

## COMMERCE CITY URBAN RENEWAL AUTHORITY

### Terms of Affordable Housing Loan to Greyhound Park Apartments LLLP

Pursuant to the Purchase And Sale Agreement dated June 17, 2019, as amended, the Urban Renewal Authority of the City of Commerce City ("Lender") has agreed to make a loan (the "Loan") to Greyhound Park Apartments LLLP ("Borrower") on the terms outlined below. The Borrower has been formed to develop, own and operate a 223-unit affordable housing development on property located within the former Mile High Greyhound Park in Commerce City, Colorado (the "Project"), to be financed in part with federal low income housing tax credits.

1. Principal Amount: \$3,750,000.
2. Interest Rate: 1.00%, compounding annually, subject to a default rate of 5.00%. For each payment equal to the current interest on the Loan that Borrower is unable to make because the Cash Flow Cap (defined below) has been reached, the amount not paid shall compound annually at a rate 5.00% (the "Shortfall Interest Rate").
3. Use of Proceeds: Proceeds of the Loan will be used for construction costs of the Project, including predevelopment, development, and horizontal and vertical construction costs, but excluding land acquisition costs.
4. Maturity Date: Unpaid principal and accrued interest shall be due on the 30<sup>th</sup> anniversary of the date of the Loan.
5. Security: Borrower will grant to Lender a deed of trust encumbering the Project. The deed of trust will be in fourth priority (fifth during construction), junior to a construction/permanent loan from Colorado Housing and Financing Authority ("CHFA"), a bridge loan (during construction) from Wells Fargo Bank ("Wells Fargo") and two loans from Colorado Division of Housing ("CDOH") (collectively, the "Senior Loans"). Lender will enter into a subordination agreement with CHFA, Wells Fargo and CDOH, and a partial subordination agreement with CHFA in connection with the low income housing tax credits for the Project.
6. Payment Terms:
  - a. For the period beginning on the date of the Loan closing and ending 10 years after Stabilization, Borrower shall make annual payments equal to the accrued and unpaid interest, including current interest, on the Loan (but no more than 12% of Cash Flow", as defined in the Partnership Agreement) ("Cash Flow Cap"). Payments will be made within 30 days following completion of the annual audit and confirmation of the amount of Cash Flow for the immediately preceding year, but in no event shall such payments be made later than April 15<sup>th</sup> of such year. For each payment equal to the current interest on the Loan that Borrower is unable to make because the Cash Flow Cap has been reached, the amount not paid shall bear interest compounded annually at a rate 5.00%.
  - b. On the 10<sup>th</sup> anniversary of Stabilization, the amount of accrued and unpaid interest (including accrued interest thereon) shall be determined by Lender in its sole reasonable discretion, and this amount shall be paid on the 10<sup>th</sup> anniversary.

c. On the 10<sup>th</sup> anniversary of Stabilization, an annual payment (the "Amortization Payment") shall be calculated to be the amount that will repay the total amount due (i.e. the total unpaid principal and accrued and unpaid interest) over a 30 year period, with interest of 1% compounded annually. Borrower shall make annual payments for the remaining term of the Loan equal to the Amortization Payment, but not to exceed 35% of Cash Flow. Unpaid amounts shall be payable in the following year, subject to the Cash Flow limitation, provided however, any remaining unpaid amounts due to the Cash Flow limitation in such following year shall be otherwise due and payable on the Maturity Date.

d. If CCHA exercises its Right of First Refusal to purchase the Project without transferring the Project to a joint venture entity in which Delwest or a Delwest affiliate entity is a participant, or if the Project is otherwise transferred by Borrower to an entity in which Delwest or a Delwest affiliate entity are no longer involved (each a "Recall Trigger"), then Lender may declare the entire unpaid balance of the Loan due and payable and accelerate the maturity date to the end of year in which a Recall Trigger occurs.

e. All unpaid interest and principal will be payable on the maturity date, except for (i) the unpaid interest accruing at the Shortfall Interest Rate during the period ending on Stabilization, which shall be due and payable on the 10<sup>th</sup> anniversary of Stabilization, and (ii) the Loan payment in full at the end of year in which a Recall Trigger occurs.

7. Timing and Amount of Advances: The principal amount of the Loan provided by CCURA will be placed into an escrow account and disbursed by the escrow agent to the Borrower pursuant to an escrow agreement and upon receipt of documentation of reimbursable costs as described above. Documented predevelopment, development and construction costs attributable to the Project shall be reimbursed pursuant to the escrow agreement. Subject to receipt of the necessary documentation, loan proceeds may be disbursed at or immediately following loan closing.

8. Senior Loan Refinancing. Upon Lender's consent, which shall not be unreasonably withheld, delayed or conditioned, Borrower may incur additional indebtedness secured by the Project to refinance one or more of the Senior Loans, provided that the total amount of new senior indebtedness does not exceed \$50,000,000. If Lender has consented to Borrower incurring additional indebtedness, Lender will agree to subordinate the deed of trust securing the Loan to the new senior loan(s) on terms reasonably requested by the new senior lender, without changing the relative lien position of the deed of trust securing the Loan.

9. Equity Withdrawal. If Borrower withdraws any equity from the Project at any time, Borrower shall concurrently pay down a percentage of the then outstanding Loan balance equal to the amount of equity withdrawn expressed as a percentage of the total Project cost. For the avoidance of doubt, repayment of the deferred developer fee shall not constitute the withdrawal of equity from the Project.

10. Participating Interest Retained by Lender. Upon Lender's sale of all or any portion of Tract B (Commercial Tract), in accordance with Sections 4.1(b) and (c) of the Second Amended and Restated Phased Redevelopment Agreement for the Mile High Greyhound Park dated August 10, 2020 between Lender and Greyhound Park Master Developer LLC (the "MDA"), one-hundred percent (100%) of the Gross Sales Proceeds shall be placed into the escrow account and be utilized

in the following order: (1) to repay the Redeveloper Reimbursement (defined in the MDA), (2) by the contract purchaser of Tract B to pay for the cost of engineering, permitting, and construction of the infrastructure improvements needed for the Tract sold; (3) if any of the Gross Sales Proceeds remain prior to the end of the Participating Interest Term, or after the end of the Participating Interest Term if Tract B (Commercial Tract) was under contract prior to the end of the Participating Interest Term, Redeveloper or an affiliate shall apply the "Prepayment Amount" (defined below), in a manner that will enable Borrower to make a prepayment of the Loan to Lender in the Prepayment Amount. The Prepayment Amount shall equal one half of the Redeveloper's one-time Participating Interest, or 25% of remaining Gross Sales Proceeds (based upon Redeveloper's Participating Interest being equal to 50% of the remaining Gross Sales Proceeds), net of taxes attributable to such amount, but no more than the outstanding balance of the Loan.

11. Additional Conditions.

a. Documents. Upon the closing of the loan, Borrower shall execute and deliver to Lender the following documents: (i) a loan agreement (ii) a promissory note evidencing the Loan, (iii) a subordinate third deed of trust encumbering the Project, (iv) completion guaranty from Greyhound Park Master Developer LLC, and (v) customary closing incumbency or similar certificates.

b. Tax Credit Investor and Lender Approval. Final terms for the Loan will be subject to review and approval by the tax credit investor and construction lender for the Project. If final terms substantively change from this term sheet, they will be brought back to the CCURA Board.

c. Investor Cure Rights. Borrower's investor limited partner shall have rights to cure any default.

d. Transfer Consent Requirements. No transfer of the Loan or Project shall be permitted without the consent of the Lender, which consent will not unreasonably be withheld, delayed or conditioned; provided, that no consent shall be required for actions by Borrower's investor limited partner to remove or replace Borrower's general partner as provided in the Borrower's Partnership Agreement, or to a transfer by the investor limited partner of its interest in Borrower, or to a transfer of the Project or of the investor limited partner's interests in Borrower pursuant to the Purchase Option and Right of First Refusal Agreement entered into in connection with the low income housing tax credit financing for the Project.