

SECOND AMENDMENT, ASSIGNMENT, AND ASSUMPTION AGREEMENT

THIS SECOND AMENDMENT, ASSIGNMENT, AND ASSUMPTION 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”), **ARCHWAY HOUSING & SERVICES, INC.** (formerly Rocky Mountain HDC, Inc.), a Colorado nonprofit corporation whose address is 8585 W 14th Ave Ste A, Lakewood, Colorado 80215 (“Archway”), and **CORNERSTONE RESIDENCES LLLP**, a Colorado limited liability limited partnership located at 8585 W 14th Ave Ste A, Lakewood, Colorado 80215 (“Cornerstone”) each individually a “Party” and collectively the “Parties.”

RECITALS:

WHEREAS, the City and Archway entered into that certain Loan Agreement dated August 14, 2008 and First Amendment and Modification Agreement dated May 5, 2009 (collectively, the “Loan Agreement”) relating to a loan to Archway in the principal amount of One Million One Hundred Eighty-Six Thousand Two Hundred Seventy-Three Dollars and No Cents (\$1,186,273.00) (the “Loan”); and

WHEREAS, Archway executed that certain Promissory Note dated September 23, 2008, evidencing the terms of the Loan (the “Note”); and

WHEREAS, repayment of the Note is secured by that certain Deed of Trust dated September 23, 2008, and recorded on September 24, 2008, at Reception No. 2008131648, as amended by the First Amendment and Modification Agreement dated May 5, 2009, and recorded on June 5, 2009, at Reception No. 2009069955 (collectively, the “Deed of Trust”), as a lien against certain real property in the City and County of Denver; and

WHEREAS, on or around the date hereof, the City has executed a partial release of the Deed of Trust, such that the legal description (“Legal Description”) of the encumbered property of the Loan is:

Residential Unit-1 (R-1), Cornerstone Condominiums, according to the Declaration for Cornerstone Condominiums recorded March 7th, 2014 in the office of the Clerk and Recorder of the City and County of Denver, Colorado, at Reception No. 2014026769 and First Amendment to Declaration for Cornerstone Condominiums recorded July 22, 2015 at Reception No. 2015101320; also known as known as Unit 1 according to the Condominium Map for Cornerstone

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Condominiums recorded March 7th, 2014 in such office at Reception No. 2014026769.

WHEREAS, The St. Francis Center, a Colorado non-profit corporation (“St. Francis”), a member of Park Avenue and Curtis LLC, a Colorado limited liability company, the general partner of Cornerstone, caused that certain Rental and Occupancy Covenant dated September 2, 2008, and recorded on September 2, 2008, at Reception No. 2008120925, 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, on or around the date hereof, the City has executed a partial release of the Covenant limiting the legal description of the property encumbered by the Covenant to the Legal Description; and

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

WHEREAS, Archway wishes to assign the Archway Loan Documents from Archway to Cornerstone and Cornerstone desires to assume the Archway Loan Documents; and

WHEREAS, collectively, the Archway Loan Documents and Covenant are referred to herein as the “Loan Documents;” and

WHEREAS, the Parties wish to amend certain terms of the Loan Agreement; and

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

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

1. All references to “Division of Housing & Neighborhood Development Services” and “HNDS” in the Loan Documents shall be replaced to read “Department of Housing Stability” and “HOST,” respectively.

2. The City hereby consents to the previous transfer of the Property from Archway Housing & Services, Inc. to Cornerstone Residences LLLP.

3. Archway hereby assigns, and Cornerstone hereby assumes and agrees to perform all obligations of Archway, in the manner and in all respects as provided in the Archway Loan Documents and any amendments thereto; and to be bound by the terms of the Archway Loan

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Documents, all as though the Archway Loan Documents had been made, executed, and delivered by Cornerstone. The City hereby consents to the assignment of the Archway Loan Documents by Archway and the assumption by Cornerstone. As of the Effective Date, the City hereby fully and unconditionally releases Archway from any and all obligations, duties, or liabilities under the Archway Loan Documents, except for any liabilities or obligations relating to matters arising prior to the Effective Date.

4. All references to “Borrower” in the Archway Loan Documents shall hereinafter mean “Cornerstone Residences LLLP.”

5. All references to “Owner” in the Covenant shall hereinafter mean “Cornerstone Residences LLLP.”

6. Section 16 of the Loan Agreement entitled “**NO DISCRIMINATION IN EMPLOYMENT**” is deleted in its entirety and replaced with the following:

“16. **NO DISCRIMINATION IN EMPLOYMENT**: In connection with the performance of work under this Loan Agreement, 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. Borrower shall insert the foregoing provision in all subcontracts.”

7. Section 28 entitled “**SUBORDINATION**” is hereby inserted into the Loan Agreement and states:

“28. **SUBORDINATION**:

A. The Executive Director, or the Executive Director’s designee (the “Executive Director”), of the City’s Department of Housing Stability (“HOST”) is authorized to execute documents necessary to subordinate the lien of the City’s Deed of Trust so long as (i) such documents are in a form satisfactory to the City Attorney; (ii) encumbrances prior to the City’s Deed of Trust do not exceed Five Million Four Hundred Thousand Dollars and No Cents (\$5,400,000.00) under the permanent loans; and (iii) Borrower is not then in

default of its obligations pursuant to this Agreement, the Promissory Note, the Deed of Trust or the Covenant; and (iv) all additional financing for the Project is committed.

B. The Executive Director is authorized to execute documents necessary to subordinate the City's Deed of Trust to land use restriction agreements ("LURAs"), such as the Lura required by the Colorado Housing and Finance Authority, so long as (i) the subordination agreement is in the form acceptable to the City Attorney; and (ii) encumbrances prior to the City's Deed of Trust do not exceed Five Million Four Hundred Thousand Dollars and No Cents (\$5,400,000.00) under the permanent loans; and (iii) Borrower is not in default of its obligations pursuant to this Agreement, the Deed of Trust or the Covenant.

C. The Executive Director is authorized to execute documents necessary to accomplish the Loan, as set forth herein, so long as (i) such documents are in a form satisfactory to the City Attorney; and (ii) and (ii) encumbrances prior to the City's Deed of Trust do not exceed Five Million Four Hundred Thousand Dollars and No Cents (\$5,400,000.00) under the permanent loans; and (iii) Borrower is not in default of its obligations pursuant to this Agreement, the Deed of Trust, or the Covenant."

8. Section 29 entitled "**NONRECOURSE**" is hereby inserted into the Loan Agreement and states:

"**29. 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 Agreement, the Promissory Note, the Deed of Trust, and the Covenant shall impose no personal liability on Borrower or any partner, member or manager of Borrower for payment of any of the obligations described herein or therein, and the City's sole recourse shall be against the Project."

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.

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[SIGNATURE PAGES TO FOLLOW]

Contract Control Number:
Contractor Name:

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ARCHWAY HOUSING & SERVICES INC
CORNERSTONE RESIDENCES 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-202580566-02/ HOST GE8A021-00
ARCHWAY HOUSING & SERVICES INC

By:

DocuSigned by:

Laura Brudzynski

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Name:

Laura Brudzynski

(please print)

Title:

Chief Executive Officer

(please print)

ATTEST: [if required]

By:

Name:

(please print)

Title:

(please print)

Contract Control Number: HOST-202580566-02/ HOST GE8A021-00
Contractor Name: CORNERSTONE RESIDENCES LLLP

By:

DocuSigned by:

Laura Brudzynski

17706FBE60E04D5...

Name: Laura Brudzynski
(please print)

Title: Chief Executive Officer
(please print)

ATTEST: [if required]

By:

Name:
(please print)

Title:
(please print)