
LOAN AGREEMENT

by and between

PACIFIC WESTERN BANK,
as Bank

and

CITY AND COUNTY OF DENVER, COLORADO,
as Governmental Lender

dated as of [_____] 1, 2021

relating to:

 \$[PARA]
City and County of Denver, Colorado
Multifamily Housing Revenue Note
 (Rhonda's Place)
 Series 2021A

 \$[PARB]
City and County of Denver, Colorado
Multifamily Housing Revenue Note
 (Rhonda's Place)
 Taxable Series 2021B

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LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of [_____] 1, 2021 (this “Bank Loan Agreement”), is by and between **PACIFIC WESTERN BANK**, a California state-chartered bank (the “Bank”), and the **CITY AND COUNTY OF DENVER, COLORADO** (together with any successors to its rights, duties and obligations, the “Governmental Lender”), a legally and regularly created, established, organized and validly existing home rule city, municipal corporation and political subdivision under the provisions of Article XX of the Constitution of the State of Colorado (the “State”) and the Home Rule Charter of the City (the “Charter”).

RECITALS

WHEREAS, the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the “Act”); the Colorado Supplemental Public Securities Act, constituting Part 2, Article 57, Title 11, Colorado Revised Statutes, as amended (the “Supplemental Act”); and the Charter authorizes the Governmental Lender to finance one or more projects, including any land, buildings or other improvements and all real and personal properties, whether or not in existence, which shall be suitable for residential facilities for low- and middle-income families or persons and intended for use as the sole place of residence by the owners or intended occupants to the end that more adequate residential housing facilities for low- and middle-income families and persons may be provided, which promote the public health, welfare, safety, convenience and prosperity; and

WHEREAS, the Governmental Lender is authorized to (a) enter into financing agreements with others for the purpose of providing revenues to pay the bonds authorized by this article; to lease, sell, or otherwise dispose of any or all of its projects to others for such revenues and upon such terms and conditions as the governing body may deem advisable; and to grant options to renew any lease or other agreement with respect to the project and to grant options to buy any project at such price as the governing body deems desirable; (b) issue revenue bonds for the purpose of defraying the cost of financing, refinancing, acquiring, improving, and equipping any project, including the payment of principal and interest on such bonds for not exceeding three years, funding any reserve funds which the governing body may deem advisable to establish in connection with the retirement of the proposed bonds or the maintenance of the project, and all other incidental expenses incurred in issuing such bonds; and to secure payment of such bonds as provided in the Act; and

WHEREAS, Rhonda’s Place, LLLP, a Colorado limited liability limited partnership (the “Borrower”), has requested the Governmental Lender to enter into this Bank Loan Agreement under which the Bank (i) will advance funds (the “Bank Loan”) to or for the account of the Governmental Lender; and (ii) will apply the proceeds of the Bank Loan to make a loan (the “Borrower Loan”) to the Borrower to finance the acquisition, construction and equipping of a 50-unit (including one manager’s unit) multifamily rental housing development [for individuals experiencing homelessness] located in the City and County of Denver, State of Colorado, known as “Rhonda’s Place” (the “Project”); and

WHEREAS, simultaneously with the delivery of this Bank Loan Agreement, the Governmental Lender and the Borrower will enter into a Loan Agreement of even date herewith

(as it may be supplemented or amended, the “Borrower Loan Agreement”), whereby the Borrower agrees to make loan payments to the Governmental Lender in an amount which, when added to other funds available under this Bank Loan Agreement, will be sufficient to enable the Governmental Lender to repay the Bank Loan and to pay all costs and expenses related thereto when due; and

WHEREAS, to evidence its payment obligations under the Borrower Loan Agreement, the Borrower will execute and deliver to the Governmental Lender its Borrower Notes (as defined herein), and the obligations of the Borrower under the Borrower Notes will be secured by a lien on and security interest in the Project pursuant to a Deed of Trust (as defined herein) of even date herewith made by the Borrower in favor of the Governmental Lender, as assigned by the Governmental Lender without recourse to the Bank to secure the performance by the Governmental Lender of its obligations under the Bank Loan; and

WHEREAS, the Governmental Lender has executed and delivered to the Bank its Governmental Lender Notes (as defined herein), evidencing its obligation to make the payments due to the Bank under the Bank Loan as provided in this Bank Loan Agreement, and all things necessary to make this Bank Loan Agreement and the Governmental Lender Notes, the valid, binding and legal limited obligations of the Governmental Lender, have been done and performed and the execution and delivery of this Bank Loan Agreement and the execution and delivery of the Governmental Lender Notes, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1. Definitions. The following words and terms as used in this Bank Loan Agreement shall have the following meanings unless the context or use otherwise requires:

“Act” means the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended, as now in effect and as it may from time to time hereafter be amended or supplemented to apply to obligations incurred as of the Closing Date.

“Act of Bankruptcy” means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the Borrower, or any guarantor of the Borrower, under any applicable bankruptcy, insolvency or similar law now or hereafter in effect.

“Affiliate” means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person.

“Approved Institutional Buyer” means (1) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof (the

“Securities Act”); (2) an “accredited investor” as defined in paragraphs (1) through (3) of subsection (a) of Section 501 (“Section 501”) of Regulation D promulgated under the Securities Act; (3) an entity that is directly or indirectly wholly owned or controlled by the purchaser/bondholder representative (being a financial institution described in (1) above); (4) an “accredited investor” as defined in paragraph (5) of subsection (a) of said Section 501, provided that the minimum net worth shall be \$5,000,000; (5) an “accredited investor” as defined in paragraph (6) of subsection (a) of said Section 501, provided that the minimum income (individual or joint) shall be \$1,000,000; (6) an entity all of the investors in which are described in (1), (2) or (3) above; or (7) a custodian or trustee for a party described in (1), (2), (3), (4) or (5) above.

“Assignment Agreement” means that certain Assignment Agreement, dated as of [] 1, 2021, by and between the Bank and the Governmental Lender, as referenced in Section 6.6 of this Bank Loan Agreement and Section 6.8 of the Borrower Loan Agreement.

“Bank” means Pacific Western Bank, and its successors and assigns.

“Bank Loan” means the mortgage loans originated hereunder by the Bank to the Governmental Lender initially in a combined maximum principal amount of \$[], evidenced by the Governmental Lender Notes, for the purpose of enabling the Governmental Lender to make the Borrower Loan to the Borrower pursuant to the terms of the Borrower Loan Agreement.

“Bank Loan Agreement” means this Loan Agreement, as amended and supplemented from time to time.

“Bank Loan Documents” means this Bank Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Governmental Lender Notes, the Assignment Agreement, the Borrower Notes, the Borrower Assignments, the Continuing Covenant Agreement, the Disbursement Agreement and the Deed of Trust.

“Borrower” means Rhonda’s Place, LLLP, a Colorado limited liability limited partnership, and its successors and assigns.

“Borrower Assignments” means, collectively, the Assignment of Development Agreement and Developer Fee Subordination Agreement, made effective as of [] 1, 2021, by the Borrower and the Developer (as defined therein) for the benefit of the Bank; the Environmental Indemnity Agreement, made effective as of [] 1, 2021, by the Borrower and the Guarantor in favor of the Bank; the Guaranty of Payment and Performance, made effective as of [] 1, 2021, by the Guarantor in favor of the Bank; the Continuing Covenant Agreement; the Disbursement Agreement; the Assignment of Construction Contracts, made effective as of [] 1, 2021, by the Borrower in favor of the Bank; the Assignment of Management Contracts and Subordination of Management Fees, and made effective as of [] 1, 2021, by the Borrower in favor of the Bank; and the Security Agreement Assignment of Partnership Interest and Capital Obligations made effective as of [] 1, 2021 by the Borrower and the Borrower’s general partner in favor of the Bank.

“Borrower Loan” means the mortgage loans originated by the Governmental Lender to the Borrower in a combined maximum principal amount of \$[PAR], evidenced by the Borrower Notes, pursuant to the terms of the Borrower Loan Agreement;

“Borrower Loan Agreement” means that certain Loan Agreement, dated as of [] 1, 2021, by and between the Governmental Lender and the Borrower, as amended and supplemented from time to time, pursuant to which the Borrower Loan is being made.

“*Borrower Notes*” means, collectively, the Borrower Tax-Exempt Note and the Borrower Taxable Note, and a “*Borrower Note*” shall mean one of such Borrower Notes.

“Borrower Representative” means any officer of the general partner of the Borrower designated by action of the Borrower to be a Borrower Representative for purposes of the Loan Documents.

“Borrower Taxable Note” shall mean that certain Multifamily Note dated the Closing Date in the original maximum principal amount of \$[PARA] made by Borrower and payable to Governmental Lender, as endorsed and assigned to the Bank, as it may be amended, supplemented or replaced from time to time.

“Borrower Tax-Exempt Note” shall mean that certain Multifamily Note dated the Closing Date in the original maximum principal amount of \$[PARB] made by Borrower and payable to Governmental Lender, as endorsed and assigned to the Bank, as it may be amended, supplemented or replaced from time to time.

“Business Day” means any day other than a Saturday, a Sunday, or a day on which the Bank is closed.

“Charter” means the Home Rule Charter of the City and County of Denver, State of Colorado.

“City” means the City and County of Denver, Colorado.

“Closing Date” means [Closing Date], being the date of issuance of Governmental Lender Notes for purposes of the Code.

“Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date and (except as otherwise referenced herein) as it may be amended, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Covenant Agreement” means the Continuing Covenant Agreement, dated as of [] 1, 2021, between the Bank and the Borrower, as amended and supplemented from time to time in accordance with its terms.

“Control” shall mean, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the

possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise.

“County” means County of Denver, Colorado.

“Deed of Trust” means the Construction Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of [_____] 1, 2021, executed by the Borrower and granting a security interest in the Project, to the Title Company, as trustee, for the benefit of the Bank, to secure the Borrower’s obligations under the Borrower Notes to repay the Borrower Loan, and all obligations related thereto under this Borrower Loan Agreement.

“Disbursement Agreement” means the Construction Disbursement Agreement, dated as of [_____] 1, 2021, between the Bank and the Borrower, as amended and supplemented from time to time in accordance with its terms.

“Equity Investor” means individually and collectively Red Stone Equity-Fund 70 Limited Partnership, a Delaware limited partnership and/or Affordable Housing Fund Colorado I LLC, a Missouri limited liability company, and their successors and assigns.

“Event of Default” means any of the events described as an event of default in Section 7.1 hereof.

“Governmental Lender” means the City and County of Denver, Colorado (together with any successors to its rights, duties and obligations), a legally and regularly created, established, organized and validly existing home rule city, municipal corporation and political subdivision under the provisions of Article XX of the Constitution of the State and the Charter.

“Governmental Lender Notes” means, collectively, the Governmental Lender Tax-Exempt Note and the Governmental Lender Taxable Note, and a “Governmental Lender Note” means one of such Governmental Lender Notes.

“Governmental Lender Representative” means the Mayor, the Deputy Mayor, the City Attorney, the Executive Director of the Department of Housing Stability, the Chief Financial Officer, and any other officer or employee of the Governmental Lender designated as a Governmental Lender Representative by a certificate of the Governmental Lender to act on its behalf.

“Governmental Lender Taxable Note” means that certain City and County of Denver, Colorado Multifamily Housing Revenue Note (Rhonda’s Place) Taxable Series 2021B, dated the Closing Date, evidencing the Bank Loan, in the principal amount of \$[PARB], made by the Governmental Lender and payable to the Bank, as executed by the Governmental Lender on the Closing Date as it may thereafter be amended or supplemented from time to time, in the form attached hereto as Exhibit A.

“Governmental Lender Tax-Exempt Note” means that certain City and County of Denver, Colorado Multifamily Housing Revenue Note (Rhonda’s Place) Series 2021A, dated the Closing Date, evidencing the Bank Loan, in the principal amount of \$[PARA], made by the

Governmental Lender and payable to the Bank, as executed by the Governmental Lender on the Closing Date as it may thereafter be amended or supplemented from time to time, in the form attached hereto as Exhibit A.

“Guarantor” has the meaning given that term in the Borrower Loan Agreement.

“Initial Disbursement” means the initial advance of the principal of the Bank Loan on the Closing Date in respect of Governmental Lender Tax-Exempt Note, in the amount specified by the Bank on the Closing Date (which shall be an amount no less than \$50,001).

“Loan Documents” has the meaning given to such term in the Borrower Loan Agreement.

“Maturity Date” shall mean the maturity date of the Governmental Lender Notes as specified therein.

“Maximum Legal Rate” shall mean the lesser of (i) 12% per annum and (ii) the maximum interest rate that may be paid on the Bank Loan under State law.

“Opinion of Counsel” shall mean a written opinion from an attorney or firm of attorneys, acceptable to the Bank and the Governmental Lender with experience in the matters to be covered in the opinion; provided that whenever an Opinion of Counsel is required after the Closing Date to address the exclusion of interest on the Governmental Lender Tax-Exempt Note from gross income for purposes of federal income taxation, such opinion shall be a Tax Counsel No Adverse Effect Opinion.

“Ordinance” means the ordinance adopted by the Governmental Lender authorizing the Governmental Lender Notes, and the execution and delivery of the Loan Documents to which it is a party.

“Person” shall mean an individual, a corporation, a partnership, a limited liability company, a limited liability partnership, a limited partnership, a trust, an unincorporated organization or a government or any agency or political subdivision thereof.

“Pledged Revenues” shall have the meaning given such term in Section 2.1(d) hereof.

“Project” means, that residential rental facility consisting of a total of 50 units (including one manager unit) multifamily rental housing development located in the City and County of Denver, State of Colorado, known as “Rhonda’s Place” on the real property described in Exhibit A to the Deed of Trust.

“Regulations” means the income tax regulations promulgated by the United States Department of the Treasury from time to time pursuant to the Code.

“Regulatory Agreement” shall mean that certain Tax Regulatory Agreement, dated as of [] 1, 2021, by and among the Governmental Lender, the Bank and the Borrower, as hereafter amended or modified.

“Required Transferee Representations” shall mean a letter executed and delivered to the Governmental Lender by an authorized representative of an Approved Institutional Buyer in the form set forth as Exhibit B hereto.

“Security” shall mean the security for the Governmental Lender Notes assigned by the Governmental Lender to the Bank pursuant to the Assignment Agreement.

“State” means the State of Colorado.

“Supplemental Act” the Colorado Supplemental Public Securities Act, constituting Part 2, Article 57, Title 11, Colorado Revised Statutes, as amended.

“Tax Certificate” shall mean the Federal Tax Exemption Certificate, dated the Closing Date, executed and delivered by the Governmental Lender and the Borrower.

“Tax Counsel” shall mean Kutak Rock LLP or any other attorney or firm of attorneys designated by the Governmental Lender and approved by the Bank having a national reputation for skill in connection with the authorization and issuance of municipal obligations under Sections 103 and 141 through 150 (or any successor provisions) of the Code.

“Tax Counsel Approving Opinion” shall mean an opinion of Tax Counsel substantially to the effect that the Governmental Lender Notes constitute valid and binding obligations of the Governmental Lender and that, under existing statutes, regulations published rulings and judicial decisions, the interest on the Governmental Lender Tax-Exempt Note is excludable from gross income for federal income tax purposes (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

“Tax Counsel No Adverse Effect Opinion” shall mean an opinion of Tax Counsel substantially to the effect that the taking of the action specified therein will not, in and of itself, adversely affect any exclusion of interest on the Governmental Lender Tax-Exempt Note from gross income for purposes of federal income taxation (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

“Title Company” shall mean [Fidelity National Title Insurance Company as agent for Commonwealth Land Title Insurance Company].

“Unassigned Rights” means, the rights of the Governmental Lender to seek specific performance by the Borrower under the Regulatory Agreement and under the Borrower Loan Agreement; all of the rights of the Governmental Lender and its officers, governing members, directors, officials, employees, attorneys and agents under Section 6.7 of the Borrower Loan Agreement; the retained rights of the Governmental Lender under Sections 2.3, 2.4, 4.1, 5.1(b), 5.1(c), 5.1(d), 7.4, 8.7, 8.12 and 8.13 of the Borrower Loan Agreement; the rights of the Governmental Lender to be paid its fees and expenses, including attorney’s fees of the Governmental Lender; the rights of the Governmental Lender to give or withhold consent to amendments, changes, modifications and alterations to this Bank Loan Agreement, the Borrower Loan Agreement and the Regulatory Agreement; to receive notices and the right to enforce such rights.

Section 1.2. Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Bank Loan Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

Section 1.3. Recitals, Titles and Headings. The terms and phrases used in the recitals of this Bank Loan Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all such terms and phrases for purposes of this Bank Loan Agreement shall be determined by references to Section 1.1 hereof. The titles and headings of the articles and sections of this Bank Loan Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Bank Loan Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations of the Governmental Lender. The Governmental Lender makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Governmental Lender is a legally and regularly created, established, organized and validly existing home rule city, municipal corporation and political subdivision under the provisions of Article XX of the Constitution of the State and the Charter of the City, has the power and authority to (i) enter into the Bank Loan Documents to which it is a party and the transactions contemplated thereby; (ii) incur the limited obligations represented by the Governmental Lender Notes and apply the proceeds of such obligation for the purpose of financing the Project; and (iii) carry out its other obligations under this Bank Loan Agreement and the Governmental Lender Notes, and by proper action has duly authorized the Governmental Lender's execution and delivery of, and its performance under, the Bank Loan Documents to which it is a party or otherwise bound.

(b) The Governmental Lender is not in default under or in violation of, and the execution and delivery of the Bank Loan Documents to which it is a party and its compliance with the terms and conditions thereof will not conflict or constitute a default under or a violation of, (i) the Act; (ii) to its knowledge, any other existing laws, rules, regulations, judgments, decrees and orders applicable to it; or (iii) to its knowledge, the provisions of any agreements and instruments to which the Governmental Lender is a party, a default under or violation of which would prevent it from entering into this Bank Loan Agreement, executing and delivering the Governmental Lender Notes, financing the Project, executing and delivering the other Bank Loan Documents to which it is a party or consummating the transactions contemplated thereby, and, to its knowledge, no event has

occurred and is continuing under the provisions of any such agreement or instrument or otherwise that with the lapse of time or the giving of notice, or both, would constitute such a default or violation (it being understood, however, that the Governmental Lender is making no representations as to the necessity of registering the Governmental Lender Notes or the Borrower Notes pursuant to any securities laws or complying with any other requirements of securities laws).

(c) To the best knowledge of the Governmental Lender, no litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the knowledge of the Governmental Lender, threatened against the Governmental Lender with respect to (i) the organization and existence of the Governmental Lender, (ii) its authority to execute or deliver the Bank Loan Documents to which it is a party, (iii) the validity or enforceability of any such Bank Loan Documents or the transactions contemplated thereby, (iv) the title of any officer of the Governmental Lender who executed such Bank Loan Documents or (v) any authority or proceedings relating to the execution and delivery of such Bank Loan Documents on behalf of the Governmental Lender, and no such authority or proceedings have been repealed, revoked, rescinded or amended but are in full force and effect.

(d) The revenues and receipts to be derived from the Borrower Loan Agreement, the Borrower Notes and this Bank Loan Agreement (the "Pledged Revenues") have not been pledged previously by the Governmental Lender to secure any of its notes or bonds other than the Bank Loan as evidenced by the Governmental Lender Notes.

(e) The Governmental Lender is duly authorized pursuant to law to execute and deliver the Governmental Lender Notes and to enter into this Bank Loan Agreement and to pledge and assign the Security purported to be pledged and assigned under the Assignment Agreement in the manner and to the extent provided in this Bank Loan Agreement. The Governmental Lender has duly authorized the execution and delivery of the Governmental Lender Notes and the Bank Loan Agreement under the terms and provisions of the Act, the Supplemental Act, the Charter and an Ordinance adopted by its City Council and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability against the Governmental Lender of the Governmental Lender Notes and this Bank Loan Agreement. The Governmental Lender has taken all necessary action and has complied with all provisions of the Act, the Supplemental Act and the Charter required to make the Governmental Lender Notes and this Bank Loan Agreement the valid, legal and binding limited obligations of the Governmental Lender.

THE GOVERNMENTAL LENDER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, (I) WITH RESPECT TO THE PROJECT FACILITIES OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, THEIR VALUE, DESIGN, CONDITION, HABITABILITY, WORKMANSHIP, QUALITY, CAPACITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE WITH ANY LEGAL REQUIREMENTS, LATENT DEFECTS OR THAT THE PROJECT FACILITIES WILL BE ADEQUATE OR SUFFICIENT FOR THE PURPOSES OF THE BORROWER; (II) WITH RESPECT TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER

OR ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE SALE OF WITH THE BANK LOAN OR THE BORROWER LOAN, OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF; OR (III) WITH RESPECT TO THE PLANS AND SPECIFICATIONS TO CONSTRUCT THE PROJECT FACILITIES OR THE ADEQUACY OR SUFFICIENCY OF THE FINANCING. NOTHING IN THIS BANK LOAN AGREEMENT SHALL BE CONSTRUED AS REQUIRING THE GOVERNMENTAL LENDER TO PROVIDE ANY FINANCING FOR THE PROJECT FACILITIES OTHER THAN THE PROCEEDS OF THE LOAN OR TO PROVIDE SUFFICIENT MONEYS FOR ALL OF THE COSTS OF THE PROJECT.

Section 2.2. Representations, Warranties and Covenants of the Bank. The Bank as of the date hereof, represents, warrants and covenants that:

(a) The Bank is a banking corporation, organized and existing under the laws of the State, is in good standing in the State, and has full legal right, power and authority under the laws of the United States and the State (i) to enter into the Bank Loan Documents to which it is a party, (ii) to perform its obligations thereunder, and (iii) to consummate the transactions on its part contemplated by the Bank Loan Documents to which it is a party.

(b) The Bank Loan Documents to which it is a party have been duly executed and delivered by the Bank and, when duly authorized, executed and delivered by the other respective parties thereto, will constitute valid and binding obligations of the Bank, enforceable against the Bank in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally.

(c) The execution and delivery of the Bank Loan Documents to which it is a party, the performance by the Bank of its obligations thereunder and the consummation of the transactions on its part contemplated thereby will not violate any law, regulation, rule or ordinance or any order, judgment or decree of any federal, state or local court and do not conflict with, or constitute a breach of, or a default under, any document, instrument or commitment to which the Bank is a party or by which the Bank or any of its property is bound.

(d) The Bank has not been served with and, to the knowledge of the Bank there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending or threatened against the Bank which (i) affects or seeks to prohibit, restrain or enjoin the Bank's loaning of the amounts set forth herein to the Governmental Lender or the Bank's execution and delivery of the Bank Loan Documents to which it is a party; (ii) affects or questions the validity or enforceability against the Bank of the Bank Loan Documents to which it is a party; or (iii) questions the power or authority of the Bank to carry out the transactions on its part contemplated by, or to perform its obligations under, the Bank Loan Documents to which it is a party.

(e) Any certificate signed by a representative of the Bank and delivered pursuant to this Bank Loan Agreement or any of the other Bank Loan Documents to which it is a party shall be deemed a representation and warranty by the Bank as to the statements made therein.

ARTICLE III

THE BANK LOAN

Section 3.1. Closing of the Bank Loan. The closing of the Bank Loan shall not occur until the following conditions are met:

(a) the Bank shall have received an original executed counterpart of this Bank Loan Agreement, the Governmental Lender Notes, the Assignment Agreement, the Regulatory Agreement, the Disbursement Agreement, the Deed of Trust, the Borrower Assignments, the Continuing Covenant Agreement and the Subordination Agreement, and the original of the Borrower Notes endorsed by the Governmental Lender without recourse to the Bank, together with evidence satisfactory to the Bank of the recordation of the Regulatory Agreement, the Subordination Agreement and the Deed of Trust in the official records of the Clerk and Recorder of the County, which may be by telephonic notice from the Title Company or an insured lien in the form of gap coverage from a title company, together with escrow instructions providing for the recording of the Recording Documents in the official records of the Clerk and Recorder of the County after the Closing Date;

(b) no Event of Default nor any event which with the passage of time and/or the giving of notice would constitute an Event of Default under this Bank Loan Agreement shall have occurred as evidenced by a certificate received from the Governmental Lender;

(c) the conditions to the Initial Disbursement of the Bank Loan set forth in the Disbursement Agreement and the Continuing Covenant Agreement shall have been satisfied in full;

(d) counsel to the Borrower shall have delivered an opinion in form satisfactory to counsel to the Governmental Lender and counsel to the Bank regarding the enforceability against the Borrower of the Bank Loan Documents to which the Borrower is a party;

(e) the Governmental Lender shall have received a Tax Counsel Approving Opinion with a reliance letter addressed to the Bank;

(f) the Bank shall have received an opinion of Tax Counsel to the effect that the Governmental Lender Notes are exempt from registration under the Securities Act of 1933, and this Bank Loan Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(g) the receipt by the Governmental Lender of Required Transferee Representations executed by the Bank;

(h) the Bank shall have received the original Governmental Lender Notes, executed by the Governmental Lender;

(i) the Bank shall have received a certified copy of the Ordinance of the Governmental Lender authorizing the issuance of the Governmental Lender Notes; and

(j) all legal matters incident to the transactions contemplated by this Bank Loan Agreement shall be concluded to the reasonable satisfaction of the Governmental Lender's counsel and counsel to the Bank.

Section 3.2. Commitment to Execute the Governmental Lender Note. The Governmental Lender agrees to execute and deliver the Governmental Lender Notes simultaneously with the execution of this Bank Loan Agreement, the Borrower Loan Agreement, the Borrower Notes and the Regulatory Agreement.

Section 3.3. Amount and Use of Bank Loan. The Bank hereby makes to the Governmental Lender and agrees to fund, and the Governmental Lender hereby accepts from the Bank, upon the terms and conditions set forth herein, the Bank Loan in an aggregate principal amount of \$[____], and agrees to have the proceeds of the Bank Loan applied and disbursed in accordance with the provisions of this Bank Loan Agreement.

Section 3.4. Disbursement of Bank Loan Proceeds. (a) The Bank Loan is to be funded on a draw-down basis. The proceeds of the Bank Loan shall be advanced by the Bank directly to the Borrower for the account of the Governmental Lender as and when needed to make each advance in accordance with the disbursement provisions of the Borrower Loan Agreement and the Disbursement Agreement; provided the Bank will advance the Initial Disbursement to the Title Company. Upon each advance of principal under the Borrower Loan Agreement and the Disbursement Agreement, a like amount of the Bank Loan shall be deemed concurrently and simultaneously advanced under this Bank Loan Agreement, including the Initial Disbursement. Subject to the terms and conditions of the Borrower Loan Agreement, the Disbursement Agreement and the Continuing Covenant Agreement, the Bank agrees to advance, on behalf of the Governmental Lender, to the Borrower under the Borrower Loan Agreement the amount of the Initial Disbursement, which amount shall be deemed to have been simultaneously advanced for the account of the Governmental Lender under this Bank Loan Agreement as an advance on the Bank Loan. [Borrower Loan advances and Bank Loan advances shall be allocated to the Borrower Tax-Exempt Note and the related Governmental Lender Tax-Exempt Note and, once the foregoing Notes have been fully funded, then to the Borrower Taxable Note and the related Governmental Lender Taxable Note.] Notwithstanding anything in this Bank Loan Agreement to the contrary, no amount of the Bank Loan may be drawn down and funded hereunder after the date which is three (3) years after the Closing Date without a Tax Counsel No Adverse Effect Opinion and prior written consent of the Bank.

(b) The Bank Loan shall be originated on the Closing Date and the Governmental Lender Notes shall mature on the Maturity Date with respect thereto, at which time the entire principal amount, to the extent not previously paid, and all accrued and unpaid interest, shall be due and payable.

(c) The outstanding principal amount of the Governmental Lender Notes and of the Bank Loan as of any given date shall be the total amount advanced by the Bank to or for the account of the Governmental Lender to fund corresponding advances with respect to the related Borrower Note under the Borrower Loan Agreement and the Disbursement Agreement as proceeds of the Borrower Loan, less any payments of principal of the Governmental Lender Notes previously received in respect of amounts previously advanced representing principal, upon payment of corresponding principal amounts under the Borrower Notes, including regularly scheduled principal payments and voluntary and mandatory prepayments. The principal amount of the Governmental Lender Notes and interest thereon shall be payable on the basis specified in this paragraph (c) and in paragraphs (d) and (e) of this Section 3.4.

The Bank shall keep a record of all principal advances and principal repayments made under the Governmental Lender Notes and shall upon written request provide the Governmental Lender with a statement of the outstanding principal balance of the Governmental Lender Notes and the Bank Loan.

Notwithstanding anything to the contrary herein, the total aggregate principal amount advanced in respect of the Governmental Lender Notes and of the Bank Loan on the one hand, and of the Borrower Loan and the Borrower Notes on the other hand, shall never exceed \$[] of which \$[] constitutes the Governmental Lender Tax-Exempt Note and \$[] constitutes the Governmental Lender Taxable Note.

(d) Interest shall be paid on the outstanding principal amount of each Governmental Lender Note at the rate or rates set forth in each such Governmental Lender Note.

(e) The payment or prepayment of principal, interest and premium, if any, due on the Bank Loan and each Governmental Lender Note shall be identical with and shall be made on the same dates, terms and conditions, as the principal, interest, premiums, late payment fees and other amounts due on the Borrower Notes. The Governmental Lender Tax-Exempt Note shall be payable from payments on the corresponding Borrower Tax-Exempt Note, and the Governmental Lender Taxable Note shall be payable from payments on the corresponding Borrower Taxable Note. Any payment or prepayment made by the Borrower of principal, interest, premium, if any, due on the Borrower Notes shall be deemed to be like payments or prepayments of principal, interest and premium, if any, due on the Bank Loan and the Governmental Lender Notes.

ARTICLE IV

LIMITED LIABILITY; NOTE REGISTER

Section 4.1. Limited Liability. None of the Governmental Lender or any person executing the Governmental Lender Notes is liable personally on the Governmental Lender

Notes or subject to any personal liability or accountability by reason of its execution and delivery. The Governmental Lender shall not be directly, indirectly, contingently, or morally obligated to pay the principal of, premium, if any, or interest on the Governmental Lender Notes, except from Pledged Revenues. The Bank hereby acknowledges that the Governmental Lender's sole source of moneys to pay principal of, premium, if any, or interest on the Governmental Lender Notes will be provided by such Pledged Revenues.

THE GOVERNMENTAL LENDER NOTES ARE SPECIAL, LIMITED OBLIGATIONS OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM PLEDGED REVENUES, AND OTHER FUNDS AND MONEYS AND SECURITY PLEDGED AND ASSIGNED HEREUNDER. THE GOVERNMENTAL LENDER NOTES SHALL CONSTITUTE A VALID CLAIM OF THE BANK THEREOF AGAINST THE PLEDGED REVENUES, WHICH ARE PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL LENDER NOTES, AND WHICH SHALL BE USED FOR NO OTHER PURPOSE EXCEPT AS EXPRESSLY AUTHORIZED IN THIS BANK LOAN AGREEMENT. THE GOVERNMENTAL LENDER NOTES SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE GOVERNMENTAL LENDER, THE STATE OR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE, AND NEITHER THE GOVERNMENTAL LENDER, THE STATE NOR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE SHALL BE LIABLE FOR PAYMENT OF THE GOVERNMENTAL LENDER NOTES OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WITH RESPECT THERETO EXCEPT AS SET FORTH HEREIN, NOR IN ANY EVENT SHALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL LENDER NOTES BE PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE GOVERNMENTAL LENDER HEREIN. THE GOVERNMENTAL LENDER NOTES SHALL NOT CONSTITUTE AN INDEBTEDNESS OR A MULTIPLE FISCAL-YEAR FINANCIAL OBLIGATION WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE GOVERNMENTAL LENDER NOTES DO NOT CONSTITUTE A DEBT, LOAN, CREDIT OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE GOVERNMENTAL LENDER, THE STATE OR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE, AND NONE OF THE GOVERNMENTAL LENDER NOTES OR ANY OF THE GOVERNMENTAL LENDER'S AGREEMENTS OR OBLIGATIONS WITH RESPECT TO THE BANK LOAN, THE GOVERNMENTAL LENDER NOTES, OR HEREUNDER, SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE GOVERNMENTAL LENDER, THE STATE, OR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

Section 4.2. Note Register. The Bank shall maintain records (the "Note Register") as to the payee of each Governmental Lender Note. Any transfer by the Bank (or by any subsequent

transferee) of each Governmental Lender Note shall be recorded by the Bank in the Note Register.

Section 4.3. Transfer of Governmental Lender Notes. (a) Each Governmental Lender Note may, in accordance with the terms of this Bank Loan Agreement but in any event subject to the provisions of Section 4.3(b) and (c) hereof, be transferred upon the Note Register required to be kept pursuant to the provisions of Section 4.2 by the person in whose name such Governmental Lender Note is registered, in person or by his duly authorized attorney, upon surrender of the respective Governmental Lender Note for cancellation at the office of the Governmental Lender, accompanied by a written instrument of transfer in the form attached to the respective Governmental Lender Note, duly executed. Whenever a Governmental Lender Note shall be surrendered for transfer, the Governmental Lender shall execute and deliver to the Bank, and the Bank shall deliver to the transferee thereof, a new Governmental Lender Note in the name of the transferee as beneficiary thereof.

(b) Notwithstanding any other provision hereof, the Governmental Lender Notes may not be registered in the name of, or transferred to, any person except an Approved Institutional Buyer that executes and delivers to the Governmental Lender the Required Transferee Representations; provided, however, that no Required Transferee Representations are required to be executed by an Affiliate of the Bank.

Nothing contained in this Section 4.3(b) shall be deemed to limit or otherwise restrict the sale by any owner of the Governmental Lender Notes of any participation interests in the Governmental Lender Notes; provided that (i) such owner shall remain the owner of record of the respective Governmental Lender Note in the Note Register following the sale of any such participation interest; (ii) all purchasers of any participation interest are Approved Institutional Buyers; (iii) any such participation shall be in a principal amount of at least \$250,000, or, if less, the then outstanding principal amount of the Governmental Lender Notes; and (iv) the purchaser of such participation interest shall provide the Required Transferee Representations.

(c) The Governmental Lender Notes may only be transferred in whole.

(d) The Governmental Lender may require the payment by the entity requesting a transfer of the Governmental Lender Notes of any tax, fee or other governmental charge required to be paid with respect to such transfer. The cost of printing any new Governmental Lender Notes and any services rendered or any out-of-pocket expenses incurred by the Governmental Lender in connection therewith shall be paid by the transferor of the Governmental Lender Notes.

(e) The Bank shall indemnify and defend the Governmental Lender against any claim against the Governmental Lender brought by any transferor or transferee of the Governmental Lender Notes in respect of the Bank Loan Documents or the Project in the event that the Bank permits a transfer of the Governmental Lender Notes in violation of the restrictions in Sections 4.3(b) and (c) above, except no such indemnity or defense shall be required in respect of any action of the Governmental Lender constituting willful misconduct on the part of the Governmental Lender in connection with any such transfer.

ARTICLE V

REPAYMENT OF THE BANK LOAN

Section 5.1. Form of Governmental Lender Notes; Bank Loan Repayment. (a) The Bank Loan shall be evidenced by the Governmental Lender Notes which shall be physically certificated instruments executed by a Governmental Lender Representative in the form attached hereto as Exhibit A. As evidence of its obligation to repay the Bank Loan, simultaneously with the delivery of this Bank Loan Agreement, the Governmental Lender hereby agrees to execute and deliver the Governmental Lender Notes. The Governmental Lender Notes may not be registered in the name of, or thereafter be transferred to, any person except as set forth in Section 4.3 hereof. The Governmental Lender agrees to pay to the Bank, but only from amounts received by the Governmental Lender (or by the Bank, in its capacity as agent for the Governmental Lender under the Assignment Agreement) from the Borrower pursuant to the Borrower Loan Agreement, the Borrower Notes, the Borrower Assignments and the Deed of Trust, principal of and interest on the Bank Loan at the times, in the manner, in the amount and at the rates of interest provided in the Governmental Lender Notes and this Bank Loan Agreement.

(b) The Governmental Lender further agrees to cause the Borrower to pay, solely by its execution of the Borrower Loan Agreement and the assignment thereof to the Bank and appointment of the Bank as agent for the Governmental Lender under the Assignment Agreement, all late charges and prepayment penalties as set forth in the Governmental Lender Notes, all taxes and assessments, general or special, including, without limitation, all ad valorem taxes and any other governmental charges and impositions whatsoever concerning or in any way related to the Project, foreseen or unforeseen, and all utility and other charges and assessments concerning or in any way related to the Project; provided, however, that the Governmental Lender reserves the right to contest in good faith the legality of any tax or governmental charge concerning or in any way related to the Project and the Governmental Lender's obligations hereunder will be limited as provided in Article IV hereof.

(c) The Governmental Lender further agrees, subject to Article IV hereof, to cause the Borrower to pay to the Bank, solely by the execution of the Borrower Loan Agreement and the assignment thereof to the Bank and appointment of the Bank as agent for the Governmental Lender under the Assignment Agreement, on the Closing Date a loan fee equal to \$[**Loan Fee**].

Section 5.2. Nature of the Governmental Lender's Obligations. The Governmental Lender shall repay the Bank Loan, but only from the Security and any other amounts received by the Governmental Lender or the Bank (in its capacity as assignee of the Governmental Lender under the Assignment Agreement) from the Borrower pursuant to the Borrower Loan Agreement, the Borrower Notes, the Borrower Assignments and the Deed of Trust, pursuant to the terms of the Governmental Lender Notes irrespective of any rights of set-off, recoupment or counterclaim the Governmental Lender might otherwise have against the Bank or any other person. The Governmental Lender will not suspend, discontinue or reduce any such payment or (except as expressly provided herein) terminate this Bank Loan Agreement for any cause,

including, without limiting the generality of the foregoing: (i) any delay or interruption in the construction or operation of the Project; (ii) the failure to obtain any permit, order or action of any kind from any governmental agency relating to the Bank Loan or the Project; (iii) any event constituting Force Majeure (as defined in the Borrower Loan Agreement); (iv) any acts or circumstances that may constitute commercial frustration of purpose; (v) any change in the laws of the United States of America, the State or any political subdivision thereof; or (vi) any failure of the Governmental Lender or the Bank to perform or observe any covenant whether expressed or implied, or to discharge any duty, liability or obligation arising out of or connected with the Governmental Lender Notes; it being the intention of the parties that, as long as the Governmental Lender Notes or any portion thereof remains outstanding and unpaid, the Governmental Lender shall be obliged to repay the Bank Loan, but only from amounts received by the Governmental Lender or the Bank (in its capacity as assignee of the Governmental Lender under the Assignment Agreement) from the Borrower pursuant to the Borrower Loan Agreement, the Borrower Notes, the Borrower Assignments and the Deed of Trust. This Section 5.2 shall not be construed to release the Governmental Lender from any of its obligations hereunder, or, except as provided in this Section 5.2, to prevent or restrict the Governmental Lender from asserting any rights which it may have against the Bank under the Governmental Lender Notes or under any provision of law or to prevent or restrict the Governmental Lender, from prosecuting or defending any action or proceeding by or against the Bank or the Borrower or taking any other action to protect or secure its rights, or to prevent or restrict the Bank from asserting any rights which it may have against the Borrower.

Notwithstanding the foregoing, the Governmental Lender shall not be liable personally for the amounts owing under this Bank Loan Agreement or the Governmental Lender Notes; and the Bank's remedies in the event of a default under the Bank Loan shall be limited to those remedies set forth in Section 7.3 hereof and, if a default also exists under the Borrower Loan Agreement, the Borrower Notes or the Deed of Trust, to commence foreclosure under one or more of the Deed of Trust and the exercise of the power of sale or other rights granted thereunder and to exercise any rights it may have under the Borrower Assignments. In the event of a default hereunder or under the Governmental Lender Notes, the Bank shall not have the right to proceed directly against the Governmental Lender or the right to obtain a deficiency judgment from the Governmental Lender after foreclosure.

ARTICLE VI

FURTHER AGREEMENTS

Section 6.1. Successor to the Governmental Lender. The Governmental Lender will at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to law or assure the assumptions of its obligations hereunder by any public trust or political subdivision succeeding to its powers.

Section 6.2. Borrower Not to Dispose of Assets; Conditions Under Which Exceptions Permitted. In Section 6.2 of the Borrower Loan Agreement and subject to the terms thereof, the Governmental Lender has caused the Borrower to agree that during the term of the Borrower Loan Agreement the Borrower will not dispose of all or substantially all of its assets nor consolidate with nor merge into any entity unless (i) the acquirer of its assets or the entity with

which it shall consolidate or into which it shall merge shall be an individual or a corporation, partnership or other legal entity organized and existing under the laws of the United States of America or one of the states of the United States of America and shall be qualified and admitted to do business in the State; and (ii) such acquiring or remaining entity shall assume in writing all of the obligations of the Borrower under the Borrower Loan Agreement, the Regulatory Agreement, the Borrower Notes, the Disbursement Agreement, the Continuing Covenant Agreement, the Borrower Assignments and the Deed of Trust.

Section 6.3. Additional Instruments. The Governmental Lender hereby covenants to execute and deliver, or cause to be executed and delivered, at the expense of the Borrower, such additional instruments and to perform such additional acts, or cause the performance of such additional acts, as may be necessary, in the written opinion of the Bank, acting reasonably, to carry out the intent of the Bank Loan and the Governmental Lender Notes or to perfect or give further assurances of any of the rights granted or provided for in the Bank Loan Documents.

Section 6.4. Books and Records. The Governmental Lender shall, solely by the execution of the Borrower Loan Agreement and the assignment thereof to the Bank, and subject to the provisions of Article IV hereof, cause the Borrower to permit the Bank or its duly authorized representatives access during normal business hours to the books and records of the Borrower pertaining to the Borrower Loan and the Project, and to make such books and records available for audit and inspection, at reasonable times and under reasonable conditions to the Governmental Lender, the Bank and their duly authorized representatives, and at the sole expense of the Borrower.

Section 6.5. Notice of Certain Events. The Governmental Lender hereby covenants to advise the Bank promptly in writing of the occurrence of any Event of Default under and as defined in the Borrower Loan Agreement or of the Regulatory Agreement of which it has received written notice, or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default thereunder of which it has received written notice, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto. In Section 6.6 of the Borrower Loan Agreement, the Borrower has agreed to advise the Governmental Lender and the Bank promptly in writing of the occurrence of any default under the Borrower Loan or of the occurrence of an Act of Bankruptcy.

Section 6.6. Consent to Assignment. The Governmental Lender has made an assignment to the Bank of all rights and interest of the Governmental Lender in and to the Borrower Loan Agreement (except the Unassigned Rights), the Borrower Assignments and the Deed of Trust and the Borrower Notes, upon the terms and as otherwise provided in the Assignment Agreement. The Bank hereby consents to all such assignments.

Section 6.7. Compliance with Usury Laws. Notwithstanding any other provision of this Bank Loan Agreement, it is agreed and understood that in no event shall this Bank Loan Agreement, with respect to the Governmental Lender Notes, be construed as requiring the Governmental Lender or any other person to pay interest and other costs or considerations that constitute interest under any applicable law which are contracted for, charged or received

pursuant to this Bank Loan Agreement in an amount in excess of the maximum amount of interest allowed under any applicable law.

In the event of any acceleration of the payment of the principal amount of either of the Governmental Lender Notes or other evidence of indebtedness, that portion of any interest payment in excess of the maximum legal rate of interest, if any, provided for in this Bank Loan Agreement or related documents shall be cancelled automatically as of the date of such acceleration, or if theretofore paid, credited to the principal amount.

The provisions of this Section prevail over any other provision of this Bank Loan Agreement.

Section 6.8. Title to the Project. The Borrower has agreed in Section 6.10 of the Borrower Loan Agreement that, concurrently with the closing of the Borrower Loan, it will have a fee simple interest in the site on which the Project is located free and clear of any lien or encumbrance except for (i) liens for nondelinquent assessments and taxes not yet due or which are being contested in good faith by appropriate proceedings; (ii) the Regulatory Agreement, the Deed of Trust and the Subordination Agreement; (iii) Permitted Encumbrances (as defined in the Disbursement Agreement); and (iv) any other encumbrances approved by the Bank. Concurrently with the closing of the Bank Loan, the Borrower is obligated under Section 6.10 of the Borrower Loan Agreement to deliver to the Bank one or more title policies, naming the Bank as the insured, as its interests may appear with endorsements specified in the Bank's escrow instructions, issued by the Title Company. The Governmental Lender makes no representation as to the condition of title to the Project or as to the adequacy or enforceability of any title insurance referred to in the Borrower Loan Agreement or the Deed of Trust.

Section 6.9. Filing of Tax Returns. The Governmental Lender shall, solely by the execution of the Borrower Loan Agreement and the assignment thereof to the Bank, and subject to the provisions of Article IV hereof, cause the Borrower to file, or caused to be filed all federal, state and local tax returns or information returns which are required to be filed with respect to the Project and of which the Governmental Lender has knowledge.

Section 6.10. No Untrue Statements. Neither this Bank Loan Agreement nor any other document, certificate or statement furnished to the Bank by the Governmental Lender, contains to the best of its knowledge any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading or incomplete as of the date hereof. It is specifically understood by the Governmental Lender that all such statements, representations and warranties shall be deemed to have been relied upon by the Bank as an inducement to make the Bank Loan and that if any such statements, representations and warranties were materially incorrect at the time they were made, the Bank may consider any such misrepresentation or breach an Event of Default.

No document, certificate or statement furnished to the Governmental Lender by the Bank contains to the best of its knowledge any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading or incomplete as of the date hereof.

Section 6.11. Insurance. The Governmental Lender shall, solely by the execution of the Borrower Loan Agreement and the assignment thereof to the Bank, and subject to the provisions of Article IV hereof, cause the Borrower to provide policies of insurance with respect to the Project and the operation thereof issued by an insurer, and in forms and amounts, as required by the Continuing Covenant Agreement.

Section 6.12. Tax Covenants. The Governmental Lender covenants to and for the benefit of the Bank that, notwithstanding any other provisions of this Bank Loan Agreement or of any other instrument, it will:

(a) Require the Borrower to execute the Regulatory Agreement as a condition of funding the Borrower Loan;

(b) Not knowingly take or cause to be taken any other action or actions, or knowingly fail to take any action or actions, which would cause the interest payable on the Governmental Lender Tax-Exempt Note to be includable in gross income for federal income tax purposes;

(c) Whenever and so often as requested by Bank, the Governmental Lender (at the sole cost and expense of the Borrower) shall do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Governmental Lender on the Governmental Lender Tax-Exempt Note will be excluded from the gross income of the holders of the Governmental Lender Tax-Exempt Note, for federal income tax purposes, pursuant to Section 103 of the Code, except in the event where any owner of the Governmental Lender Tax-Exempt Note or a portion thereof is a “substantial user” of the facilities financed with the Bank Loan or a “related person” within the meaning of Section 147(a) of the Code;

(d) Not knowingly take any action nor, solely in reliance upon the covenants and representations of the Borrower in the Borrower Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, knowingly permit or suffer any action to be taken if the result of the same would be to cause the Governmental Lender Tax-Exempt Note financed with the proceeds of the Bank Loan to be “federally guaranteed” within the meaning of Section 149(b) of the Code and the Regulations;

(e) Require the Borrower to agree, solely by causing the Borrower to execute and deliver the Borrower Loan Agreement, not to commit any act and not to make any use of the proceeds of the Governmental Lender Tax-Exempt Note financed with the proceeds of the Bank Loan, or any other moneys which may be deemed to be proceeds of the Governmental Lender Tax-Exempt Note financed with the proceeds of the Bank Loan pursuant to the Code, which would cause the Governmental Lender Tax-Exempt Note financed with the proceeds of the Bank Loan to be an “arbitrage bond” within the meaning of Sections 103(b) and 148 the Code, and to comply with the requirements of the Code throughout the term of the Governmental Lender Tax-Exempt Note financed with the proceeds of the Bank Loan; and

(f) Require the Borrower, solely by causing the Borrower to execute and deliver the Borrower Loan Agreement, to take all steps necessary to compute and pay any rebatable arbitrage in accordance with Section 148(f) of the Code.

(g) The Governmental Lender Tax-Exempt Note upon issuance and delivery shall be considered a “private activity bond” within the meaning of the Code with respect to which the Colorado Department of Local Affairs has transferred a portion of the State of Colorado’s private activity bond allocation (within the meaning of Section 146 of the Code) equal to the principal amount of the Governmental Lender Tax-Exempt Note.

In furtherance of the covenants in this Section 6.12, the Governmental Lender and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which are by this reference incorporated into this Bank Loan Agreement and made a part of this Bank Loan Agreement as if set forth in this Bank Loan Agreement in full. To the extent of any conflict between the requirements of this Bank Loan Agreement and the Tax Certificate, the requirements of the Tax Certificate shall control.

For purposes of this Section 6.12 the Governmental Lender’s compliance shall be based solely on matters within the Governmental Lender’s knowledge and control and no acts, omissions or directions of the Borrower, the Bank or any other Persons shall be attributed to the Governmental Lender.

In complying with the foregoing covenants, the Governmental Lender may rely from time to time on a Tax Counsel No Adverse Effect Opinion or other appropriate opinion of Tax Counsel.

The covenants of the Governmental Lender in this Section 6.12 are made solely in reliance on the representations and covenants of the Borrower set forth in the Borrower Loan Agreement, the Tax Certificate and the Regulatory Agreement and a default by the Borrower with respect thereto shall not be considered a default of the Governmental Lender hereunder. The covenants of the Governmental Lender in this Section 6.12 are limited to those actions within its control, and further limited to the extent that the costs and expenses of taking such actions are borne by the Borrower or a third party.

Section 6.13. [Reserved].

Section 6.14. Immunities and Limitations of Responsibility of Governmental Lender. The Governmental Lender shall be entitled to the advice of counsel, and the Governmental Lender shall be wholly protected as to action taken or omitted in reliance on such advice. The Governmental Lender may rely conclusively on any communication or other document furnished to it hereunder or under the Borrower Loan Agreement and reasonably believed by it to be genuine. The Governmental Lender shall in no event be liable for the application or misapplication of funds or for other acts or defaults by any person, except its own officers and employees. When any payment or consent or other action by it is called for hereby, it may defer such action pending receipt of such evidence (if any) as it may require in support thereof. The Governmental Lender shall not be required to take any remedial action (other than the giving of notice) unless indemnity in a form acceptable to the Governmental Lender is furnished for any expense or liability to be incurred in connection with such remedial action. The Governmental Lender shall be entitled to reimbursement from the Borrower for its expenses reasonably incurred or advances reasonably made, with interest at the rate of interest on the Borrower Loan, in the exercise of its rights or the performance of its obligations hereunder, to the extent that it

acts without previously obtaining indemnity. No permissive right or power to act which the Governmental Lender may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect its subsequent exercise of the right or power.

A default by the Borrower in any of its covenants, representations and agreements in the Borrower Loan Agreement or the Regulatory Agreement on which the Governmental Lender is relying in the various sections of this Article VI shall not be considered a default hereunder by the Governmental Lender.

The Borrower has indemnified the Governmental Lender against certain acts and events as set forth in Section 6.7 of the Borrower Loan Agreement and Section 9 of the Regulatory Agreement. Such indemnities shall survive payment of the Bank Loan and discharge of this Bank Loan Agreement.

Section 6.15. Supplemental Public Securities Act Provisions. Section 11-57-204 of the Supplemental Act provides that a public entity, including the Governmental Lender, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. Pursuant to the Ordinance, the Governmental Lender has elected to apply all of the provisions of the Supplemental Act to the Governmental Lender Notes.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default. Each of the following shall be an “Event of Default”:

(a) The Governmental Lender shall fail to perform or observe any of its covenants or agreements contained in this Bank Loan Agreement or the Governmental Lender Notes, and such failure shall continue during and after the period specified in Section 7.2; or

(b) Any representation or warranty of the Governmental Lender hereunder shall be determined by the Bank to have been false in any material respect when made; or

(c) The Borrower shall fail to pay when due the amounts required to be paid under the Borrower Loan Agreement, the Continuing Covenant Agreement, the Deed of Trust, the Borrower Assignments or the Borrower Notes, including a failure to repay any amounts which have been previously paid but are recovered, attached or enjoined pursuant to any insolvency receivership, liquidation or similar proceedings; or

(d) the occurrence of any other Event of Default under and as defined in the Borrower Loan Agreement.

The foregoing provisions of this Section or any other provision of this Bank Loan Agreement or any Loan Document notwithstanding, any Event of Default under Section 7.1(a) above (a “Borrower Related Default”) shall not be deemed an Event of Default of the Governmental Lender, and the Governmental Lender shall not be considered to be in default of

any of its obligations hereunder with respect thereto under any circumstances, as the Governmental Lender is merely acting in a conduit capacity hereunder and the Governmental Lender Notes are secured by and payable solely from amounts received from the Borrower or the Project constituting Security hereunder and is not a debt or indebtedness of the Governmental Lender as further provided in Section 4.1 hereof. Any remedial action hereunder with respect to a Borrower Related Default is therefore limited to action against the Security.

Section 7.2. Notice of Default; Opportunity to Cure. No default under Section 7.1(a), (b) or (d) hereof shall constitute an Event of Default until:

(a) The Governmental Lender, the Borrower and the Equity Investor by registered or certified mail, shall have been sent notice of such default specifying the same and stating that such notice is a “Notice of Default”; and

(b) The Governmental Lender, the Borrower and the Equity Investor shall have had 10 days after receipt of such notice to correct the default and shall not have corrected it; provided, however, that if the default stated in the notice is of such a nature that it cannot be corrected within 10 days, such default shall not constitute an Event of Default hereunder so long as (i) the Governmental Lender, the Borrower or the Equity Investor institutes corrective action within said 10 days, and diligently pursues such action until the default is corrected, but in no event later than 60 days after the occurrence of such Event of Default; and (ii) in the opinion of the Counsel to the Governmental Lender, the failure to cure said default within 10 days will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Governmental Lender Tax-Exempt Note.

The Governmental Lender and the Equity Investor may, but shall not in any way be required to, correct a default on behalf of the Borrower under the Borrower Loan Agreement or the Borrower Notes.

Notwithstanding anything to the contrary contained in the Bank Loan Documents, if a monetary default or event of default occurs under the terms of any of the Bank Loan Documents, prior to exercising any remedies thereunder, the Bank shall give the Borrower and the Equity Investor and any special limited partner of the Borrower under the Partnership Agreement simultaneous written notice of such default. The Borrower and the Equity Investor shall have a period of ten (10) days after receipt of such notice, or such longer period of time as may be set forth in the applicable Loan Documents, to cure the default prior to exercise of remedies by the Bank under the Bank Loan Documents.

Section 7.3. Remedies. Whenever any Event of Default under Section 7.1 hereof shall have happened and be continuing, the Bank may take whatever remedial steps as may be allowed under the law, this Bank Loan Agreement, the Continuing Covenant Agreement, the Deed of Trust and the Borrower Assignments.

Section 7.4. Attorneys’ Fees and Expenses. If an Event of Default occurs and if the Governmental Lender or the Bank should employ attorneys or incur expenses for the

enforcement of any obligation or agreement of the Governmental Lender contained herein, the Governmental Lender shall cause the Borrower (solely by its execution and assignment of the Borrower Loan Agreement) on demand to pay to the Governmental Lender or the Bank the reasonable fees of such attorneys and the reasonable expenses so incurred, including court appeals.

Section 7.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Bank is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Bank Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 7.6. No Additional Waiver Implied by One Waiver. In the event any agreement or covenant contained in this Bank Loan Agreement should be breached by the Governmental Lender or the Borrower and thereafter waived by the Bank, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder including any other breach of the same agreement or covenant.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. Entire Agreement. This Bank Loan Agreement, the Governmental Lender Notes, the Assignment Agreement and the other Bank Loan Documents to which the Governmental Lender is a party constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, between the Governmental Lender and the Bank with respect to the subject matter hereof.

Section 8.2. Notices. All notices, demands, requests and other communications required or permitted to be given by any provision of this Bank Loan Agreement shall be in writing and sent by first class, regular, registered or certified mail, commercial delivery service, overnight courier, telegraph, telex, telecopier or facsimile transmission, air or other courier, or hand delivery to the party to be notified addressed as follows:

to the Governmental Lender:	City and County of Denver, Colorado Department of Finance 201 West Colfax Avenue Department 1010 Denver, CO 80202 Email: Michael.Kerrigan@denvergov.org Attention: Chief Financial Officer
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with copies to:	Office of Department of Housing Stability
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201 West Colfax Avenue
Sixth Floor
Denver, CO 80202
Email: Nicholas.Emenhiser@denvergov.org
Attention: Executive Director

Denver City Attorney's Office
1437 Bannock Street
Room 353
Denver, CO 80202
Email: Bradley.Neiman@denvergov.org
Attention: City Attorney

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: Frederic H. Marienthal, Esq.
Email: Frederic.Marienthal@kutakrock.com

to the Borrower:

Rhonda's Place, LLLP
c/o REDI Corp
1900 Grant Street, Suite 540
Denver, CO 80203
Attention: David Murphy
Email: dgmurphy123@gmail.com
Telephone: (303) 618-6004

with a copy to:

Winthrop & Weinstine, P.A.
225 South Sixth Street
Minneapolis, MN 55402
Attention: Jon Peterson, Esq.
Email: jpeterson@winthrop.com
Telephone: (612) 604-6736

to the Equity Investor:

c/o Red Stone Equity Partners, LLC
1100 Superior Avenue, Suite 1640
Cleveland, OH 44114
Attention: General Counsel

with a copy to:

Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, IL 60605
Attn: Bennett P. Applegate

Affordable Housing Fund Colorado I LLC
c/o Sugar Creek Realty LLC
17 West Lockwood Avenue

St Louis, Missouri 6311999
Attention: Legal Dept.
Email: chite@sugarcreekcapital.com

Miles & Stockbridge P.C.
1201 Pennsylvania Ave NW, Suite 900
Washington, DC 20004
Attention: Dawna J. Steelman

to the Bank:

Pacific Western Bank
5050 South Syracuse Street, Suite 1000
Denver, CO 80237
Attention: Christopher Erickson
Telephone: (303) 802-8918
Email: cerickson@pacwest.com

with a copy to:

Pacific Western Bank
818 West 7th Street, Suite 450
Los Angeles, CA 90017
Attention: Holly A. Hayes, Esq., Executive Vice
President/General Counsel
Telephone: (213) 330-2073
Email: hhayes@pacwest.com

Any such notice, demand, request or communication shall be deemed to have been given and received for all purposes under this Bank Loan Agreement: (i) three Business Days after the same is deposited in any official depository or receptacle of the United States Postal Service first class, or, if applicable, certified mail, return receipt requested, postage prepaid; (ii) on the date of transmission when delivered by telecopier or facsimile transmission, telex, telegraph or other telecommunication device, provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day; (iii) on the next Business Day after the same is deposited with a nationally recognized overnight delivery service that guarantees overnight delivery; and (iv) on the date of actual delivery to such party by any other means; provided, however, if the day such notice, demand, request or communication shall be deemed to have been given and received as aforesaid is not a Business Day, such notice, demand, request or communication shall be deemed to have been given and received on the next Business Day. Any facsimile signature by a Person on a document, notice, demand, request or communication required or permitted by this Bank Loan Agreement shall constitute a legal, valid and binding execution thereof by such Person.

Any party to this Bank Loan Agreement may change such party's address for the purpose of notice, demands, requests and communications required or permitted under this Bank Loan Agreement by providing written notice of such change of address to all of the parties by written notice as provided herein.

Section 8.3. Assignments. Neither this Bank Loan Agreement nor the Borrower Loan Agreement may be assigned by any party hereto or thereto without the prior written consent of the other, which consent shall not be unreasonably withheld, except that the Governmental Lender shall assign to the Bank its rights under the Borrower Loan Agreement.

Section 8.4. Severability. If any provision of this Bank Loan Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired. In case any covenant, stipulation, obligation or agreement contained in the Governmental Lender Notes or in this Bank Loan Agreement shall for any reason be held to be usurious or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Governmental Lender or the Bank only to the full extent permitted by law.

Section 8.5. Execution of Counterparts. This Bank Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.6. Amendments, Changes and Modifications. Except as otherwise provided in this Bank Loan Agreement, this Bank Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the parties hereto.

No amendment to this Bank Loan Agreement or any other Bank Loan Document entered into under this Section 8.6 or any amendment, change or modification otherwise permitted under this Section 8.6 shall become effective unless and until (i) the Bank shall have approved the same in writing in its sole discretion and (ii) the Bank shall have received, at the expense of the Borrower, a Tax Counsel No Adverse Effect Opinion and an Opinion of Counsel to the effect that any such proposed amendment is authorized and complies with the provisions of this Bank Loan Agreement.

Section 8.7. Governing Law. This Bank Loan Agreement and the Governmental Lender Notes are contracts made under the laws of the State of Colorado and shall be governed by and construed in accordance with the Constitution and laws applicable to contracts made and performed in the State of Colorado. This Bank Loan Agreement and the Governmental Lender Notes shall be enforceable in the State of Colorado, and any action arising out of this Bank Loan Agreement or the Governmental Lender Notes shall be filed and maintained in City and County of Denver, Colorado, unless the Governmental Lender waives this requirement in writing.

Section 8.8. Waiver of Jury Trial. IF AND TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF BORROWER, THE GOVERNMENTAL LENDER AND THE BANK (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS BANK LOAN AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY,

KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

IF FOR ANY REASON THIS WAIVER IS DETERMINED TO BE UNENFORCEABLE, ALL DISPUTES WILL BE RESOLVED BY JUDICIAL REFERENCE PURSUANT TO THE PROCEDURES SET FORTH IN THE DEED OF TRUST.

Section 8.9. Term of Agreement. This Bank Loan Agreement shall be in full force and effect until all payment obligations of the Governmental Lender hereunder have been paid in full and the Bank Loan has been retired or the payment thereof has been provided for; except that on and after payment in full of the Governmental Lender Notes, this Bank Loan Agreement shall be terminated, without further action by the parties hereto. Time is of the essence in this Bank Loan Agreement.

Section 8.10. Survival of Agreement. All agreements, representations and warranties made herein shall survive the making of the Bank Loan.

Section 8.11. No Recourse. No obligation, covenant, condition or agreement contained herein or in the Governmental Lender Notes shall be deemed to be an obligation, covenant, condition or agreement of any past, present or future officer, member, director, trustee, fiscal agent, counsel, official, employee or agent of the Governmental Lender in their individual capacity, and no recourse shall be had for the payment of the principal of, or premium, if any, or interest on, and any sum that may be due and unpaid by the Governmental Lender on the Governmental Lender Notes or for any claim based thereon or upon any obligation, covenant, condition or agreement contained in this Bank Loan Agreement or in the Governmental Lender Notes against any past, present or future officer, member, director, trustee, fiscal agent, counsel, official, employee or agent of the Governmental Lender, either directly or through the Governmental Lender, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, member, director, trustee, fiscal agent, counsel, official, employee or agent as such is hereby expressly waived and released as a condition of and in consideration for the execution of this Bank Loan Agreement and the delivery of the Governmental Lender Notes. Neither the officers, members, directors, trustees, fiscal agents, counsel, officials, employees or agents of the Governmental Lender nor any person executing the Governmental Lender Notes or this Bank Loan Agreement shall be liable personally on the Governmental Lender Notes or under this Bank Loan Agreement or be subject to any personal liability or accountability by reason of the issuance of the Governmental Lender Notes or the execution of this Bank Loan Agreement.

All obligations of the Governmental Lender hereunder and under the other Loan Documents are special, limited obligations payable solely from funds made available to the Governmental Lender under the Borrower Loan Agreement or the other Loan Documents, and no recourse shall be had to the Governmental Lender or to any employees, agents or members of the Governmental Lender in satisfaction of any amounts due or liabilities incurred pursuant to the Governmental Lender's issuance of the Governmental Lender Notes and related actions, inactions or transactions, except from such funds.

IN WITNESS WHEREOF, the parties hereto have executed this Bank Loan Agreement,
all as of the date first above written.

ATTEST:

CITY AND COUNTY OF DENVER

By: _____
Paul D. Lopez,
Clerk and Recorder, Ex-Officio Clerk
of the City and County of Denver

By: _____
Michael B. Hancock, MAYOR

APPROVED AS TO FORM:

Kristin M. Bronson

Attorney for the City and County of Denver

REGISTERED AND COUNTERSIGNED:

By: _____
City Attorney

By: _____
Brendan J. Hanlon, CFO

By: _____
Timothy O'Brien, Auditor

PACIFIC WESTERN BANK, a California
state-chartered bank

By: _____
[]
[]

[Signature Page to Bank Loan Agreement – Rhonda's Place]

EXHIBIT A-1

FORM OF GOVERNMENTAL LENDER NOTE

THIS GOVERNMENTAL LENDER NOTE MAY BE OWNED ONLY BY AN APPROVED INSTITUTIONAL BUYER IN ACCORDANCE WITH THE TERMS OF THE BANK LOAN AGREEMENT, AND THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS GOVERNMENTAL LENDER NOTE (A) REPRESENTS THAT IT IS AN APPROVED INSTITUTIONAL BUYER AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS GOVERNMENTAL LENDER NOTE OR ANY INTEREST HEREIN TO ANOTHER APPROVED INSTITUTIONAL BUYER PROVIDING REQUIRED TRANSFEREE REPRESENTATIONS IN ACCORDANCE WITH THE TERMS OF THE BANK LOAN AGREEMENT.

**§[PARA]
CITY AND COUNTY OF DENVER, COLORADO
MULTIFAMILY HOUSING REVENUE NOTE
(RHONDA'S PLACE)
SERIES 2021A**

DATED [CLOSING DATE]

\$[_____]

FOR VALUE RECEIVED, the undersigned City and County of Denver, Colorado ("Obligor") promises to pay to the order of PACIFIC WESTERN BANK ("Holder") the principal sum of [_____] DOLLARS (\$[_____]), on [Maturity Date] (the "Maturity Date"), or earlier as provided herein, together with interest thereon at the rates, at the times and in the amounts provided below.

Obligor shall pay to the Holder on or before each date on which payment is due under that certain Loan Agreement, dated as of [_____] 1, 2021 (the "Bank Loan Agreement"), between Obligor and Holder, an amount in immediately available funds sufficient to pay the principal amount of and prepayment premium, if any, on this Governmental Lender Note then due and payable, whether by maturity, acceleration, prepayment or otherwise. In the event that amounts held derived from proceeds of this Governmental Lender Note, condemnation awards or insurance proceeds or investment earnings thereon are applied to the payment of principal due on this Governmental Lender Note in accordance with the Bank Loan Agreement, the principal amount due hereunder shall be reduced to the extent of the principal amount of this Governmental Lender Note so paid. Capitalized terms not otherwise defined herein shall have the meaning assigned in the Bank Loan Agreement.

Obligor shall pay to the Holder on or before each date on which interest on the Bank Loan is payable interest on the unpaid balance hereof in an amount in immediately available funds sufficient to pay the interest on this Governmental Lender Note then due and payable in the amounts and at the rate or rates set forth in the Bank Loan Agreement.

This Governmental Lender Note is a pass-through obligation relating to a tax-exempt construction and permanent loan (the “Borrower Loan”) made by Obligor from proceeds of a portion of the Bank Loan to Rhonda’s Place, LLLP, a Colorado limited liability limited partnership, as borrower (the “Borrower”), under that certain Loan Agreement, dated as of [] 1, 2021 (as the same may be modified, amended or supplemented from time to time, the “Borrower Loan Agreement”), between the Obligor and the Borrower, evidenced by the Borrower Tax-Exempt Note (as defined in the Borrower Loan Agreement). Reference is made to the Borrower Loan Agreement and to the Borrower Tax-Exempt Note for complete payment and prepayment terms of the Borrower Tax-Exempt Note, payments on which are passed-through under this Governmental Lender Note. In conjunction with, and on a parity with, the execution and delivery of this Governmental Lender Note, the Obligor is also executing and delivering its Multifamily Housing Revenue Note (Rhonda’s Place) Taxable Series 2021B to fund the remaining portion of the Borrower Loan relating to the Project.

None of the Governmental Lender or any person executing this Governmental Lender Note is liable personally on this Governmental Lender Note or subject to any personal liability or accountability by reason of its execution and delivery. The Governmental Lender shall not be directly, indirectly, contingently or morally obligated to pay the principal of, premium, if any, or interest on the Governmental Lender Note, except from Pledged Revenues.

THIS GOVERNMENTAL LENDER NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM PLEDGED REVENUES, AND OTHER FUNDS AND MONEYS AND SECURITY PLEDGED AND ASSIGNED UNDER THE BANK LOAN AGREEMENT. THIS GOVERNMENTAL LENDER NOTE SHALL CONSTITUTE A VALID CLAIM OF THE BANK THEREOF AGAINST THE PLEDGED REVENUES, WHICH ARE PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS GOVERNMENTAL LENDER NOTE, AND WHICH SHALL BE USED FOR NO OTHER PURPOSE EXCEPT AS EXPRESSLY AUTHORIZED IN THE BANK LOAN AGREEMENT. THIS GOVERNMENTAL LENDER NOTE SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE GOVERNMENTAL LENDER, THE STATE OR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE, AND NEITHER THE GOVERNMENTAL LENDER, THE STATE NOR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE SHALL BE LIABLE FOR PAYMENT OF THIS GOVERNMENTAL LENDER NOTE OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WITH RESPECT THERETO EXCEPT AS SET FORTH IN THE BANK LOAN AGREEMENT, NOR IN ANY EVENT SHALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL LENDER NOTE BE PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE GOVERNMENTAL LENDER IN THE BANK LOAN AGREEMENT. THIS GOVERNMENTAL LENDER NOTE SHALL NOT CONSTITUTE AN INDEBTEDNESS OR A MULTIPLE FISCAL-YEAR FINANCIAL OBLIGATION WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THIS GOVERNMENTAL LENDER NOTE DOES NOT CONSTITUTE A DEBT, LOAN, CREDIT OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE GOVERNMENTAL LENDER, THE STATE OR ANY POLITICAL SUBDIVISION OF

EITHER THE GOVERNMENTAL LENDER OR THE STATE, AND NONE OF THIS GOVERNMENTAL LENDER NOTE OR ANY OF THE GOVERNMENTAL LENDER'S AGREEMENTS OR OBLIGATIONS WITH RESPECT TO THE BANK LOAN, THIS GOVERNMENTAL LENDER NOTE, OR UNDER THE BANK LOAN AGREEMENT, SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE GOVERNMENTAL LENDER, THE STATE, OR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

This Governmental Lender Note is subject to the express condition that at no time shall interest be payable on this Governmental Lender Note or the Bank Loan at a rate in excess of the Maximum Legal Rate provided in the Bank Loan Agreement; and Obligor shall not be obligated or required to pay, nor shall the Holder be permitted to charge or collect, interest at a rate in excess of such Maximum Legal Rate. If by the terms of this Governmental Lender Note or of the Bank Loan Agreement, Obligor is required to pay interest at a rate in excess of such Maximum Legal Rate, the rate of interest hereunder or thereunder shall be deemed to be reduced immediately and automatically to such Maximum Legal Rate, and any such excess payment previously made shall be immediately and automatically applied to the unpaid balance of the principal sum hereof and not to the payment of interest.

Amounts payable hereunder representing late payments, penalty payments or the like shall be payable to the extent allowed by law.

This Governmental Lender Note is subject to all of the terms, conditions, and provisions of the Bank Loan Agreement, including those respecting prepayment and the acceleration of maturity.

If there is an Event of Default under the Bank Loan Documents, then in any such event and subject to the requirements set forth in the Bank Loan Agreement, the Holder may declare the entire unpaid principal balance of this Governmental Lender Note and accrued interest, if any, due and payable at once. All of the covenants, conditions and agreements contained in the Bank Loan Documents are hereby made part of this Governmental Lender Note.

No delay or omission on the part of the Holder in exercising any remedy, right or option under this Governmental Lender Note or the Bank Loan Documents shall operate as a waiver of such remedy, right or option. In any event a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of the Holder under this Governmental Lender Note and the Bank Loan Documents are and shall be cumulative and are in addition to all of the rights, remedies and options of the Holder at law or in equity or under any other agreement.

Obligor shall pay all costs of collection on demand by the Holder, including without limitation, reasonable attorneys' fees and disbursements, which costs may be added to the indebtedness hereunder, together with interest thereon, to the extent allowed by law, as set forth in the Bank Loan Agreement.

This Governmental Lender Note may not be changed orally. Presentment for payment, notice of dishonor, protest and notice of protest are hereby waived. The acceptance by the Holder of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the Holder of any sum in an amount less than the amount then due shall be deemed an acceptance on account only and upon condition that such acceptance shall not constitute a waiver of the obligation of Obligor to pay the entire sum then due, and Obligor's failure to pay such amount then due shall be and continue to be a default notwithstanding such acceptance of such amount on account, as aforesaid. Consent by the Holder to any action of Obligor which is subject to consent or approval of the Holder hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Governmental Lender Note or caused this Governmental Lender Note to be duly executed and delivered by its authorized representative as of the date first set forth above.

OBLIGOR:

ATTEST:

CITY AND COUNTY OF DENVER

By: _____
Paul D. Lopez,
Clerk and Recorder, Ex-Officio Clerk
of the City and County of Denver

By: _____
Michael B. Hancock, MAYOR

APPROVED AS TO FORM:

Kristin M. Bronson
Attorney for the City and County of Denver

REGISTERED AND COUNTERSIGNED:

By: _____
City Attorney

By: _____
Brendan J. Hanlon, CFO

By: _____
Timothy O'Brien, Auditor

EXHIBIT A-2

FORM OF GOVERNMENTAL LENDER NOTE

THIS GOVERNMENTAL LENDER NOTE MAY BE OWNED ONLY BY AN APPROVED INSTITUTIONAL BUYER IN ACCORDANCE WITH THE TERMS OF THE BANK LOAN AGREEMENT, AND THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS GOVERNMENTAL LENDER NOTE (A) REPRESENTS THAT IT IS AN APPROVED INSTITUTIONAL BUYER AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS GOVERNMENTAL LENDER NOTE OR ANY INTEREST HEREIN TO ANOTHER APPROVED INSTITUTIONAL BUYER PROVIDING REQUIRED TRANSFEREE REPRESENTATIONS IN ACCORDANCE WITH THE TERMS OF THE BANK LOAN AGREEMENT.

**§[PARA]
CITY AND COUNTY OF DENVER, COLORADO
MULTIFAMILY HOUSING REVENUE NOTE
(RHONDA'S PLACE)
TAXABLE SERIES 2021B**

DATED [CLOSING DATE]

\$[_____]

FOR VALUE RECEIVED, the undersigned City and County of Denver, Colorado ("Obligor") promises to pay to the order of PACIFIC WESTERN BANK ("Holder") the principal sum of [_____] DOLLARS (\$[_____]), on [Maturity Date] (the "Maturity Date"), or earlier as provided herein, together with interest thereon at the rates, at the times and in the amounts provided below.

Obligor shall pay to the Holder on or before each date on which payment is due under that certain Loan Agreement, dated as of [_____] 1, 2021 (the "Bank Loan Agreement"), between Obligor and Holder, an amount in immediately available funds sufficient to pay the principal amount of and prepayment premium, if any, on this Governmental Lender Note then due and payable, whether by maturity, acceleration, prepayment or otherwise. In the event that amounts held derived from proceeds of this Governmental Lender Note, condemnation awards or insurance proceeds or investment earnings thereon are applied to the payment of principal due on this Governmental Lender Note in accordance with the Bank Loan Agreement, the principal amount due hereunder shall be reduced to the extent of the principal amount of this Governmental Lender Note so paid. Capitalized terms not otherwise defined herein shall have the meaning assigned in the Bank Loan Agreement.

Obligor shall pay to the Holder on or before each date on which interest on the Bank Loan is payable interest on the unpaid balance hereof in an amount in immediately available funds sufficient to pay the interest on this Governmental Lender Note then due and payable in the amounts and at the rate or rates set forth in the Bank Loan Agreement.

This Governmental Lender Note is a pass-through obligation relating to a taxable construction loan (the "Borrower Loan") made by Obligor from proceeds of a portion of the Bank Loan to Rhonda's Place, LLLP, a Colorado limited liability limited partnership, as borrower (the "Borrower"), under that certain Loan Agreement, dated as of [] 1, 2021 (as the same may be modified, amended or supplemented from time to time, the "Borrower Loan Agreement"), between the Obligor and the Borrower, evidenced by the Borrower Taxable Note (as defined in the Borrower Loan Agreement). Reference is made to the Borrower Loan Agreement and to the Borrower Taxable Note for complete payment and prepayment terms of the Borrower Taxable Note, payments on which are passed-through under this Governmental Lender Note. In conjunction with, and on a parity with, the execution and delivery of this Governmental Lender Note, the Obligor is also executing and delivering its Multifamily Housing Revenue Note (Rhonda's Place) Series 2021A to fund the remaining portion of the Borrower Loan relating to the Project.

None of the Governmental Lender or any person executing this Governmental Lender Note is liable personally on this Governmental Lender Note or subject to any personal liability or accountability by reason of its execution and delivery. The Governmental Lender shall not be obligated directly, indirectly, contingently or morally to pay the principal of, premium, if any, or interest on the Governmental Lender Note, except from Pledged Revenues.

THIS GOVERNMENTAL LENDER NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM PLEDGED REVENUES, AND OTHER FUNDS AND MONEYS AND SECURITY PLEDGED AND ASSIGNED UNDER THE BANK LOAN AGREEMENT. THIS GOVERNMENTAL LENDER NOTE SHALL CONSTITUTE A VALID CLAIM OF THE BANK THEREOF AGAINST THE PLEDGED REVENUES, WHICH ARE PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS GOVERNMENTAL LENDER NOTE, AND WHICH SHALL BE USED FOR NO OTHER PURPOSE EXCEPT AS EXPRESSLY AUTHORIZED IN THE BANK LOAN AGREEMENT. THIS GOVERNMENTAL LENDER NOTE SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE GOVERNMENTAL LENDER, THE STATE OR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE, AND NEITHER THE GOVERNMENTAL LENDER, THE STATE NOR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE SHALL BE LIABLE FOR PAYMENT OF THIS GOVERNMENTAL LENDER NOTE OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WITH RESPECT THERETO EXCEPT AS SET FORTH IN THE BANK LOAN AGREEMENT, NOR IN ANY EVENT SHALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL LENDER NOTE BE PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE GOVERNMENTAL LENDER IN THE BANK LOAN AGREEMENT. THIS GOVERNMENTAL LENDER NOTE SHALL NOT CONSTITUTE AN INDEBTEDNESS OR A MULTIPLE FISCAL-YEAR FINANCIAL OBLIGATION WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THIS GOVERNMENTAL LENDER NOTE DOES NOT CONSTITUTE A DEBT, LOAN, CREDIT OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE GOVERNMENTAL LENDER, THE STATE OR ANY POLITICAL SUBDIVISION OF

EITHER THE GOVERNMENTAL LENDER OR THE STATE, AND NONE OF THIS GOVERNMENTAL LENDER NOTE OR ANY OF THE GOVERNMENTAL LENDER'S AGREEMENTS OR OBLIGATIONS WITH RESPECT TO THE BANK LOAN, THIS GOVERNMENTAL LENDER NOTE, OR UNDER THE BANK LOAN AGREEMENT, SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE GOVERNMENTAL LENDER, THE STATE, OR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

This Governmental Lender Note is subject to the express condition that at no time shall interest be payable on this Governmental Lender Note or the Bank Loan at a rate in excess of the Maximum Legal Rate provided in the Bank Loan Agreement; and Obligor shall not be obligated or required to pay, nor shall the Holder be permitted to charge or collect, interest at a rate in excess of such Maximum Legal Rate. If by the terms of this Governmental Lender Note or of the Bank Loan Agreement, Obligor is required to pay interest at a rate in excess of such Maximum Legal Rate, the rate of interest hereunder or thereunder shall be deemed to be reduced immediately and automatically to such Maximum Legal Rate, and any such excess payment previously made shall be immediately and automatically applied to the unpaid balance of the principal sum hereof and not to the payment of interest.

Amounts payable hereunder representing late payments, penalty payments or the like shall be payable to the extent allowed by law.

This Governmental Lender Note is subject to all of the terms, conditions, and provisions of the Bank Loan Agreement, including those respecting prepayment and the acceleration of maturity.

If there is an Event of Default under the Bank Loan Documents, then in any such event and subject to the requirements set forth in the Bank Loan Agreement, the Holder may declare the entire unpaid principal balance of this Governmental Lender Note and accrued interest, if any, due and payable at once. All of the covenants, conditions and agreements contained in the Bank Loan Documents are hereby made part of this Governmental Lender Note.

No delay or omission on the part of the Holder in exercising any remedy, right or option under this Governmental Lender Note or the Bank Loan Documents shall operate as a waiver of such remedy, right or option. In any event a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The rights, remedies and options of the Holder under this Governmental Lender Note and the Bank Loan Documents are and shall be cumulative and are in addition to all of the rights, remedies and options of the Holder at law or in equity or under any other agreement.

Obligor shall pay all costs of collection on demand by the Holder, including without limitation, reasonable attorneys' fees and disbursements, which costs may be added to the indebtedness hereunder, together with interest thereon, to the extent allowed by law, as set forth in the Bank Loan Agreement.

This Governmental Lender Note may not be changed orally. Presentment for payment, notice of dishonor, protest and notice of protest are hereby waived. The acceptance by the Holder of any amount after the same is due shall not constitute a waiver of the right to require prompt payment, when due, of all other amounts due hereunder. The acceptance by the Holder of any sum in an amount less than the amount then due shall be deemed an acceptance on account only and upon condition that such acceptance shall not constitute a waiver of the obligation of Obligor to pay the entire sum then due, and Obligor's failure to pay such amount then due shall be and continue to be a default notwithstanding such acceptance of such amount on account, as aforesaid. Consent by the Holder to any action of Obligor which is subject to consent or approval of the Holder hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Governmental Lender Note or caused this Governmental Lender Note to be duly executed and delivered by its authorized representative as of the date first set forth above.

OBLIGOR:

ATTEST:

CITY AND COUNTY OF DENVER

By: _____
Paul D. Lopez,
Clerk and Recorder, Ex-Officio Clerk
of the City and County of Denver

By: _____
Michael B. Hancock, MAYOR

APPROVED AS TO FORM:

Kristin M. Bronson
Attorney for the City and County of Denver

REGISTERED AND COUNTERSIGNED:

By: _____
City Attorney

By: _____
Brendan J. Hanlon, CFO

By: _____
Timothy O'Brien, Auditor

EXHIBIT B

FORM OF REQUIRED TRANSFeree REPRESENTATIONS

The undersigned, as owner (the “Holder”) of [an interest in] the \$[PARA] City and County of Denver, Colorado Multifamily Housing Revenue Note (Rhonda’s Place) Series 2021A and \$[PARB] City and County of Denver, Colorado Multifamily Housing Revenue Note (Rhonda’s Place) Taxable Series 2021B (each a “Governmental lender Note,” and, collectively, the “Governmental Lender Notes”) evidencing a loan (the “Bank Loan”) in the aggregate maximum principal amount of \$[] from PACIFIC WESTERN BANK (the “Bank”) to the CITY AND COUNTY OF DENVER, COLORADO (the “Governmental Lender”) pursuant to a Loan Agreement, dated as of [] 1, 2021 (the “Bank Loan Agreement”) between the Bank and the Governmental Lender hereby represents that:

1. The Holder has sufficient knowledge and experience in financial and business matters with respect to the evaluation of residential real estate developments such as the Project to be able to evaluate the risk and merits of the investment represented by the Bank Loan. The Holder is able to bear the economic risks of such investment.

2. The Holder acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Holder has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Governmental Lender, the Project, the use of proceeds of the Bank Loan and the Bank Loan and the security therefor so that, as a reasonable investor, the Holder has been able to make its decision to assume the position of the Bank under the Governmental Lender Notes or an interest therein. In entering into this transaction, the Holder acknowledges that it has not relied upon any representations or opinions of the Governmental Lender relating to the legal consequences to the Bank or other aspects of its making the Bank Loan and acquiring the Governmental Lender Notes, nor has it looked to, nor expected, the Governmental Lender to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the financing or management thereof), or any other matter pertaining to the merits or risks of the transactions contemplated by the Bank Loan Agreement and the Borrower Loan Agreement, or the adequacy of the funds pledged to the Bank to secure repayment of the Governmental Lender Notes.

3. The Holder is an Approved Institutional Buyer (as defined in the Bank Loan Agreement).

4. The Holder acknowledges that it is [assuming the position of the Bank under the Governmental Lender Notes] [purchasing an interest in the Governmental Lender Notes] for investment for its own account and not with a present view toward resale or the distribution thereof, in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Governmental Lender Notes; provided, however, that the Holder may sell or transfer the Governmental Lender Notes and the Bank Loan, or any portion of or participation interests in the Governmental Lender Notes and Bank Loan, subject to the delivery to the Governmental Lender of representations from the transferee to substantially the same effect as

these representations or in such other form authorized by the Governmental Lender with no revisions except as may be approved in writing by the Governmental Lender. The Holder agrees to and shall indemnify, hold harmless and defend the Governmental Lender, its officers, [members,] directors, officials and employees, and each of them, against all loss, costs, damages, expenses, suits, judgments, actions and liabilities of whatever nature (including, without limitation, attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from or arising out of or related to its transfer of the Governmental Lender Notes, any interest in the Governmental Lender Notes and the Bank Loan, or any interest in the Bank Loan in violation of Section 4.3 of the Bank Loan Agreement.

5. The Holder understands that: THE GOVERNMENTAL LENDER NOTES ARE SPECIAL, LIMITED OBLIGATIONS OF THE GOVERNMENTAL LENDER PAYABLE SOLELY FROM PLEDGED REVENUES, AND OTHER FUNDS AND MONEYS AND SECURITY PLEDGED AND ASSIGNED UNDER THE BANK LOAN AGREEMENT. THE GOVERNMENTAL LENDER NOTES SHALL CONSTITUTE A VALID CLAIM OF THE BANK THEREOF AGAINST THE PLEDGED REVENUES, WHICH ARE PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL LENDER NOTES, AND WHICH SHALL BE USED FOR NO OTHER PURPOSE EXCEPT AS EXPRESSLY AUTHORIZED IN THE BANK LOAN AGREEMENT. THE GOVERNMENTAL LENDER NOTES SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE GOVERNMENTAL LENDER, THE STATE OR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE, AND NEITHER THE GOVERNMENTAL LENDER, THE STATE NOR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE SHALL BE LIABLE FOR PAYMENT OF THE GOVERNMENTAL LENDER NOTES OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WITH RESPECT THERETO EXCEPT AS SET FORTH IN THE BANK LOAN AGREEMENT, NOR IN ANY EVENT SHALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE GOVERNMENTAL LENDER NOTE BE PAYABLE OUT OF ANY FUNDS OR ASSETS OTHER THAN THOSE PLEDGED TO THAT PURPOSE BY THE GOVERNMENTAL LENDER HEREIN. THE GOVERNMENTAL LENDER NOTES SHALL NOT CONSTITUTE AN INDEBTEDNESS OR A MULTIPLE FISCAL-YEAR FINANCIAL OBLIGATION WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE GOVERNMENTAL LENDER NOTE DOES NOT CONSTITUTE A DEBT, LOAN, CREDIT OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE GOVERNMENTAL LENDER, THE STATE OR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE, AND NONE OF THE GOVERNMENTAL LENDER NOTES OR ANY OF THE GOVERNMENTAL LENDER'S AGREEMENTS OR OBLIGATIONS WITH RESPECT TO THE BANK LOAN, THE GOVERNMENTAL LENDER NOTES, OR HEREUNDER, SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE GOVERNMENTAL LENDER, THE STATE, OR ANY POLITICAL SUBDIVISION OF EITHER THE GOVERNMENTAL LENDER OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

6. The Holder has authority to assume the position of the Bank under the Governmental Lender Notes or an interest therein and to execute these representations and any other instructions and documents required to be executed by the Holder in connection with the assumption of the position of the Bank under the Governmental Lender Notes or an interest therein. The undersigned is a duly appointed qualified and acting officer of the Holders and is authorized to execute these representations on behalf of the Holder.

7. The Holder understands that the Governmental Lender Notes are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Governmental Lender Notes (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (b) will not be listed on any stock or other securities exchange; and (c) will not carry a rating from any rating agency. The Holder agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of any interest in the Governmental Lender Notes by it, as well as the provisions of Section 4.3 of the Bank Loan Agreement, and further acknowledges that any current exemption from registration of the Governmental Lender Notes does not affect or diminish such requirements.

8. None of the Governmental Lender, its City Council, or any of its employees, counsel or agents will have any responsibility to the Holder for the accuracy or completeness of information obtained by the Holder from any source regarding the Borrower or its financial condition or the Project, or regarding the Governmental Lender Notes, the provision for payment thereof, or the sufficiency of any security therefor. No written information has been provided by the Governmental Lender to the Holder with respect to the Governmental Lender Notes. The Holder acknowledges that, as between the Holder and all of such parties, the Holder has assumed responsibility for obtaining such information and making such review as the Holder deemed necessary or desirable in connection with its decision to purchase the Governmental Lender Notes or any interest therein.

9. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Bank Loan Agreement.

[Signature Page to Required Transferee Representations]

_____, as Holder

By _____

Name _____

Its _____