loan Agreement for Albion Apartments)

#### CASH FLOW CALCULATION

The provisions of this Exhibit F are found in the Amended and Restated Agreement of Limited Partnership of Albion Apartments LLLP dated \_\_\_\_\_, 2025 (the “Partnership Agreement”). All capitalized terms used in this Exhibit F have the meanings assigned to them in the Partnership Agreement. A copy of the fully executed Partnership Agreement will be provided to the City after execution. Borrower must provide the City with any amendments to the Partnership Agreement.

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

(a) **Cash Flow.** Subject to any restrictions in the Mortgage Loan Documents, including the Surplus Cash Limitation, and subject to the terms of the Addendum, and provided further that all reserves have been funded and maintained as required in this Agreement (excluding any required replenishment from Cash Flow or Net Proceeds), Cash Flow, if available with respect to any Partnership Accounting Year, shall be applied or distributed annually, within ninety (90) days after the end of the Partnership Accounting Year (but in no event earlier than the filing of a Partnership Tax Return for such year), in the following priority:

(i) To the Investor Limited Partner until the total amount received pursuant to this clause and Section 4.02(b)(iii) equals the amount of any unpaid Downward Adjuster owed under Section 3.05 (including any interest on such amount described therein and any amount that is solely attributable to a Change in Law);

(ii) To repay any loans made by the Investor Limited Partner to the Partnership, with any such payments to be applied first to accrued but unpaid interest and then to principal;

(iii) To pay amounts then owed Investor Limited Partner for all accrued but unpaid Asset Management Fees;

(iv) To replenish the Operating Reserve to the Operating Reserve Amount;

(v) For the first four years of payments under the City HOST Loan, \$50,000, and thereafter \$102,940 (or in each case any lesser amount of remaining Cash Flow), to repay the City HOST Loan, as a priority repayment;

(vi) To repay interest and then principal on the Developer Fee Loan;

(vii) 50% of the remaining balance shall be applied 50% to repay the City HOST Loan and 50% to repay the CDOH Loan, until the City HOST Loan and CDOH Loan have been repaid in full;



(viii) To repay any Operating Deficit Loans owed to the General Partner, with any such payments to be applied first to accrued but unpaid interest and then to principal;

(ix) To pay any Deferred Management Fees to the Management Agent;

(x) To make payments then due under the PILOT Agreement, including deferred amounts and unpaid interest thereon, until the amounts owing are paid in full;

(xi) 25% of the remaining balance shall be deposited into the Property Tax Escrow Account;

(xii) To pay amounts then owed to the General Partner for all accrued but unpaid General Partner Asset Management Fee;

(xiii) To repay the Sponsor IDF Loan until the Sponsor IDF Loan is repaid in full and then to repay the Clean Air Loan until the Clean Air Loan is repaid in full; and

(xiv) The balance shall be distributed (A) for any Partnership Taxable year during the Energy Credit Period, 0.005% to the General Partner, 0.005% to the DHDP Special Limited Partner, 0.005% to the Class C Limited Partner and 99.985% to the Investor Limited Partner, and (B) for any Partnership Taxable Year ending after the Energy Credit Period, 0.005% to the General Partner, 0.005% to the DHDP Special Limited Partner, 89.99% to the Class C Limited Partner and 10% to the Investor Limited Partner.

(b) ***Distributions of Net Proceeds.*** Prior to dissolution of the Partnership, if the General Partner shall determine from time to time that Net Proceeds are available for distribution from a Capital Event, such Net Proceeds shall be applied or distributed as follows, subject to any restrictions in the Mortgage Loan Documents:

(i) To fund reserves for contingent liabilities to the extent deemed reasonable by the General Partner with the Consent of the Investor Limited Partner;

(ii) To the Investor Limited Partner until the total amount received pursuant to this clause and Section 4.02(a)(ii) equals the amount of any unpaid Downward Adjuster owed under Section 3.05 (including any interest on such amount described therein and any amount that is solely attributable to a Change in Law);

(iii) To repay the Investor Limited Partner any other loans made by the Investor Limited Partner to the Partnership, with any such payments to be applied first to accrued but unpaid interest and then to principal;

(iv) To pay amounts then owed to the Investor Limited Partner for accrued but unpaid Asset Management Fees;

(v) To the Investor Limited Partner in an amount equal to the amount of Profits allocated to it pursuant to Section 4.01(b)(iii);

- (vi) During the Federal Compliance Period, to replenish the Operating Reserve to the Operating Reserve Amount;
- (vii) To repay interest and then principal on the Developer Fee Loan;
- (viii) To make payments then due under the PILOT Agreement, including past due payments and accrued, unpaid interest thereon;
- (ix) To repay any Operating Deficit Loans owed to the General Partner, with any such payments to be applied first to accrued but unpaid interest and then to principal;
- (x) To pay any Deferred Management Fees to the Management Agent;
- (xi) To pay any amounts then owed to the General Partner for General Partner Asset Management Fees; and
- (xii) The balance, if any, shall be distributed (A) for any Partnership Taxable year during the Energy Credit Period, 0.005% to the General Partner, 0.005% to the DHDP Special Limited Partner, 0.005% to the Class C Limited Partner and 99.985% to the Investor Limited Partner, and (B) for any Partnership Taxable Year ending after the Energy Credit Period, 0.005% to the General Partner, 0.005% to the DHDP Special Limited Partner, 89.99% to the Class C Limited Partner and 10% to the Investor Limited Partner.

## Defined Terms

“*Addendum*” shall have the meaning set forth in the Recitals to the Partnership Agreement. The Addendum is attached to and is a part of the Partnership Agreement.

“*Agreement*” means the Amended and Restated Agreement of Limited Partnership, including the Addendum and all Exhibits and Schedules hereto, as amended from time to time in accordance with the terms of Section 15.03.

“*Asset Management Fee*” means the fee payable by the Partnership to the Investor Limited Partner pursuant to the Asset Management Fee Agreement from available Cash Flow and Net Proceeds as described in Article VI hereof, in the annual, cumulative amount of \$7,500 commencing on January 1, 2027, and increasing by 3% per annum beginning on January 1, 2028.

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

“*Capital Event*” means any transaction that is not in the ordinary course of business of the Partnership, including without limitation, the sale or other disposition of all or any substantial part of the assets of the Partnership or the refinancing of any Mortgage Loan, but excluding (i) unsecured loans to the Partnership and (ii) Capital Contributions; provided, however, that a Capital Event shall not include a Terminating Event.

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

“*CDOH*” means the Colorado Division of Housing, Department of Local Affairs.

“*CDOH Loan*” means that certain construction-to-permanent loan from CDOH to the Partnership, with a third Lien priority, in the principal amount of \$6,760,000, which bears interest at the rate of two percent (2%) per annum, compounding annually, has a term of up to 40 years, and requires Soft Debt Payments commencing on July 1, 2029 in accordance with Section 4.02(a).

“*City*” means the City of Denver.

“*City HOST Loan*” means that certain construction and permanent loan from the City to the Partnership, with a second Lien priority, in the principal amount of \$6,760,000, which bears simple interest at the rate of one percent (1%) per annum, has a term of forty (40) years, and requires Soft Debt Payments in accordance with Section 4.02(a).

“*Change in Law*” means an amendment or addition to the Code or Regulations that is applicable to the Apartment Complex or the Partnership and that has the result of reducing or eliminating the Credit for qualified low-income housing projects (as defined in Code Section 42(g)(1)) or substantially changes the requirements for qualifying for the Credit in a manner which the Partners reasonably agree cannot be satisfied by commercially reasonable efforts of the Partnership.

“*Class C Limited Partner*” means EAD Holdings Albion LLC, a Colorado limited liability company.

“*Clean Air Loan*” means that certain construction and permanent loan from the Developer to the Partnership, with a fifth lien priority, in the principal amount of \$600,000, which bears simple interest at the rate of one percent (1%), has a term of forty (40) years, and requires Soft Debt Payments in accordance with Section 4.02(a).

“*Consent*” means, and will be deemed to have been obtained, if the Investor Limited Partner (or the Special Limited Partner, as the case may be) shall have been notified in writing consistent with Section 15.02 by the General Partner of any action either proposed to be taken or for which ratification is desired and if the Limited Partner (or Special Limited Partner) shall have expressly consented in writing to such action. In the event that there is more than one Limited Partner, Consent of the Limited Partner shall be deemed to have been obtained if a majority in Interest of the Limited Partners so consents in accordance with the preceding sentence; *provided, however*, that if pursuant to the Uniform Act, the consent of all Limited Partners is required in a given context, then the term Consent of the Limited Partner shall be deemed to require the consent of all Limited Partners. The Investor Limited Partner (or Special Limited Partner, as applicable) agrees to use reasonable efforts to respond in writing within fifteen (15) Business Days of receipt of a notice from the General Partner; *provided, however*, that the Investor Limited Partner (or Special Limited Partner, as applicable) shall not under any circumstances be deemed to have given its consent if it fails to respond within the foregoing fifteen (15) Business Day period. In any action with respect to which the Consent of the Investor Limited Partner (or Special Limited Partner) is requested, the Partnership shall reimburse the Investor Limited Partner (or Special Limited Partner) for all attorneys’ fees, accountants’ fees and other expenses incurred by the Investor Limited Partner (or Special Limited Partner) in connection with the proposed matter, whether or not Consent is given. For purposes of clarity, the consent of the DHDP Special Limited Partner shall only be required if required in the Addendum.

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

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

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

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

*“Federal Compliance Period”* means the period described in Code Section 42(i)(1) and applicable to the Apartment Complex building. For purposes of this Agreement, the Federal Compliance Period for the Apartment Complex shall begin on the first day of the Federal Compliance Period for the Apartment Complex building first placed in service and end on the last day of the Federal Compliance Period for the Apartment Complex building last placed in service.

*“General Partner”* means Albion Apartments LLC, a Colorado limited liability company, which is wholly owned by Delwest Financial Corp, a Colorado corporation, and any Person or Persons who, at the time of reference thereto, have been admitted as additional or successor General Partners, in each such Person’s capacity as a general partner of the Partnership. At any time when there is more than one General Partner, the term “General Partner” or “General Partners” shall include, collectively, all such Persons, unless the context clearly implies that such term only refers to one of them.

*“General Partner Asset Management Fee”* means the asset management fee payable by the Partnership to the General Partner pursuant to the General Partner Asset Management Fee Agreement from Cash Flow and Net Proceeds as described in Article IV, in the annual, cumulative amount of \$11,830, commencing on January 1, 2027, and increasing by 3% per annum beginning on January 1, 2028.

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

*“Investor Limited Partner”* means Wells Fargo Bank, National Association, a national banking association, and any Person or Persons who, at the time of reference thereto, have been admitted as additional or successor Investor Limited Partners.

*“Management Agent”* means Delwest Management Corp. and/or any successor or assign that is selected by the General Partner, with the Consent of the Investor Limited Partner, to provide management services with respect to the Apartment Complex from time to time in accordance with Article XI.

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

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

“*Operating Deficit*” shall mean the amount by which (i) the amount of funds available to the Partnership from Effective Gross Income of the Apartment Complex, *together with* other available cash and funds on hand of the Partnership, if any (including, after Period 1, amounts released from the Operating Reserve), for the relevant time period *but excluding*: (a) funds from Capital Contributions (except to the extent that Capital Contribution proceeds are specified in the Budget as available to fund initial working capital amounts), (b) the proceeds of any loans obtained by the Partnership (except for Operating Deficit Loans), (c) advance rent payments and (d) nonforfeited tenant deposits, is less than (ii) the amount necessary to meet all of the operating costs and expenses of any type due and payable for such time period incidental to the operation and business activities of the Partnership, including, without limitation, debt service payments due under the Mortgage Loans (other than Soft Debt Payments), taxes, insurance, costs of operations, maintenance, repairs, interest, Management Fees and expenses, prepaid expenses, any expenses and payments for relocation of tenants, and reserve funding and maintenance requirements set forth in Section 6.10, but excluding repayment of any loans from the General Partner or Affiliates thereof, distributions of Cash Flow to Partners or payments of fees or other items solely from available Cash Flow, replenishment of the Operating Reserve from Cash Flow, amounts expended for capital improvements and similar items, and expenses, fees and reserves which are permitted to be funded from proceeds of Capital Contributions or Mortgage Loans. For purposes of the foregoing, to the extent provided in Section 7.01 hereof, up to 50% of the monthly Management Fee shall not be treated as an operating cost or expense of the Apartment Complex and shall instead be deferred without interest as necessary to reduce the amount, or avoid the occurrence of, an Operating Deficit.

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

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

“*Operating Reserve Amount*” means \$[1,225,000], which is the initial amount to be deposited into the Operating Reserve from the Performance Installment and the target amount to be replenished from Cash Flow and Net Proceeds.

“*Partnership*” means Albion Apartments LLLP, a limited liability limited partnership formed under and pursuant to the Uniform Act.

“*Partnership Accounting Year*” means the accounting year of the Partnership, ending December 31 of each year.

“*Partnership Tax Return*” means the United States Partnership Income Tax Return (Form 1065) for the Partnership, together with all Schedules K-1 included therein, and all state and local tax returns and other similar schedules required to be filed with respect to the operations of the Partnership.

“*Permanent Loan Conversion*” means the date on which the Construction Loan is fully repaid and a portion of the Bond Loan in the amount of the Approved Loan Amount is converted into its permanent phase in accordance with the terms and conditions set forth in that certain [ ] dated as of [ ] issued by Freddie Mac to the Partnership and approved by the Investor Limited Partner pursuant to Section 5.04.

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

“*Property Tax Escrow Account*” means that certain escrow account described in Section 6.10(p)(iii) and established and maintained pursuant to the Addendum.

“*Soft Debt Payments*” means contingent payments under any Mortgage Loan that are payable only from available Cash Flow or similar measure of cash available to pay debt service.

“*Sponsor IDF Loan*” means that certain construction-to-permanent loan from the Developer to the Partnership, in the principal amount of \$1,006,010, with fourth Lien priority, which bears interest at the rate of two and one-half percent (2.5%), compounding annually, has a term of forty years, and requires Soft Debt Payments in accordance with Section 4.02(a).

“*Surplus Cash Limitation*” means during such period that the First Mortgage Loan is outstanding, distributions of Cash Flow in any Partnership Accounting Year to pay the CDOH Loan and the City Loan shall, in the aggregate, not exceed 75% of Surplus Cash (as such term is defined in the subordination agreements executed in connection with the First Mortgage Loan).