

**LOAN AGREEMENT
(GENERAL FUND)**

THIS LOAN AGREEMENT is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation organized pursuant to the Constitution of the State of Colorado (“City”), and **HABITAT FOR HUMANITY OF METRO DENVER, INC.** a Colorado nonprofit corporation, whose address is 3245 Eliot Street, Denver, Colorado 80211 (“Borrower”), each individually a “Party” and collectively the “Parties.”

WITNESSETH:

WHEREAS, the Borrower is the owner of Property (as defined in Section 2) in the City and County of Denver;

WHEREAS, the purpose of this Loan Agreement is for the City to provide financing costs related to the development and construction of twenty-eight (28) income-restricted dwelling units located on the Property, which will be known as Aria Homes by Habitat (the “Project”);

WHEREAS, the City is making certain monies available to ensure the development of the Project; and

WHEREAS, the Borrower is eligible to receive funds from the City, and is ready, willing and able to meet the conditions associated therewith.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the Parties agree as follows:

1. LOAN TO BORROWER: Subject to the terms of this Loan Agreement, the City agrees to lend Borrower a sum not to exceed One Million Two Hundred Sixty Thousand Dollars and No/100 Dollars (\$1,260,000.00) (the “Loan”). In addition to this Loan Agreement, the Borrower will execute a promissory note in a form satisfactory to the City evidencing this Loan (the “Promissory Note”). Simple interest at a rate of zero percent (0%) per annum shall commence accruing on the outstanding principal balance of the Promissory Note on the date on which the first draw on the Loan is made. Principal and any interest accrued on the Loan shall mature and be due and payable on the ninety-ninety (99th) anniversary of the date of the Promissory Note (the “Maturity Date”), if not sooner paid. Repayment shall be forgiven by the City on the Maturity Date so long as Borrower is in compliance with all terms and conditions of this Loan Agreement.

2. SECURITY: Repayment of the Promissory Note shall be secured by a Deed of Trust (the “Deed of Trust”), in form satisfactory to City, granted by Borrower and encumbering

the real property known and numbered as 2819 W. 53rd Ave, Denver, Colorado 80211 and legally described as set forth in Exhibit E (the “Property”). Upon the recordation of the party wall agreements for the Project, the City and Borrower will execute an Amended and Restated Deed of Trust (“Amended Deed of Trust”) to release all improvements, as well as rents, and the City’s security will solely be on the land. References in this Loan Agreement to the Deed of Trust shall also include the Amended Deed of Trust unless the context requires otherwise.

3. INTENTIONALLY OMITTED

4. USE AND DISBURSEMENT OF FUNDS:

A. Loan proceeds will be used to finance costs associated with development of the Property for use as affordable housing, in accordance with **Exhibit A**, attached hereto and incorporated herein. The Borrower shall submit to the City requisitions with documentation of incurred costs on the City’s Department of Housing Stability (“HOST”) approved forms, and otherwise comply with the financial administration requirements set forth in **Exhibit B** attached hereto and incorporated herein.

B. Where the City’s funds are disbursed for construction, (i) the City shall monitor the construction activities for the purpose of verifying eligible costs, and (ii) the City shall retain ten percent (10%) of each disbursement of funds, which retainage shall be released upon (a) final inspection and approval of the Project by the City; (b) receipt of proof of release of liens from all applicable contractors, subcontractors, and suppliers; and (c) the issuance of a certificate of occupancy.

C. In addition to the retainage specified in subsection B above, HOST shall retain Ten Thousand Dollars and No/100 Dollars (\$10,000.00) of the total funds to be disbursed under this Loan Agreement (the “Compliance Retainer”). This amount shall be released upon receipt from Borrower of all information necessary for the City’s reporting requirements.

D. Expenses incurred prior to July 1, 2020 are not eligible for reimbursement.

5. DEADLINE FOR DISBURSEMENT OF FUNDS; REQUIRED DOCUMENTATION:

A. Borrower must satisfy all conditions set forth in this Loan Agreement on or before August 25, 2022 (the “Closing Deadline”). Failure to meet this deadline may result in the termination of this Loan Agreement at the HOST Executive Director’s sole discretion. No funds shall be disbursed under this Loan Agreement until such time as (i) all conditions of this Loan Agreement have been met and (ii) Borrower has closed on all financing necessary to complete the

Project.

B. Borrower agrees that (a) documentation for all draw down requests will be submitted no later than twenty-four (24) months after the date of the Promissory Note and (b) Borrower shall complete the Project within a twenty-four (24) month period after the date of the Promissory Note. These deadlines may be extended with the written approval of HOST. All cost overruns and/or funding shortfalls shall be the sole responsibility of the Borrower.

C. The HOST Executive Director is authorized to extend or modify any deadlines or schedules (other than repayment deadlines or schedules) set forth herein, provided that the Borrower also consents to any such change and that such changes are made in writing.

6. RESTRICTIONS ON PROPERTY:

i. Affordability Limitations. Borrower agrees that each of the twenty-eight dwellings units created pursuant to this Loan Agreement (each a “Unit” and collectively the “Units”) shall be subject to a land lease, substantially in the form of Exhibit C (the “Land Lease”), whereby the land underlying the Unit is leased and the improvements sold (a “Sale”) to a household whose annual income is at or below 80% of the area median income AMI, as determined by the U.S. Department of Housing and Urban Development. The term “Sale” shall include the resale of any Unit during the term of this Loan Agreement. The Borrower shall verify the household income of each purchaser for each Sale of a Unit. In connection with the Sale of each of the Units, Borrower shall enter into a Land Lease with the purchaser. The Land Lease must contain the City and County of Denver Land Lease Rider (the “City Rider”), substantially in the form of Exhibit D. Borrower is prohibited from executing any Land Lease that contains modifications to Sections 4.1 or 8.11 Articles 10, 11, or 12 or any other provision of the Land Lease that is referenced in the City Rider. The Borrower shall be required to provide income verification for each Sale to HOST for its compliance review.

B. Lease Rider. Upon execution of each Land Lease, Borrower shall, and shall cause the purchaser to, execute and notarize the City Rider, which shall be recorded in the real property records of the City and County of Denver. A City Rider shall be recorded with each Sale, shall run with the land, and shall remain unaffected by any Land Lease modifications.

C. Unit Sale Price. The initial sale price of a Unit may not exceed the maximum sales price for the size of the Unit being sold, as published by HOST. All subsequent Sales of Units shall be governed by the terms of the Land Lease.

D. Proceeds Upon Foreclosure. In the event of any foreclosure of any mortgage

on a Unit that results in the loss of resale price restrictions on a Unit, the City shall have the right to recoup from Borrower the City per unit investment, but only if Borrower actually receives excess funds from net proceeds of resale following such foreclosure in accordance with Section 8.11 of the Land Lease. To the extent the Borrower obtains title to such Unit upon any foreclosure and reinstates the resale price restrictions or otherwise prevents the resale price restrictions from being terminated, no payment shall be due from Borrower to the City.

7. CONVEYANCE OF PROPERTY; ASSIGNMENT OF LOAN AGREEMENT:

Upon completion of the construction of the Project and the issuance of a certificate of occupancy, Borrower may transfer the Property to Colorado Community Land Trust – Denver LLC (“CCLT”). Prior to the transfer, CCLT must agree in writing to assume the responsibilities of this Loan Agreement, and the Deed of Trust and Promissory Note. The HOST Executive Director is authorized to execute an assignment agreement in a form satisfactory to the City Attorney to accomplish the objectives of this Section. Upon the execution of an assignment agreement, CCLT will be considered the “Borrower” under this Loan Agreement.

8. EXAMINATION OF RECORDS/REPORTING REQUIREMENTS/ ANNUAL MONITORING; INSPECTIONS:

A. Examination of Records: The Borrower agrees that the City, or any of its duly authorized representatives shall, until the expiration of five (5) years after the expiration of the affordability period set forth in Section 6, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Borrower involving transactions related to this Loan Agreement. Borrower must also require its contractors and subcontractors to allow access to such records when requested. The records maintained by Borrower shall include, without limitation, (i) records evidencing the income of each household purchasing a Unit, and (ii) the purchase price of each Unit.

B. Required Information and Reports. Borrower shall submit to the City an annual report on occupancy of the Units, including, but not limited to, the information related to the sale of any Unit, the income of each household purchasing a Unit, and the purchase price of the Unit.

C. Access and Inspections. For the purposes of assuring compliance with the Loan Agreement, the City shall have the reasonable right of access to the Property, without charges or fees, during the period of construction.

9. FINANCIAL STATEMENTS: Borrower must furnish to the City annually, within ninety (90) days following the end of each calendar year, financial statements of the Borrower

audited by an independent certified public accountant, which must include an annual balance sheet and profit and loss statement of the Borrower, in a form reasonably required by the City.

10. CONDITIONS PRECEDENT TO CLOSING LOAN: In addition to any other conditions stated in the Loan Agreement, the following conditions must be satisfied at prior to the Closing Deadline:

A. **Environmental Reports.** The Borrower must provide the City with a Phase I Environmental Site Assessment (“ESA”) in form and substance acceptable to the City. If the ESA is not in the City’s name, the City must be provided with a reliance letter in the name of the City from the environmental engineer, which must be satisfactory to the City.

B. **Title Insurance.** Borrower must obtain, on behalf of the City, a lenders title policy insuring the City in the principal amount of the Loan. Borrower must provide the City with a copy of the lenders title policy within thirty (30) days of closing.

C. **Appraisal.** Borrower must provide the City with an as-built appraisal of the Property, which must be satisfactory in form and substance to the City.

D. **Organizational Documents.** Borrower must provide the City with (i) evidence that it is a Colorado nonprofit corporation in good standing and authorized to transact business in the State of Colorado; (ii) evidence in a form satisfactory to the City that the person executing this Loan Agreement and any other documents related to the Loan has the full power and authority to bind Borrower; and (iii) all organizational documents related to Borrower, which must be acceptable to the City. Organization documents include, but are not limited to, Articles of Incorporation, bylaws, and, as a nonprofit corporation, a tax exempt letter from the Internal Revenue Service and a list of board members.

E. **Intentionally omitted.**

F. **Survey.** Borrower must provide the City with a current ALTA survey of the Property. The ALTA survey must be prepared by a licensed land surveyor, certified to the City, and satisfactory to the City.

G. **Promissory Note; Deed of Trust.** Borrower must execute and deliver to the closing agent the Promissory Note. Borrower must execute and deliver to the closing agent for recordation the Deed of Trust.

H. **Evidence of Financing.** Borrower must provide such information and documentation sufficient to satisfy the City, in the City’s sole discretion, that the Borrower has secured all financing necessary to complete the Project. Documentation sufficient to satisfy the City

may include, but not be limited to, commitment letters for all other financing or funding.

I. **Insurance**. Borrower must provide the City with certificates of insurance or copies of the policies of insurance required under this Loan Agreement.

11. COSTS AND EXPENSES: The Borrower agrees to pay all direct costs, expenses and attorney fees reasonably incurred by the City in connection with the Borrower's breach or default of this Loan Agreement or the Promissory Note, Deed of Trust, or Covenant. Borrower agrees to pay reasonable loan closing costs, including all recording charges, title insurance charges, costs of surveys, costs for certified copies of instruments, costs incurred for obtaining any documents or reports required pursuant to this Loan Agreement, and all other costs incurred by the City in connection with the Loan.

12. CONDITIONS:

A. The obligation of the City to lend the above sums is limited to funds appropriated for the purpose of this Loan Agreement and paid into the City treasury.

B. This Loan Agreement is subject to the provisions of the City Charter and Revised Municipal Code as the same may be amended from time.

13. INSURANCE: Borrower or its contractor(s) shall procure and maintain insurance in the following types and amounts:

A. Where loan proceeds are disbursed for construction, Builders Risk Insurance or an Installation Floater in the amount of the value of the Property as improved and renovated, with the City and County of Denver named as loss payee.

B. Commercial General Liability Insurance covering all operations by or on behalf of Borrower, on an occurrence basis, with limits not less than \$1,000,000 per occurrence, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate. Borrower's contractor shall include all subcontractors as insureds under its policy or shall furnish separate certificates of insurance for each subcontractor.

C. Worker's Compensation and Employer's Liability Insurance at statutory limits and otherwise sufficient to ensure the responsibilities of Borrower and its contractor under Colorado law.

D. Property insurance satisfactory to the City in the amount of the value of the property subject to the Deed of Trust and Covenant, with the City named as loss payee.

E. Certificates of Insurance evidencing the above shall be submitted prior to the Closing Deadline. Policies shall include a waiver of subrogation and rights of recovery against the City.

Insurance companies providing the above referenced coverage must be authorized and licensed to issue insurance in Colorado and be otherwise acceptable to the Risk Management Office.

14. DEFENSE & INDEMNIFICATION:

A. Borrower agrees to defend, indemnify, and hold harmless City, its appointed and elected officials, agents and employees against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Loan Agreement (“Claims”), unless and until such Claims have been specifically determined by the trier of fact to be due to the sole negligence or willful misconduct of the City. This indemnity shall be interpreted in the broadest possible manner to indemnify City for any acts or omissions of Borrower or its subcontractors either passive or active, irrespective of fault, including City’s concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of City.

B. Borrower’s duty to defend and indemnify City shall arise at the time written notice of the Claim is first provided to City regardless of whether Claimant has filed suit on the Claim. Borrower’s duty to defend and indemnify City shall arise even if City is the only party sued by claimant and/ or claimant alleges that City’s negligence or willful misconduct was the sole cause of claimant’s damages.

C. Borrower will defend any and all Claims which may be brought or threatened against City and will pay on behalf of City any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of City shall be in addition to any other legal remedies available to City and shall not be considered City’s exclusive remedy.

D. Insurance coverage requirements specified in this Loan Agreement shall in no way lessen or limit the liability of the Borrower under the terms of this indemnification obligation. The Borrower shall obtain, at its own expense, any additional insurance that it deems necessary for the City’s protection.

E. This defense and indemnification obligation shall survive the expiration or termination of this Loan Agreement.

15. DEFAULT AND ACCELERATION:

A. Default. The occurrence of any of the following events shall constitute a default by the Borrower:

1. Any breach of this Loan Agreement, the Promissory Note, or the Deed of Trust, or the Covenant;
2. The City determines that any warranty, representation, or statement made or furnished to the City by or on behalf of Borrower in connection with this Loan Agreement proves to have been false in any material respect when made or furnished;
3. Borrower becomes delinquent to the City Loan or on any other contractual or tax obligations as due;
4. Borrower fails to comply with any rule, regulation or provision referred to in the Loan Agreement;
5. Borrower fails to maintain a cash balance that is sufficient to cover sixty (60) days of Borrower's operating expenses; and
6. Borrower is generally unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors; or the Borrower applies for or consents to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such a receiver, trustee or similar officer is appointed without the application or consent of the Borrower, and such appointment continues undischarged for a period of ninety (90) days; or the Borrower institutes (by petition, application, answer or otherwise) any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution, liquidation or similar proceedings under the laws of any jurisdiction; or any such proceeding shall be instituted against the Borrower; or the Borrower terminates or dissolves.

B. Cure Period. Upon a default, the City shall give written notice of the default to Borrower and other persons entitled to notice of a default pursuant to this Loan Agreement. After Borrower's receipt of the written notice, Borrower or a person on behalf of Borrower shall have ten (10) calendar days to cure any monetary default and thirty (30) calendar days to cure any nonmonetary default (collectively, the "Cure Period"). If a nonmonetary default is not a type which can be cured within the Cure Period, the City, at its reasonable discretion, may extend the cure period if the Borrower provides the City with a reasonably detailed written plan of how the Borrower will cure the nonmonetary default and the Borrower, at all times within such additional time period, actively and diligently pursues such plan. For purposes of this Loan Agreement, the term "monetary

default” means a failure by Borrower to make any payment required of it pursuant to the applicable Promissory Note or any other Loan document, and the term “nonmonetary default” means a failure by Borrower or any other person to perform any obligation contained in the Loan Agreement, Covenant, Deed of Trust, or Promissory Note, other than the obligation to make payments provided for in the Promissory note or Loan documents.

C. Acceleration; Interest Upon Default; and Withholding Disbursements. Upon the existence of a default and the failure to cure within the Cure Period, and without necessity of further notice, presentment, demand, protest, or notice of protest of any kind, all of which are expressly waived by the Borrower, the City shall have the right to accelerate any outstanding obligations of the Borrower, which shall be immediately due and payable, including payments under the Promissory Note, to foreclose upon the Property, and to enforce or assign its rights under the Deed of Trust. Upon default and if the default remains after the Cure Period, the principal shall draw interest at the rate of fifteen percent (15%) per annum. If any of the Loan funds have not been disbursed to Borrower, the City may suspend or terminate the Loan Agreement, in whole or in part, and withhold one hundred percent (100%) of any undisbursed funds.

D. Effect of Default on Eligibility for Further Funding. If Borrower is in default, the City may declare the Borrower ineligible for any further participation in City funding, in addition to other remedies as provided by law.

16. NOTICES: All notices required by the terms of this Loan Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to Borrower at the address:

Habitat for Humanity of Metro Denver, Inc.
Attn: Heather Lafferty
3245 Eliot Street
Denver, Colorado 80211

and if to the City at:

Executive Director of the Department of Housing Stability
City and County of Denver
201 West Colfax Avenue, Dept. 615
Denver, Colorado 80202

With a copy to:

Denver City Attorney’s Office
1437 Bannock St., Room 353

Denver, Colorado 80202

Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. Notices sent by mail are effective upon deposit with the U.S. Postal Service. The parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.

17. DISPUTES: All disputes between the City and Borrower arising out of or regarding this Loan Agreement will be resolved by administrative hearing pursuant to the procedure established by D.R.M.C. § 56-106(b)-(f). For the purposes of that administrative procedure, the City official rendering a final determination shall be the HOST Executive Director.

18. ASSIGNMENT AND SUBCONTRACTING: The City is not obligated or liable under this Loan Agreement to any party other than the Borrower. Except as provided in Section 7, the Borrower shall not assign, sublet or subcontract with respect to any of the rights, benefits, obligations or duties under this Loan Agreement except upon prior written consent of the City.

19. CITY NOT PARTY TO CONSTRUCTION CONTRACT: The City is not, and nothing in this Loan Agreement shall be construed to constitute the City, a party to any construction contract pursuant to which the loan or grant proceeds hereof are expended.

20. PUBLICATIONS/ANNOUNCEMENTS: HOST approval must be obtained prior to publicizing activities or projects funded by HOST or prior to any radio or television announcements, newspaper advertisements, press releases, pamphlets, mail campaigns, or any other marketing methods for any activities or projects funded by HOST. In any event, all such publicizing activities must include the following statement: "The funding source for this activity is the City and County of Denver, Department of Housing Stability." HOST shall be acknowledged in any events regarding the project being funded, including groundbreakings and openings.

21. ACKNOWLEDGEMENT OF FUNDING: Borrower will provide and install at the Property signs, in a form mutually agreeable to the HOST Executive Director and the Borrower, acknowledging the participation of the City and the City funding of the Project.

22. WAIVER: No waiver of any breach or default under this Loan Agreement shall be held to be a waiver of any other or later breach or default. All remedies afforded in this Loan Agreement shall be construed as cumulative, in addition to every other remedy provided herein or by law.

23. **DURATION/BINDING EFFECT:** This Loan Agreement shall remain in effect for the period of affordability specified in Section 6(E) above and shall be binding upon the parties and shall inure to the benefit of their respective successors, assignees, representatives, and heirs.

24. **COUNTERPARTS:** This Loan Agreement may be executed in multiple counterparts, each of which, when executed and delivered, shall be deemed to be an original and, taken together, shall constitute one and the same instrument.

25. **NONRECOURSE:** Notwithstanding any other provision contained herein, or the Promissory Note, the Deed of Trust, or the Covenant, it is agreed that the execution of this Loan Agreement, the Promissory Note, the Deed of Trust, and the Covenant shall impose no personal liability on Borrower or any partner, member or manager of Borrower for payment of any of the obligations described herein or therein, and the City's sole recourse shall be against the Project.

26. **NO DISCRIMINATION IN EMPLOYMENT:** In connection with the performance of work under this Loan Agreement, the Borrower may not refuse to hire, discharge, promote, demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, ethnicity, citizenship, immigration status, gender, age, sexual orientation, gender identity, gender expression, marital status, source of income, military status, protective hairstyle, or disability. The Borrower shall insert the foregoing provision in all subcontracts.

27. **RECITALS:** All of the recitals above are hereby confirmed and incorporated herein as part of this Loan Agreement.

28. **ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS:** Borrower consents to the use of electronic signatures by the City. This Loan Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of this Loan Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of this Loan Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

List of Exhibits to Loan Agreement

Exhibit A – Project Timeline and Costs

Exhibit B – HOST Financial Administration Requirements

Exhibit C – Land Lease

Exhibit D – City Rider

Exhibit E – Legal Description of Property

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Contract Control Number:
Contractor Name:

HOST-202160935-00
HABITAT FOR HUMANITY OF METRO DENVER INC

DocuSigned by:
By: Heather Lafferty
D61D25691AAE47F...

Name: Heather Lafferty
(please print)

Title: CEO & Executive Director
(please print)

ATTEST: [if required]

DocuSigned by:
By: Christine Koleski
B5D960B1FC144D7...

Name: Christine Koleski
(please print)

Title: Executive Assistant
(please print)

Contract Control Number:
Contractor Name:

HOST-202160935-00
HABITAT FOR HUMANITY OF METRO DENVER INC

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

SEAL

CITY AND COUNTY OF DENVER:

ATTEST:

By:

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

Attorney for the City and County of Denver

By:

By:

By:

Contract Control Number:
Contractor Name:

HOST-202160935-00
HABITAT FOR HUMANITY OF METRO DENVER INC

By: _____

Name: _____
(please print)

Title: _____
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

EXHIBIT A

Project Timeline - Aria Townhomes
2819 W, 53rd Ave, Denver, CO 80211

Groundbreaking/Construction Start: 6/1/2021

Construction completion: 6/1/2022

Sale of restricted units to eligible homebuyers and conveyance of land to CCLT: 12/1/2022

Uses	Total	
Construction Costs and Fees	\$6,641,000	Approved City Use
Soft Costs and Professional Fees	\$120,000	
Acquisition	\$1,020,000	Other funding
Developer Fee	\$583,000	Other funding
Homebuyer Prep/Assistance	\$752,000	Other funding
Total	\$9,116,000	

EXHIBIT B

FINANCIAL ADMINISTRATION:

1.1 Compensation and Methods of Payment

- 1.1.1 Disbursements shall be processed through the Department of Housing Stability (HOST) and the City and County of Denver's Department of Finance.
- 1.1.2 The method of payment to the Contractor by HOST shall be in accordance with established HOST procedures for line-item reimbursements. The Contractor must submit expenses to HOST on or before the last day of each month for the previous month's activity. Voucher requests for reimbursement of costs should be submitted on a regular and timely basis in accordance with HOST policies. Vouchers should be submitted within thirty (30) days of the actual service, expenditure or payment of expense.
- 1.1.3 The Contractor shall be reimbursed for services provided under this Agreement according to the approved line-item reimbursement budget attached to and made a part of this Agreement (Exhibit A).

1.2 Vouchering Requirements

- 1.2.1 In order to meet Government requirements for current, auditable books at all times, it is required that all vouchers be submitted monthly to HOST in order to be paid. Expenses cannot be reimbursed until the funds under this contract have been encumbered.
- 1.2.2 No more than four (4) vouchers may be submitted per contract per month, without prior approval from HOST.
- 1.2.3 All vouchers for all Agreements must be correctly submitted within thirty (30) days of the Agreement end date to allow for correct and prompt closeout.
- 1.2.4 City and County of Denver Forms shall be used in back-up documents whenever required in the Voucher Processing Policy.
- 1.2.5 For contracts subject to Federal Agreements, only allowable costs determined in accordance with 2 CFR Chapter I, Chapter II, Parts 200, 215, 220, 225 and 230, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (the "OMB Omni Circular") applicable to the organization incurring the cost will be reimbursed.
- 1.2.6 The reimbursement request, or draw request, for personnel and non-personnel expenses should be submitted to the City on a monthly basis, no later than the last day of the following month for expenses incurred in the prior month. The request for reimbursement should include:

- a. Amount of the request in total and by line item;
 - b. Period of services for current reimbursement;
 - c. Budget balance in total and by line item;
 - d. Authorization for reimbursement by the contract signatory (i.e., executive director or assistant director).
- 1.2.7 If another person has been authorized by the Contractor to request reimbursement for services provided by this contract, then the authorization should be forwarded in writing to HOST prior to the draw request.
- 1.2.8 The standardized HOST “Expense Certification Form” should be included with each payment request to provide the summary and authorization required for reimbursement.

1.3 Payroll

- 1.3.1 A summary sheet should be included to detail the gross salary of the employee, amount of the salary to be reimbursed, the name of the employee, and the position of the employee. If the employee is reimbursed only partially by this contract, the amount of salary billed under other contracts with the City or other organizations should be shown on the timesheet as described below. Two items are needed for verification of payroll: (1) the amount of time worked by the employee for this pay period; and (2) the amount of salary paid to the employee, including information on payroll deductions.
- 1.3.2 The amount of time worked will be verified with timesheets. The timesheets must include the actual hours worked under the terms of this contract, and the actual amount of time worked under other programs. The total hours worked during the period must reflect all actual hours worked under all programs including leave time. The employee’s name, position, and signature, as well as a signature by an appropriate supervisor, or executive director, must be included on the timesheets. If an electronic time system is used, signatures are not required. If the timesheet submitted indicates that the employee provided services payable under this contract for a portion of the total time worked, then the amount of reimbursement requested must be calculated and documented in the monthly reimbursement request.
- 1.3.3 A payroll register or payroll ledger from the accounting system will verify the amount of salary. Copies of paychecks are acceptable if they include the gross pay and deductions.

1.4 Fringe Benefits

- 1.4.1 Fringe benefits paid by the employer can be requested by applying the FICA match of 7.65 percent to the gross salary -less pre-tax deductions, if applicable,

paid under this contract. Fringe benefits may also include medical plans, retirement plans, worker's compensation, and unemployment insurance. Fringe benefits that exceed the FICA match may be documented by 1) a breakdown of how the fringe benefit percentage was determined prior to first draw request; or, 2) by submitting actual invoices for the fringe benefits. If medical insurance premiums are part of the estimates in item #1, one-time documentation of these costs will be required with the breakdown. Payroll taxes may be questioned if they appear to be higher than usual.

1.5 General Reimbursement Requirements

- 1.5.1 **Invoices:** All non-personnel expenses need dated and readable invoices. The invoices must be from a vendor separate from the Contractor, and must state what goods or services were provided and the delivery address. Verification that the goods or services were received should also be submitted, this may take the form of a receiving document or packing slips, signed and dated by the individual receiving the good or service. Copies of checks written by the Contractor, or documentation of payment such as an accounts payable ledger which includes the check number shall be submitted to verify that the goods or services are on a reimbursement basis.
- 1.5.2 **Mileage:** A detailed mileage log with destinations and starting and ending mileage must accompany mileage reimbursement. The total miles reimbursed and per mile rate must be stated. Documentation of mileage reimbursement to the respective employee must be included with the voucher request.
- 1.5.3 **Cell Phone:** If the monthly usage charge is exceeded in any month, an approval from the Executive Director or designee will be required.
- 1.5.4 **Administration and Overhead Cost:** Other non-personnel line items, such as administration, or overhead need invoices, and an allocation to this program documented in the draw request. An indirect cost rate can be applied if the Contractor has an approved indirect cost allocation plan. The approved indirect cost rate must be submitted to and approved by HOST.
- 1.5.5 **Service Period and Closeout:** All reimbursed expenses must be incurred during the time period within the contract. The final payment request must be received by HOST within thirty (30) days after the end of the service period stated in the contract.

2.1 Program Income

- 2.1.1 For contracts subject to Federal Agreements, program income includes, without limitation, income from fees for services performed, from the use or rental of real or personal property acquired with contract funds, from the sale of commodities or items fabricated under a contract agreement, and from payments of principal and interest on loans made with contract funds.

- 2.1.2 Program income may be deducted from total allowable costs to determine net allowable costs and may be used for current reimbursable costs under the terms of this contract. Program income which was not anticipated at the time of the award may be used to reduce the award contribution rather than to increase the funds committed to the project. ALL PROGRAM INCOME GENERATED DURING ANY GIVEN PERIOD SUBMITTED FOR PAYMENT SHALL BE DOCUMENTED ON THE VOUCHER REQUEST.
- 2.1.3 The Contractor, at the end of the program, may be required to remit to the City all or a part of any program income balances (including investments thereof) held by the Contractor (except AS PRE-APPROVED IN WRITING BY HOST, INCLUDING those needed for immediate cash needs).

3.1 Financial Management Systems

The Contractor must maintain financial systems that meet the following standards:

- 3.1.1 Financial reporting must be accurate, current, and provide a complete disclosure of the financial results of financially assisted activities and be made in accordance with federal and/or city financial reporting requirements.
- 3.1.2 Accounting records must be maintained which adequately identify the source and application of the funds provided for financially assisted activities. The records must contain information pertaining to contracts and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. Accounting records shall provide accurate, separate, and complete disclosure of fund status.
- 3.1.3 Effective internal controls and accountability must be maintained for all contract cash, real and personal property, and other assets. Adequate safeguards must be provided on all property and it must be assured that it is used solely for authorized purposes.
- 3.1.4 Actual expenditures or outlays must be compared with budgeted amounts and financial information must be related to performance or productivity data, including the development of cost information whenever appropriate or specifically required.
- 3.1.5 For contracts subject to Federal Agreements, applicable OMB Omni Circular cost principles, agency program regulations, and the terms of the agreement will be followed in determining the reasonableness, allowability and allocability of costs.
- 3.1.6 Source documents such as cancelled checks, paid bills, payrolls, time and attendance records, contract documents, etc., shall be provided for all disbursements. The Contractor will maintain auditable records, i.e., records must be current and traceable to the source documentation of transactions.

- 3.1.7 For contracts subject to Federal Agreements, the Contractor shall maintain separate accountability for HOST funds as referenced in 24 C.F.R. 85.20 and the OMB Omni Circular.
- 3.1.8 The Contractor must properly report to Federal, State, and local taxing authorities for the collection, payment, and depositing of taxes withheld. At a minimum, this includes Federal and State withholding, State Unemployment, Worker's Compensation (staff only), City Occupational Privilege Tax, and FICA.
- 3.1.9 A proper filing of unemployment and worker's compensation (for staff only) insurance shall be made to appropriate organizational units.
- 3.1.10 The Contractor shall participate, when applicable, in HOST provided staff training sessions in the following financial areas including, but not limited to (1) Budgeting and Cost Allocation Plans; (2) Vouchering Process.

4.1 Audit Requirements

- 4.1.1 For contracts subject to Federal Agreements, if the Contractor expends seven hundred and fifty thousand dollars (\$750,000) or more of federal awards in the Contractor's fiscal year, the Contractor shall ensure that it, and its sub recipients(s), if any, comply with all provisions of the OMB Omni Circular.
- 4.1.2 A copy of the final audit report must be submitted to the HOST Financial Manager within the earliest of thirty (30) calendar days after receipt of the auditor's report; or nine (9) months after the end of the period audited.
- 4.1.3 A management letter, if issued, shall be submitted to HOST along with the reporting package prepared in accordance with the Single Audit Act Amendments and the OMB Omni Circular. If the management letter is not received by the subrecipient at the same time as the Reporting Package, the Management Letter is also due to HOST within thirty (30) days after receipt of the Management Letter, or nine (9) months after the end of the audit period, whichever is earlier. If the Management Letter has matters related to HOST funding, the Contractor shall prepare and submit a Corrective Action Plan to HOST in accordance with the Single Audit Act Amendments and the OMB Omni Circular, as set forth in 24 C.F.R. Part 45 for each applicable management letter matter.
- 4.1.4 All audit related material and information, including reports, packages, management letters, correspondence, etc., shall be submitted to **HOST Financial Services Team**.
- 4.1.5 The Contractor will be responsible for all Questioned and Disallowed Costs.
- 4.1.6 The Contractor may be required to engage an audit committee to determine the services to be performed, review the progress of the audit and the final audit

findings, and intervene in any disputes between management and the independent auditors. The Contractor shall also institute policy and procedures for its sub recipients that comply with these audit provisions, if applicable.

5.1 Budget Modification Requests

- 5.1.1 HOST may, at its option, restrict the transfer of funds among cost categories, programs, functions or activities at its discretion as deemed appropriate by program staff, HOST executive management or its designee.
- 5.1.2 Minor modifications to the services provided by the Contractor or changes to each line item budget equal to or less than a ten percent (10%) threshold, which do not increase the total funding to the Contractor, will require notification to HOST program staff and upon approval may be submitted with the next monthly draw. Minor modifications to the services provided by Contractor, or changes to each line item budget in excess of the ten percent (10%) threshold, which do not increase the total funding to Contractor, may be made only with prior written approval by HOST program staff. Such budget and service modifications will require submittal by Contractor of written justification and new budget documents. All other contract modifications will require an amendment to this Agreement executed in the same manner as the original Agreement.
- 5.1.3 The Contractor understands that any budget modification requests under this Agreement must be submitted to HOST prior to the last Quarter of the Contract Period, unless waived in writing by the HOST Director.

6.1 Procurement

- 6.1.1 The Contractor shall follow the City Procurement Policy to the extent that it requires that at least three (3) documented quotations be secured for all purchases or services (including insurance) supplies, or other property that costs more than ten thousand dollars (\$10,000) in the aggregate.
- 6.1.2 The Contractor will maintain records sufficient to detail the significant history of procurement. These records will include, but are not limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- 6.1.3 For contracts subject to federal agreements, If there is a residual inventory of unused supplies exceeding five thousand dollars (\$5,000) in total aggregate upon termination or completion of award, and if the supplies are not needed for any other federally sponsored programs or projects the Contractor will compensate the awarding agency for its share.

7.1 Bonding

- 7.1.1 For contracts subject to federal agreements, HOST may require adequate fidelity bond coverage, in accordance with 24 C.F.R. 84.21 (d), where the subrecipient lacks sufficient coverage to protect the Federal Government's interest.

8.1 Records Retention

- 8.1.1 The Contractor must retain for seven (7) years financial records pertaining to the contract award. The retention period for the records of each fund will start on the day the single or last expenditure report for the period, except as otherwise noted, was submitted to the awarding agency.
- 8.1.2 The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access, upon reasonable notice, to any pertinent books, documents, papers, or other records which are pertinent to the contract, in order to make audits, examinations, excerpts, and transcripts.

9.1 Contract Close-Out

- 9.1.1 All Contractors are responsible for completing required HOST contract close-out forms and submitting these forms to their appropriate HOST Contract Specialist within sixty (60) days after the Agreement end date, or sooner if required by HOST in writing.
- 9.1.2 Contract close out forms will be provided to the Contractor by HOST within thirty (30) days prior to end of contract.
- 9.1.3 HOST will close out the award when it determines that all applicable administrative actions and all required work of the contract have been completed. If Contractor fails to perform in accordance with this Agreement, HOST reserves the right to unilaterally close out a contract, "unilaterally close" means that no additional money may be expended against the contract.

10.1 Collection of amounts due

- 10.1.1 Any funds paid to a Contractor in excess of the amount to which the Contractor is finally determined to be entitled under the terms of the award constitute a debt to the Federal Government and the City. If not paid within a reasonable period after demand, HOST may 1) Make an administrative offset against other requests for reimbursements, 2) Withhold advance payments otherwise due to the Contractor, or 3) other action permitted by law.

EXHIBIT C

LAND LEASE

FOR

_____, **DENVER, CO** _____

ARIA POCKET NEIGHBORHOOD

THIS LAND LEASE ("Lease") is made and entered into on the date set forth below on the Signature Pages, by and between Colorado Community Land Trust-Denver, LLC, a Colorado Limited Liability Company ("Land Owner"), and that party set forth below in the Specific Terms and on the Signature Pages as Home Owner ("Home Owner").

SPECIFIC TERMS

THIS ARTICLE OF SPECIFIC TERMS is a material part of this Lease between Land Owner and the Home Owner. By executing the Signature Pages, both parties agree to be bound by all terms and conditions of this Lease, including such terms and conditions as set forth or defined in this Article of Specific Terms. Except as otherwise defined herein, capitalized terms shall have the meaning set forth on Exhibit A attached hereto.

1. "Home Owner" shall mean _____, and his and/or her successors in interest to title to the Home.
2. "Developer" shall mean Habitat for Humanity of Metro Denver, Inc.
3. The term of this Lease shall be 99 years, commencing on _____ **20**__, and terminating on _____, **21**__, unless terminated sooner or extended as provided in this Lease.
4. The initial Lease Fee shall be Ninety dollars (\$90.00) per month. Note that the Lease Fee is subject to adjustment as set forth in Article 5.
5. The initial appraised value of the Property (i.e., both the Home and the Land) as of the date of this Lease is agreed to be \$_____.
6. It is agreed that the appraised value of the Home as of the date of this Lease shall be 70% of the above-stated appraised value of the Property, or \$_____.
7. It is agreed that the original Purchase Price for the Home and Home Owner's leasehold interest in the Land is \$_____.
8. Notice Addresses. (See Section 16.1)

If to Land Owner: Colorado Community Land Trust-Denver, LLC.
3245 Eliot St
Denver, CO 80211
(address is subject to change pursuant to Section 16.1)

If to Home Owner: The address of the Home. (See Exhibit D)

RECITALS

- A. Land Owner is organized exclusively for charitable purposes, including:
1. Providing opportunities for low to moderate income people to secure decent, affordable housing; and
 2. Assuring the quality and affordability of housing for future low to moderate income individuals.
- B. Land Owner seeks to stimulate the conveyance of decent, affordable housing among low to moderate income people by providing access to housing for such persons at affordable prices through the long-term leasing of land upon which such housing is built.
- C. Land Owner owns the Land described on Exhibit D.
- D. Home Owner is purchasing the Home described on Exhibit D from Developer. The Home is located on the Land.
- E. The Land is hereby being leased by Land Owner to Home Owner in furtherance of Land Owner's charitable purposes.
- F. Land Owner and Home Owner recognize the special nature of the terms and conditions of this Lease, and they each, with the independent and informed advice of legal counsel, freely accept the terms and conditions of this Lease, including, without limitation, such terms and conditions as might affect the marketability or resale price of the Home and the Home Owner's leasehold interest in the Land.
- G. It is mutually understood and accepted by Land Owner and Home Owner that the terms and conditions of this Lease further the parties' shared goals over an extended period of time and through a succession of owners.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 HOME OWNER'S LETTER AND DEFINITIONS

1.1 Home Owner's Letter. Each Home Owner (and successor Home Owners), at or before Closing, shall execute a Home Owner's Letter confirming the Home Owner's review and understanding of this Lease (in particular, Articles 10 and 11 hereof), the terms and conditions contained herein, and related documents for this transaction. The Home Owner's Letter shall be in a form promulgated by Land Owner, and may be recorded by Land Owner.

1.2 Definitions. Attached hereto as Exhibit A are the definitions of capitalized terms not otherwise defined in this Lease.

1.3 Runs With Land. The Home shall be held, sold and conveyed subject to the terms and conditions of this Lease which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or any part of the Home.

ARTICLE 2 DEMISE AND DEVELOPMENT OF LAND; ASSOCIATION

2.1 Demise. The Land Owner, in consideration of the rents reserved and the terms, conditions, covenants and agreements herein, does hereby lease unto Home Owner, and Home Owner does hereby lease from Land Owner, the Land. Land Owner has furnished to Home Owner a copy of the most current, if any, title report previously obtained by Land Owner for the Land, and Home Owner accepts said interest in the Land and the physical condition of the Land in their condition "as is" as of the execution hereof.

2.2 Development. Land Owner shall in no manner be liable to Developer, the Association, any Home Owner, including the herein Home Owner, or any other party for the nature or quality of construction of the Aria Pocket Neighborhood, specifically including the Home hereunder, for the actions or omissions of Developer as the Declarant under the Declaration, or for the actions or omissions of the Association and the board of directors, officers, agents, employees and managers of the Association; and Home Owner hereby releases Land Owner from any such liability or claims therefor.

2.3 Association. The Declaration shall provide that the Association shall be delegated the responsibility to monitor and maintain the Common Elements of Aria Pocket Neighborhood, to collect the common assessments for the maintenance of Aria Pocket Neighborhood, and to collect and pay Lease Fees due to Land Owner hereunder. In accordance with the Declaration, the Association shall own the Common Elements.

**ARTICLE 3
DURATION OF LEASE**

The term of this Lease shall be as set forth in the above Article of Specific Terms.

**ARTICLE 4
USE OF PROPERTY**

4.1 Use of Property. Home Owner shall use, and shall cause all occupants thereof to use, the Land and the Home only for residential purposes or home occupations and such incidental activities related to residential use or home occupations as are currently permitted by applicable zoning laws and any applicable Homeowner Association Documents. In addition, transfers of Home Owner's interest in the Property shall be subject to the terms, conditions and restrictions hereof, including Articles 10 and 11, except as otherwise provided in Section 8.8. Home Owner agrees and acknowledges that the foregoing limitations and all other conditions and restrictions contained herein are essential to the fulfillment of the charitable purposes of the Land Owner and are conditions and restrictions on the use of the Property intended to run the full term of this Lease.

4.2 Responsible Use. Home Owner shall use the Land and the Home in a manner so as not to cause actual harm to others or create any nuisances, public or private; and shall dispose of any and all waste in a safe and sanitary manner.

4.3 Responsible for Others. Home Owner shall be responsible for the use of the Property by any residents thereof, families, their friends or visitors, or anyone else using the Property with their consent.

4.4 Occupancy. Home Owner shall occupy the Home as his or her Primary Residence, unless otherwise agreed in writing by Land Owner. Occupancy by children or other immediate family members or dependents of Home Owner shall be deemed occupancy by Home Owner.

4.5 Condition of Land; Compliance with Law. Home Owner shall maintain the Property in a good, safe and habitable condition in all respects except for normal wear and tear, and in full compliance with the Land Owner's Affordable Housing Guidelines, and with all applicable laws, ordinances, rules and regulations of any governmental authority with jurisdiction over matters concerning the conditions of the Property.

4.6 Inspection; Counseling and Services. Upon receipt of information that leads the Land Owner to believe that: (1) the Property is not being maintained in accordance with the requirements of this Lease; or (2) Home Owner has breached any other term or condition of this Lease; Land Owner may, but shall have no obligation to, inspect any portion of the Property at any reasonable time, and in any reasonable manner, upon at least twenty-four (24) hours' oral or written notice to Home Owner. In the event of emergency, Land Owner may inspect any portion of the Property without notice, provided that the Land Owner shall have made reasonable efforts to give advance notice to Home Owner. Prior to Closing, and throughout the term of this Lease, the Land Owner may provide, make available, or cause to be provided or made available, and the Home Owner shall participate in, housing counseling and related support services.

4.7 Compliance with Homeowners Association Documents. Home Owner agrees to comply with the terms and conditions of all Homeowners Association Documents applicable to the Home, subject to the terms of this Lease.

4.8 Home Owner's Right to Peaceful Enjoyment. Except as provided herein, Home Owner has the right to undisturbed enjoyment of the Land, and Land Owner has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Home Owner, subject to the terms, covenants, conditions, provisions, restrictions, liability limitations or reservations of this Lease.

4.9 Easements. Land Owner hereby grants to Home Owner (and its successors in title) (a) a blanket, non-exclusive easement for support and a blanket easement for the maintenance of structures and improvements presently situated and to be built in the future on the Land, including the Home, (b) a non-exclusive easement upon and over the Land for ingress and egress to and from the Home, and (c) a non-exclusive easement upon, over and under the Land for the installation, maintenance and operation of any and all utilities necessary to service the Home.

**ARTICLE 5
LEASE FEE**

5.1 Lease Fee. In consideration of the possession, continued use and occupancy of the Land, Home Owner shall pay to Land Owner a monthly lease fee ("Lease Fee"). The initial Lease Fee is set forth in the Article of Specific Terms to this Lease. It is intended that the Lease Fee cover costs to the Land Owner for holding and renting the Land, and for operating its affordable housing program, including a prorated share of operating and administering all housing units which are subject to similar land leases or other affordability restrictions. Such costs may include, but are not limited to: (1) Land Owner salaries, overhead, office costs, contracted services, taxes, utilities, special assessments and any fees and costs; (2) annual real estate taxes and any other local governmental or quasi-governmental charges whatsoever applicable to the ownership or use of the Land; (3) special assessments or tax adjustments against the Land; and (4) insurance premiums for such insurance as Land Owner may from time to time carry with respect to the Land or the Home. The Lease Fee may be adjusted from time to time as described below in this Article 5.

5.2 Adjustment of Land Lease Fee.

5.2.1 The Lease Fee shall be subject to adjustment on an annual basis by Land Owner in accordance with the standards set forth in Section 5.1 above; *provided, however*, that the Lease Fee shall be adjusted annually by no more than five percent (5%) of the then current monthly Lease Fee (subject to certain exceptions as set forth herein). The Lease Fee shall be recalculated through such reasonable process as the Land Owner shall determine, and shall be determined effective as of each anniversary date of this Lease for the subsequent Lease year. Land Owner shall notify Home Owner promptly upon such recalculation of the new Lease Fee. Land Owner shall maintain in its file a certification of the amount of such recalculated Lease Fee and the method of determination thereof. Land Owner is not obligated to adjust the Lease Fee every year.

5.2.2 Land Owner may also adjust the Lease Fee to cover costs otherwise due from Home Owner hereunder, such as, for example, pursuant to Sections 6.4, 7.3, 8.10, 9.3 and 13.3 below, which adjustments shall not be subject to the above 5% annual limit on increases.

5.3 Reduction, Delay or Waiver of Lease Fee.

5.3.1 Land Owner, in its sole discretion may reduce, delay or waive entirely the Lease Fee at any time and from time to time in consideration of the personal hardship or incapacity of the Home Owner or Home Owner's general ability to pay. The waiver by Land Owner of one obligation shall not be construed as a waiver of any obligation that shall subsequently come due and payable. The intent of this section is to foster continued occupancy by the resident owners despite the occurrence of unforeseeable financial and personal hardship if that is reasonably possible.

5.3.2 In the event Home Owner believes that Home Owner's income is inadequate to permit Home Owner to pay the Lease fee, Home Owner may request of Land Owner, in writing, relief from the Lease Fee and shall, upon the request of Land Owner, provide such financial information as Land Owner may request to permit Land Owner to determine or adjust the Lease Fee. Such information may include, but shall not be limited to, copies of Home Owner's property tax and property insurance billings, state and federal income tax returns, court orders for child support and maintenance and such other information as Land Owner may need to verify the household income of Home Owner. Land Owner may require Home Owner to execute such authorizations and releases as Land Owner may request in order to permit Land Owner to obtain copies of filed tax returns and other documents from government, banks, employer and other authorities.

5.4 Adjustment of Lease Fee if Home No Longer Restricted for Low to Moderate Income Households. In the event that, for any reason, the provisions of Article 10 or Article 11 regarding Transfers of the Home are suspended or invalidated, then during such period the Lease Fee shall be increased to an amount calculated by Land Owner to equal the fair rental value of the Land for use not so restricted. The fair rental value of the Land shall be equal to thirty percent (30%) of the fair rental value of the entire Property as determined by Land Owner. In such event, Land Owner shall notify Home Owner of the amount calculated pursuant to this paragraph and the Lease Fee shall be said amount from and after the date of said notification.

5.5 Adjustment of Lease Fee on Transfer of Home. Prior to any Transfer of the Home, the Land Owner may adjust the Lease Fee applicable to the new Home Owner based on the household income of the new Home Owner, or any other standards selected by Land Owner in its sole discretion. Prior to completing any Transfer of the Home, the new Home Owner must deliver a written acknowledgment of the new Lease Fee to Land Owner. Any adjustment of the Lease Fee pursuant to this paragraph shall not be subject to the 5% annual limit set forth in section 5.2 above.

5.6 Payment of Lease Fee. The Lease Fee shall be payable at Land Owner's principal address specified herein on the first day of each month of each year of the term hereof, or upon such other date that Land Owner designates by written notice to the Association. In the event this Lease commences between any of the aforesaid payment date, a pro rata portion of the Lease Fee shall be paid for the balance of such month at the time of the execution hereof. As stated in Section 2.3 above, the Declaration shall provide that the Association shall be delegated the responsibility to collect and pay Lease Fees due to Land Owner hereunder.

**ARTICLE 6
TAXES AND ASSESSMENTS**

6.1 Taxes, Assessments and Insurance. Home Owner shall pay all taxes, assessments and insurance attributable to the Home. Home Owner shall pay such amounts directly to any mortgage lender that has a lien against the Home which is escrowing the taxes, special assessments and insurance allocable to the Home. Home Owner shall also be responsible for all taxes, assessments and insurance attributable to the Land, which amounts may be charged as a part of the Lease Fee. Home Owner shall also pay the separate utility expenses allocable to the Property.

6.2 Right to Contest Valuations and Assessments. Home Owner and Land Owner shall have the right to contest the amount or validity of any taxes relating to the Property, including any valuation of the Property for ad valorem tax purposes. Either party shall, upon written request by the other party, join in any such proceedings if such party shall reasonably determine that it shall be necessary or convenient for the other party to so join in order to prosecute such proceedings. All other costs and expenses of such proceedings shall be paid by the party requesting the participation of the other party.

6.3 Payments in Event of Delinquency. In the event that Home Owner fails to pay the taxes or other charges specified in Section 6.1 above which are not otherwise part of the Lease Fee, Land Owner may increase the Lease Fee payments in such amounts that the total sum collected will offset the cost of any delinquent and current taxes or other charges. Upon collecting any such amount, Land Owner shall timely pay the amount collected to the appropriate taxing authority, as necessary.

6.4 Proof of Compliance. Concurrently with the payment of any taxes, assessments, and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a receipt for such charges showing payment prior to the due date shall be the usual method of furnishing such evidence.

ARTICLE 7 IMPROVEMENTS/MAINTENANCE

7.1 Ownership. It is agreed that although title to the Home is vested in the Home Owner, Home Owner's exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the disposition of the Home by the Home Owner and the Land Owner's option to purchase the Home. In addition, Home Owner shall not sever or move the Home from the Land.

7.2 Construction and Alteration. Any construction in connection with the Property is subject to the following conditions: (1) all costs shall be borne and paid for by the Home Owner; (2) all construction shall be performed in a workmanlike manner and shall comply with all applicable laws, ordinances and regulations, including the requirements of local and state public health authorities; (3) all construction must be consistent with the permitted uses set forth in Article 4 above; (4) all construction must be approved in writing by the Land Owner and must be approved in accordance with the Homeowners Association Documents, as applicable; and (5) Home Owner shall furnish to Land Owner a copy of any plans therefor and all building permits for such construction prior to commencing construction.

7.3 Prohibition of Liens. Home Owner shall not suffer or permit any vendor's, mechanic's, laborer's, or materialman's statutory or similar lien to be filed against the Property. If any such lien is filed, then, in addition to any other right or remedy available to Land Owner, Land Owner may, but shall not be obligated to, discharge the same by paying the amount in question. Home Owner in good faith and at Home Owner's expense may contest the validity of any such asserted lien, provided Home Owner has furnished a bond in an amount set by statute or otherwise sufficient to release the Property from such lien. Any amounts paid by Land Owner hereunder in respect of such liens shall be deemed to be an additional Lease Fee payable by Home Owner upon demand.

7.4 Maintenance. Home Owner shall, at Home Owner's sole expense, maintain the Property in accordance with all applicable laws, rules, ordinances, orders and regulations of all governmental agencies and entities with jurisdiction, all Homeowners Association Documents and all insurance companies insuring all or any part of the Property. Land Owner shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs to the Land or the Home, and Home Owner hereby assumes the full and sole responsibility for providing all services or facilities.

7.5 Disposition of Home Upon Expiration of Lease Term. Upon the expiration of the term of this Lease as such term may be extended or sooner terminated in accordance with this Lease, Home Owner shall surrender the Home together with the Land to the Land Owner. Ownership of the Home shall thereupon revert to Land Owner, *provided, however*, that Land Owner shall promptly pay to Home Owner as consideration for the Home an amount equal to Maximum Resale Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee including any charges that may have been added to the Lease Fee in accordance with this Lease.

ARTICLE 8 FINANCING

8.1 Permitted Mortgage(s) Only. Home Owner may mortgage, pledge, or encumber the Home and/or its leasehold interest hereunder, or any portion thereof or interest therein only pursuant to a Permitted Mortgage. A "Permitted Mortgage" shall be a mortgage, and "Permitted Mortgages" shall be mortgages, which:

8.1.1 run in favor of either: (1) an "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency (including, but not limited to, the Federal National Mortgage Association), a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision; or (2) a "community loan fund", or similar non-profit lender to housing projects for low and moderate income persons (as defined by reference to the membership criteria for the National Association of Community Development Loan Funds, a non-profit corporation with its principal office located in Philadelphia, Pennsylvania);

8.1.2 are a first lien on all or any of the Home and on the leasehold interest granted hereunder, but not on the Land ("Security");

8.1.3 provide, among other things, that in the event of a default in any of the mortgagor's obligations thereunder, the holder of the Permitted Mortgage shall notify Land Owner of such fact and Land Owner

shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor's name and on mortgagor's behalf, provided that current payments due the holder during such 120 day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Permitted Mortgage or to commence to foreclose under the Permitted Mortgage on account of such default;

8.1.4 provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Permitted Mortgage or initiate foreclosure proceedings under the Permitted Mortgage, all in accordance with this Section 8.1, the holder shall first notify Land Owner of its intention to do so and Land Owner shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of said notice from said holder, to pay off the indebtedness secured by the Permitted Mortgage and to acquire the Security;

8.1.5 provide that such holder shall use reasonable efforts to sell the Security pursuant to any sale after or in lieu of foreclosure to a purchaser who is an Eligible Buyer, as defined herein; and

8.1.6 is approved in writing by Land Owner.

8.2 Land Owners Consent to Permitted Mortgage. Not less than thirty (30) days prior to the date on which Home Owner shall request Land Owner's consent to a mortgage to be effective, Home Owner shall furnish to Land Owner true and correct copies of each and every document and instrument to be executed in connection with the transaction represented by such mortgage. Notwithstanding anything to the contrary contained herein, Land Owner shall be required to consent to such mortgage only if:

8.2.1 the mortgage so submitted is a Permitted Mortgage as defined by the provisions hereof;

8.2.2 at the time of such submission and at the time proposed by Home Owner for the execution of such documents, no default is then outstanding;

8.3.3 such Permitted Mortgage and related documentation do not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the Denver, Colorado area by institutional mortgagees;

8.3.4 such Permitted Mortgage and related documentation do not contain any provisions which could be construed as rendering Land Owner or any subsequent holder of the Land Owner's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and Permitted Mortgage or any part thereof;

8.3.5 such Permitted Mortgage and related documentation shall contain provisions to the effect that the holder of the Permitted Mortgage ("Permitted Mortgagee") shall not look to Land Owner or Land Owner's interest in the Land, but will look solely to Home Owner, the leasehold estate created thereby and the Home, for the payment of the debt secured thereby or any part thereof (It is the intention of the parties hereto that Land Owner's consent to such Permitted Mortgage shall be without any liability on the part of Land Owner for any deficiency judgment);

8.3.6 such Permitted Mortgage and related documentation provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Permitted Mortgage in accordance with the provision of Article 9 hereof; and

8.3.7 nothing contained in such Permitted Mortgage or related documentation obligates Land Owner to execute an assignment of the Lease Fee or other rent payable by Home Owner under the terms of this Lease.

8.4 Rights of Permitted Mortgagee. Any Permitted Mortgagee shall, without requirement of consent by the Land Owner, have the right, but not the obligation, to:

8.4.1 cure any default under this Lease, and perform any obligation required hereunder, such cure or performance by a Permitted Mortgagee being effective as if the same had been undertaken and performed by Home Owner;

8.4.2 acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Home Owner by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and

8.4.3 rely upon and enforce any provisions of this Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.

Permitted Mortgagee shall not, as a condition to the exercise of its rights hereunder, be required to assume personal liability for the payment and performance of the obligations of the Home Owner hereunder. Any such payment or performance or other act by Permitted Mortgagee hereunder shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security. In the event Permitted Mortgagee does take possession of the Security and thereupon

transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and, upon any such assumption, the Permitted Mortgagee shall automatically be released from personal liability hereunder.

In the event that title to the estates of both Land Owner and Home Owner shall be acquired at any time by the same person or persons, no merger of said estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in said mortgage. In the event that the estate of Land Owner is owned at any time by Home Owner (regardless of a merger), or by any person in which Home Owner has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Home Owner hereunder as condition to the forbearance by Land Owner in the exercise of Land Owner's remedies as herein provided.

8.5. Approval of Amendments. Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof. Notwithstanding the foregoing, adjustment of the Lease Fee pursuant to Article 5, adjustment of the amount of Insurance required pursuant to Article 9, amendments to conform to local or state law, amendments to correct technical errors, and amendments from time to time to the Land Owner's Affordable Housing Guidelines shall not require the written approval of the Permitted Mortgagee.

8.6 New Lease To Permitted Mortgagee. If this Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Land Owner shall enter into a new lease of the Land with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, which party is subject to the Land Owner's approval, and which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in this Lease. However, the Permitted Mortgagee shall make a written request to Land Owner for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Home Owner thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Land as this Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of this Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by Land Owner, Home Owner and the Permitted Mortgagee.

8.7 No Termination as to Permitted Mortgagee During Foreclosure. The Land Owner shall have no right to terminate this Lease as to the Permitted Mortgagee during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions hereof and is diligently pursuing the same. However, the Land Owner shall be entitled to pursue any and all claims and remedies it may have against the Home Owner, including, without limitation, termination of Lease as to the Home Owner, or termination of the Home Owner's right of possession.

8.8 Provisions Subject To Foreclosure. In the event of the transfer of title to a Permitted Mortgagee by way of foreclosure or a deed in lieu of foreclosure in accordance with the provisions hereof, at the election of the Permitted Mortgagee, delivered in writing to Land Owner, the provisions in Articles 10 and 11 shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred.

8.9 Notice. Whenever in this Article notice is to be given to Permitted Mortgagee, such notice shall be given in the manner set forth in Section 16.1 hereof to the Permitted Mortgagee at the address which has been given by the Permitted Mortgagee to Land Owner by a written notice to Land Owner sent in the manner set forth in said Section 16.1 hereof.

8.10 Costs of Permitted Mortgage. Home Owner shall pay to Land Owner at Land Owner's option, as additional rent hereunder, all fees, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by Land Owner in connection with any Permitted Mortgage.

8.11 Land Owner's Right To Proceeds in Excess of Maximum Resale Price. The parties recognize that it would be contrary to the fundamental concept of this Lease and an incentive to abuse Home Owner's authorization to encumber its leasehold interest with a Permitted Mortgage if Home Owner could realize more than the Maximum Resale Price as the result of any foreclosure of any mortgage. Accordingly, Home Owner hereby irrevocably assigns to Land Owner any and all net proceeds of sale of the Home remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Home Owner, to the extent such net proceeds exceed the net proceeds that Home Owner would have received had the Home been sold for the Maximum Resale Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to Land Owner. In the event that, for any reason, such excess proceeds are paid to Home Owner, Home Owner hereby agrees to promptly pay the amount of such excess proceeds to Land Owner.

ARTICLE 9
LIABILITY, INSURANCE, DAMAGE
AND DESTRUCTION, EMINENT DOMAIN

9.1 Home Owner's Liability. Home Owner assumes sole responsibility and liability to any and all persons and authorities related to its possession, occupancy and use of the Property.

9.2 Indemnification of Land Owner. Home Owner, unless Home Owner is HUD, shall defend, indemnify and hold Land Owner harmless against all liability and claims of liability for damage or injury to person or property from any cause on or about the Property, including without limitation damages and injuries relating in any manner to construction defects and soil conditions. Home Owner waives all claims against Land Owner for damage or injury to person or property on or about the Property arising, or asserted to have arisen, on or about the Land from any cause whatsoever, including without limitation damages and injuries relating in any manner to construction defects and soil conditions. Notwithstanding the foregoing two sentences, Land Owner shall remain liable (and Home Owner shall not indemnify and defend Land Owner against or waive such claims of liability) for damage or injury due to the grossly negligent or intentional acts or omissions of Land Owner or Land Owner's agents or employees.

9.3 Payment by Land Owner. In the event Land Owner shall be required to pay any sum whatsoever which is Home Owner's responsibility or liability, Home Owner shall reimburse the Land Owner therefor and for reasonable expenses caused thereby.

9.4 Insurance. Home Owner, unless Home Owner is HUD, shall, at Home Owner's sole expense, keep the Home continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement cost of the Home.

9.4.1 Home Owner, unless Home Owner is HUD, shall, at Home Owner's sole expense, maintain continuously in effect bodily injury liability insurance covering the Property in the amounts of not less than Three Hundred Thousand Dollars (\$300,000). The dollar amount of each such coverage shall be adjusted at least every two (2) years from the date hereof, or upon Land Owner's demand given not more often than annually upon 30 days notice to Home Owner. This adjustment shall be equal to the percentage of change (positive or negative) over the period since the last adjustment in the CPI-U. Such index is maintained by the Office of Prices and Living Conditions of the Bureau of Labor Statistics, of the U.S. Department of Labor. Such insurance shall specifically insure Home Owner against all liability describe herein, as well as all liability imposed by law, and shall also insure Land Owner as an additional insured or loss payee so as to create the same liability on the part of insurer as though separate policies had been written for Land Owner and Home Owner.

9.4.2 Home Owner shall provide Land Owner with copies of all policies and renewals thereof. All policies shall also contain endorsements providing that they shall not be canceled, reduced in amount or coverage or otherwise modified by the insurance carrier involved with not less than thirty (30) days prior written notice being given to Land Owner. Land Owner shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.4.3 All of Home Owner's obligations under this Section 9.4 shall be deemed to have been satisfied to the extent the Property is insured against loss or damage by fire and casualty pursuant to the Homeowners Association Documents and the Home Owner is afforded with liability insurance pursuant to the Homeowners Association Documents, and Land Owner is insured and named as an additional insured or loss payee.

9.5 Damage or Destruction. Except as provided below in this Section 9.5, in the event of fire or other casualty to the Home, Home Owner shall forthwith commence, and thereafter diligently and continuously prosecute to completion, the repair of such damage and the restoration of the Home to its condition immediately prior to such damage. All such repairs and restoration shall be completed as promptly as possible. Home Owner shall also promptly take all steps necessary to assure that the Property shall be and remain safe, and the damaged Home not constitute a hazard or danger to persons or property from the time of the fire or other casualty. This section 9.5 shall not apply to the extent the Homeowners Association Documents require any other application of fire or casualty insurance proceeds received under any fire or casualty insurance policy maintained by any homeowners association having jurisdiction over the Property.

9.5.1 In no event shall the Lease Fee be suspended or abated, unless Land Owner, in its sole discretion, decides to do so in consideration of the personal hardship or incapacity of Home Owner.

9.5.2 The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid to the Home Owner (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable Maximum Resale Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below, or as close thereto as is reasonably possible. The balance of such proceeds, if any, shall be paid to Land Owner.

9.6 Eminent Domain and Public Dedication. In the event of a taking of the Land, either in its entirety or to such extent that the Home is lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of the term of this Lease, this Lease shall terminate as of the date Home Owner is required to give up possession of the Land, and the entire amount of any award(s) paid shall be allocated between Home Owner and Land Owner according to the same order of allocation as that calculated for a casualty

according to the preceding Section 9.5.

9.6.1 In the event of a taking of a portion of the Land that does not result in damage to the Home or substantial reduction in the usefulness or desirability of the Home for residential purposes, then any monetary compensation for such taking shall be allocated entirely to Land Owner.

9.6.2 In the event of a taking of a portion of the Land that results in damage to the Home only to such an extent that the Home can reasonably be restored to a residential use consistent with this Lease, the Land Owner may in its discretion allocate some or all the monetary compensation to enable Home Owner to accomplish such a restoration. Any balance remaining after or in the absence of such allocation shall be allocated as provided above for a taking of the entire Land.

9.6.3 Any and all proceedings brought by a party in connection with the claim or claims for damages as a result of any taking referred to in this Section shall be conducted by and at the sole expense of such party. If any provision of law now or hereafter in effect shall require that said proceedings be brought by or in the name of any owner or Home Owner of the premises, such party shall join in such proceedings or permit the same to be brought in its name. Each party covenants and agrees to do any and all acts and to execute any and all documents which may be required to enable the other to maintain such proceedings. If such party required to join in the proceedings shall incur any cost or expense in connection with such proceedings, such party shall be entitled to reimbursement for the reasonable amount thereof and same shall likewise constitute a first charge against any award.

9.7 Relocation of Home Owner. In the event of a termination of this Lease by reason of damage, casualty or taking, and so long as Home Owner was not in default under the Lease, Land Owner shall take reasonable steps to grant Home Owner a leasehold interest in another tract that it owns, if such other tract is available and Home Owner agrees to contribute any proceeds or award received by Home Owner to purchase or develop such other property and enter a lease substantially similar to this one. In no event shall Land Owner be required to terminate the tenancy of any other Home Owner or withhold any property from development or rental so as to accommodate Home Owner, and Land Owner's failure to supply similar leasehold premises or other premises whatsoever shall not give rise to any cause of action by Home Owner against Land Owner for damages, specific performance or remedy.

ARTICLE 10 MAXIMUM RESALE PRICE

10.1 Intent. It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10 and the following Article 11, are intended to preserve the affordability of the Home for low to moderate income households and expand access to homeownership opportunities for such households.

10.2 Maximum Resale Price. The Purchase Price for a Transfer of the Home to a new Home Owner, and the original principal amounts of all mortgage and deed of trust notes encumbering the Home in the aggregate, shall not be in excess of the Maximum Resale Price. For purposes of this Lease, the "Maximum Resale Price" shall mean the amount calculated in accordance with Exhibit B attached hereto. This provision shall not apply to the Transfer of a Home from the Developer to the initial Home Owner listed in the Article of Specific Terms.

10.3 No Additional Consideration. The Purchase Price for the Home shall be expressly recited in the deed or other document effecting the Transfer of the Home. A Home Owner may not permit any prospective buyer to assume any or all of the Home Owner's customary closing costs, or accept any consideration not stated in the deed or other document effecting the Transfer of the Home. If the Home is sold with furnishings or other personal property, no more than the fair market value of such personal property may be charged.

10.4 Acceptance of Offers. A Home Owner may not accept an offer or bid on his or her Home: (1) with a Purchase Price that exceeds the Maximum Resale Price; or (2) from a purchaser who is not either Land Owner or an Eligible Buyer certified as such by Land Owner.

10.5 Lease Re-issue Fee. Upon any Transfer of the Home by Home Owner to an Eligible Buyer, Home Owner shall pay to Land Owner at Closing a Lease Re-issue Fee as further described in Exhibit B attached hereto.

ARTICLE 11 TRANSFER OF HOME

11.1 Transfer Only to Eligible Buyers; Exceptions.

11.1.1 Except as otherwise set forth herein, a Home may only be Transferred to Land Owner or to an Eligible Buyer who is certified as such by Land Owner.

11.1.2 The following Transfers are exempt from this Article 11, provided that the new Home Owner, other than an estate or Land Owner, shall use the Home as his or her Primary Residence:

A. A Transfer resulting from the death of a Home Owner where the Transfer is to such Home Owner's spouse, the Home Owner's children, or a member of the Home Owner's household who has resided in the Home for at least one year prior to the Home Owner's death;

B. A Transfer to the Home Owner's estate following his or her death for the purpose of administering the estate and distributing the assets thereof during a limited period of time;

C. A Transfer by a Home Owner of a partial interest in the Home where the spouse of the Home Owner, a child of the Home Owner, or other member of the Home Owner's household becomes a co-owner of the Home; and

D. A Transfer resulting from a decree of dissolution of the marriage or legal separation or from a property settlement agreement incidental to such a decree, by which a spouse who is a Home Owner becomes the sole owner of the Home.

11.2 Home Owner's Notice of Intent To Sell. In the event that a Home Owner (other than Developer, it being understood and agreed that the provisions of this Article 11 shall not apply to Developer's initial sale of the Home to the Home Owner listed in the Article of Specific Terms) desires to sell or otherwise Transfer his or her Home, the Home Owner shall first deliver to Land Owner a written notice of the Home Owner's intent to sell the Home ("Notice of Intent to Sell") at least thirty (30) days prior to the Home being marketed or otherwise offered for sale or Transfer.

11.3 Appraisal. No later than ten (10) days after Land Owner's receipt of Home Owner's Notice of Intent to Sell, a market valuation of the Property ("Appraisal") shall be commissioned to be performed by a duly licensed appraiser. Land Owner shall commission and pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to the Land and the Home were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Land and the transfer of the Home. The Appraisal shall not state the values contributed by the Land and by the Home as separate amounts. Copies of the Appraisal are to be provided to both Land Owner and Home Owner.

11.4 Maximum Resale Price Calculation. The Notice of Intent to Sell shall contain such information regarding the terms and conditions of such intended sale as is required by the Land Owner's Affordable Housing Guidelines. Upon receipt by Land Owner of (1) the Home Owner's Notice of Intent to Sell, including all information required by the Land Owner's Affordable Housing Guidelines, and (2) the Appraisal, Land Owner shall promptly calculate the Maximum Resale Price and provide the Maximum Resale Price calculation to the Home Owner. The Home Owner may not execute a contract of sale without inclusion of the Maximum Resale Price as calculated by Land Owner.

11.5 Land Owner's Determination. In conjunction with Land Owner's notice to Home Owner of the Maximum Resale Price, or by separate notice to the Home Owner, but in no event later than sixty (60) days after Land Owner's receipt of the Home Owner's Notice of Intent to Sell, Land Owner shall either:

11.5.1 notify the Home Owner of its election to purchase the Home on the terms and within the time period set forth in Section 11.7 below; or

11.5.2 attempt to locate an Eligible Buyer and obtain from such Eligible Buyer a binding commitment to purchase from the Home Owner; or

11.5.3 attempt to locate an Eligible Buyer and have that Eligible Buyer contact the Home Owner to sign a binding commitment; or

11.5.4 notify the Home Owner that he or she is free to sell the Home to an Eligible Buyer, at not more than the then applicable Maximum Resale Price.

11.6 Sales Contract. The selling Home Owner may accept a contract for the sale of the Home upon such terms and conditions as the selling Home Owner shall, in the selling Home Owner's discretion, deem acceptable; *provided, however*, that:

11.6.1 the Purchase Price shall not exceed the Maximum Resale Price;

11.6.2 the selling Home Owner must believe in good faith, and receive a certification from Land Owner, that the buyer is an Eligible Buyer;

11.6.3 the sales contract must provide, as express, non-waivable contract contingencies and conditions precedent to the selling Home Owner's performance thereunder, that: (1) the buyer will submit evidence that the buyer is an Eligible Buyer; and (2) the Purchase Price does not exceed the Maximum Resale Price; and

11.6.4 either: (1) Home Owner must have received Land Owner's notice that it elects not to exercise its Option to Purchase (as described in Section 11.7 below); or (2) sixty (60) days have expired from the Home Owner's Notice of Intent to Sell without Land Owner having delivered its Notice of Exercise of Option (as described in Section 11.7 below).

IF SO PROVIDED IN THE LAND OWNER'S AFFORDABLE HOUSING GUIDELINES, LAND OWNER MAY DESIGNATE THE BASIC FORM OF A RIDER TO THE SALES CONTRACT THAT MUST BE USED BY THE OWNER TO TRANSFER THE HOME.

11.7 Land Owner's Option To Purchase. Upon receipt of the Home Owner's Notice of Intent to Sell, in accordance with Section 11.2 above, Land Owner shall have the first option to purchase the Home at the Maximum Resale Price ("Option to Purchase"). If Land Owner elects to exercise this Option to Purchase, Land Owner shall notify the Home Owner of its election to purchase ("Notice of Exercise of Option") within sixty (60) days of the receipt of the Home Owner's Notice of Intent to Sell or the option shall expire. Having delivered such notice, Land Owner may either proceed to exercise the purchase option directly or may assign the purchase option to an Eligible Buyer. The purchase of the Home by Land Owner or by Land Owner's assignee shall be completed within thirty (30) days of Land Owner's Notice of Exercise of Option or the Home Owner may sell the Home as provided in Section 11.8 below. The time permitted for the completion of the purchase may be extended by mutual agreement of the Home Owner and Land Owner.

11.8 If Purchase Option Expires. If the period has expired during which Land Owner may exercise its Option to Purchase, the Home Owner may sell the Home to an Eligible Buyer for not more than the Maximum Resale Price; subject, however, to Sections 11.9 and 11.10 below.

11.9 Power of Attorney to Conduct Sale. In the event Land Owner does not exercise its Option to Purchase as set forth above, and the Home Owner (1) is not then residing in the Home, and (2) continues to hold the Home out for sale but is unable to locate an Eligible Buyer and execute a binding purchase and sale agreement within one (1) year of the delivery of the Notice of Intent to Sell, the Home Owner does hereby appoint Land Owner its attorney in fact to seek a buyer, negotiate a reasonable price which furthers the goals set forth herein, sell the Home, and distribute the proceeds of the sale, minus Land Owner's costs of sale and reletting and any other sums owed Land Owner by the Home Owner. In no event shall Home Owner be entitled to proceeds exceeding the Maximum Resale Price. All proceeds in excess of the Maximum Resale Price, if any, shall be distributed to Land Owner.

11.10 Right of First Refusal in Lieu of Option. If the provisions of any option rights of Land Owner set forth herein shall, for any reason, become unenforceable, Land Owner shall nevertheless have a right of first refusal to purchase the Home at the highest documented bona fide purchase price offer made to Home Owner. Such right shall be as specified in Exhibit C attached hereto (Right of First Refusal). Any Transfer contrary to this Section, when applicable, shall be null and void.

11.11 Lease Assignment. Upon the transfer of title to the Home, as evidenced by the recordation of a deed conveying title to Home, in accordance with the terms of this Lease, the transferor's leasehold interest hereunder shall be deemed transferred and assigned to the new Home Owner and the new Home Owner shall be deemed to have assumed all obligations hereunder.

ADDITIONAL TERMS AND CONDITIONS OF RE-SALE OF THE HOME, INCLUDING STANDARDS AND PROCEDURES FOR CERTIFYING ELIGIBLE BUYERS, ARE SET FORTH IN THE LAND OWNER'S AFFORDABLE HOUSING GUIDELINES, AS AMENDED BY LAND OWNER FROM TIME TO TIME.

ARTICLE 12 ASSIGNMENT AND SUBLEASE

Except as otherwise provided in Article 8 regarding Permitted Mortgages and Article 11 regarding Transfers, Home Owner shall not assign, sublease, sell or otherwise convey any of the Home Owner's rights under this Lease without the prior written consent of the Land Owner. Home Owner agrees that Land Owner shall have broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth herein. If permission is granted, any assignment or sublease shall be subject to the following conditions:

12.1 any such assignment or sublease shall be subject to all of the terms and provisions of this Lease;

12.2 in the case of a sublease, the rental or occupancy fee charged the sublessee shall not be more than that amount charged the Home Owner by the Land Owner, plus an amount approved by Land Owner to cover costs to Home Owner for the Home; and

12.3 in the case of an assignment, the total consideration for such assignment and the related Transfer of the Home shall not exceed the Maximum Resale Price as calculated in accordance with Article 10 (and Exhibit B) hereof; and

12.4 any assignee or sublessee must satisfy such income and other qualifications as may be chosen by Land Owner, in its absolute discretion.

ARTICLE 13 DEFAULT

13.1 Events of Default: Each of the following shall be an Event of Default:

13.1.1 Default in Payment of Amounts Due Under Lease. If Home Owner shall fail to pay when due the Lease Fee, or other charges due under this Lease, within thirty (30) days after such fees and charges are due, and such default is not cured by any Permitted Mortgagee within thirty (30) days after notice from Land Owner to such Permitted Mortgagee of Home Owner's failure to cure such default within the initial 30-day grace period; or

13.1.2 Default in Payment of Amounts Due Under Permitted Mortgages and Other Obligations. If Home Owner shall fail to cure any default under any Permitted Mortgage or other liens and encumbrances against the Property within thirty (30) days of written demand by Land Owner; or

13.1.3 Other Defaults Under Lease. If Home Owner shall fail to perform or observe any other term or condition in this Lease, and such failure is not cured by Home Owner or a Permitted Mortgagee within sixty (60) days after notice thereof from Land Owner to Home Owner and such Permitted Mortgagee; *provided, however,* in the case where the Home Owner or Permitted Mortgagee has commenced to cure such default within such sixty (60) day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for an additional thirty (30) day period to complete such cure; or

13.1.4 Bankruptcy or Insolvency. If the estate hereby created shall be taken on execution or by other process of law, or if Home Owner shall be judicially declared bankrupt or insolvent according to law, or if any assignment shall be made of the property of Home Owner for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer shall be appointed to take charge of all or any substantial part of Home Owner's affairs or property by a court of competent jurisdiction, or if a petition shall be filed for the reorganization of Home Owner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Home Owner shall file a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

13.2 Arbitration of Default. If Home Owner, after receipt of notice from Land Owner, contends that it is not in default under this Lease, it may seek arbitration of the matter pursuant to Article 14 of this Lease.

13.3 Right to Enforce/Remedies. There is hereby reserved to Land Owner the right to enforce this Lease, including any and all remedies available at law or in equity for breach of this Lease or any of its terms, including, but not limited to: (1) damages, including damages resulting from the sale of the Home in violation of this Lease, which damages are deemed to include, without limitation, the proceeds of the sale that exceed the Maximum Resale Price applicable to the Home at the time of sale, and the Lease Re-issue Fee; (2) specific performance of the terms of this Lease; (3) injunction (including an injunction to prohibit a sale of the Home in violation of this Lease); (4) prohibiting the Home Owner from retaining rental proceeds; (5) damages in such amounts as are necessary to reimburse Land Owner for its enforcement costs, including reasonable attorney's fees; and (6) requiring the Owner to repay with reasonable interest any assistance received in connection with the purchase of the Home.

13.3.1 In addition, in the Event of Default in the payment of any Lease Fee, and notwithstanding any other limitations in this Lease regarding an increase in the Lease Fee, Home Owner's monthly Lease Fee shall increase by 50% of the amount provided hereunder, until such time as such default has been cured to the reasonable satisfaction of Land Owner.

13.3.2 In addition, upon an Event of Default, Land Owner may, immediately or at any time thereafter, terminate this Lease and initiate summary proceedings against Home Owner. Pursuant to such proceedings, without demand or notice, Land Owner may enter into and upon the Land or any part thereof in the name of the whole and repossess the same, and expel Home Owner and those claiming through or under Home Owner and remove its or their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. Land Owner shall not by re-entry or any other act, be deemed to have terminated this Lease, or the liability of Home Owner for the total Lease Fee and other costs reserved hereunder or for any installment thereof then due or thereafter accruing, unless Land Owner notifies Home Owner in writing that Land Owner has so elected to terminate this Lease. If this Lease is terminated by Land Owner, or if Land Owner re-enters the Land pursuant to any Event of Default, the Home Owner agrees to pay and be liable for any unpaid Lease Fee, damages which may be due or sustained prior to or in connection with such termination or re-entry, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys' fees) incurred by Land Owner in pursuit of its remedies under this Lease.

13.3.3 No remedy herein or otherwise conferred upon or reserved to Land Owner shall be considered to exclude or suspend any other remedy but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease to Land Owner may be exercised from time to time and so often as occasion may arise or as may be deemed expedient.

13.3.4 No delay or omission of Land Owner to exercise any right or power arising from any default shall impair any such right or power or be construed to be a waiver of any such default or any acquiescence therein. No waiver of any breach of any of the covenants of this Lease shall be construed, taken or held to be a waiver of any other breach, or as a waiver, acquiescence in or consent to any further or succeeding breach of the same covenant.

13.3.5 The costs assessed against the Home Owner, including the costs incurred by Land Owner (including reasonable attorney's fees), for any violation or breach of this Lease may be assessed against the proceeds of the sale of the Home. In the event of any arbitration or litigation involving Land Owner and any other party with respect to any or all provisions of this Lease, Land Owner shall be entitled to recover damages and costs, including reasonable attorneys' fees, if it prevails. Land Owner may elect to assign its rights to pursue any or all remedies hereunder to the City of Denver, Colorado (or an agency thereof) by written instrument agreed to and executed by Land Owner and the City of Denver, Colorado (or an agency thereof).

13.4 Land Owner's Default. Land Owner shall in no event be in default in the performance of any of Land Owner's obligations hereunder unless and until Land Owner shall have failed to perform such obligations for sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Home Owner to Land Owner properly specifying wherein Land Owner has failed to perform any such obligation.

ARTICLE 14 ARBITRATION

14.1 Arbitration Process. Should any grievance or dispute arise between Land Owner and Home Owner concerning the terms of this Lease that cannot be resolved by normal interaction, or, if mutually agreed, by mediation, the following arbitration procedure shall be used, provided, however, that the following arbitration procedure shall not be used if the Home Owner is HUD:

14.1.1 Land Owner or Home Owner shall notify the other by written notice of its selection of a disinterested arbitrator. Within fifteen (15) days of the receipt of this written notice, the other party may by written notice to the initiator of the arbitration process appoint a disinterested arbitrator of its own choice. These two arbitrators shall select a third arbitrator. If the other party fails to timely name an arbitrator in response to the receiving of the written notice from the initiator, the arbitrator selected by the initiator shall be the sole arbitrator.

14.1.2 The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the initial written notice by the initiator of the arbitration process. At the hearing Land Owner and Home Owner shall have an opportunity to present evidence and question witnesses in the presence of each other.

14.1.3 As soon as reasonably possible, and in no event later than fifteen (15) days after the hearing, the arbitration panel shall make a written report to the Land Owner and Home Owner of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it. The arbitrators shall decide the dispute or claim in accordance with the substantive law of the jurisdiction and what is just and equitable under the circumstances. The decisions and awards of the majority of the arbitration panel shall be binding and final between the Land Owner and Home Owner, may be filed with any court of competent jurisdiction in the City and County of Denver in accordance with applicable law and judgment obtained thereon, and execution may issue.

14.2 Cost of Arbitration. The cost of the arbitration, including arbitrators' fees and costs, shall be paid by the non-prevailing party.

ARTICLE 15 RIGHTS ON TERMINATION OF LAND OWNER OR ON ASSIGNMENT OF LAND OWNER'S INTEREST IN LEASE

In the event that the Land Owner is dissolved by a vote of its directors and winds up its affairs in accordance with the then-applicable laws of the State of Colorado, the Land shall be disposed of as follows:

15.1 Disposition of Land Subject to Reversion Agreements. The Land which is required to be reconveyed to any donor, lender or other party on the termination of the Land Owner shall be conveyed to such party, provided that such party shall continue to hold the Land subject to the terms and conditions of this Lease.

15.2 Disposition of Remaining Property. All remaining Land shall be transferred and sold at the then-combined fair market value of the Land, subject to this Lease and other any encumbrances and to repayment of any existing indebtedness with respect to the Land. In the event that any Home Owner is unable to obtain suitable financing for the purchase of the Land, the Land Owner, or it's officers or directors acting on behalf of the Land Owner in the winding up of its affairs, shall offer the Land for sale, subject to the then-existing leasehold interest of the Home Owner. Any amounts collected in connection with the sale of the Land, after payment in full of all mortgages or other indebtedness encumbering the Land, shall be distributed only to an exempt organization described in Section 501(c)(3) of the Internal Revenue Code, as amended, which organization has as its primary purpose the promotion of affordable housing which organization also qualifies as a 501(c)(3) organization under the then-existing provisions of the Internal Revenue Code, as amended.

15.3 Change of Land Owner; Home Owner's Right to Purchase. In the event that ownership of or title to the Land is conveyed or transferred (whether voluntarily or involuntarily) by the Land Owner to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event the Land Owner desires or attempts to sell, convey or otherwise transfer the Land to any person or entity other than to a Qualifying Exempt Transferee of the Land (or as security for a mortgage loan), the Home Owner shall have a right of first refusal to purchase the Land. This right shall be as specified in Exhibit C (Right of First Refusal) attached hereto, construed appropriately to be applicable to such a transfer by Land Owner. Any sale or other transfer contrary to this Section shall be null and void.

ARTICLE 16 EXTENSION OF LEASE TERM

The term of this Lease shall be automatically renewed for a new 99-year term commencing upon the 60th anniversary date of the recordation of this Lease, unless Land Owner elects, in its sole discretion, not to so extend the lease term by recording a notice of such election prior to such 60th anniversary date in the real estate records of

the City and County of Denver, Colorado and delivering a copy of such notice to Home Owner. In the event that this Lease is so renewed, then the term of this Lease shall subsequently renew for consecutive 99-year terms each commencing on the 60th anniversary date of the prior renewal, unless Land Owner elects, in its sole discretion, not to so extend the lease term by recording a notice of such election prior to the then applicable 60th anniversary date in the real estate records of the City and County of Denver, Colorado and delivering a copy of such notice to Home Owner.

ARTICLE 17 GENERAL PROVISIONS

17.1 Notices. Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth in the Article of Specific Terms to this Lease. All notices, demands and requests shall be effective three (3) days after being deposited in the United States Mail postage pre-paid, with the postmark being dispositive as to the date of deposit, or, in the case of personal delivery, upon actual receipt.

17.2 No Brokerage. Home Owner warrants and represents that it has not dealt with any broker in connection with the consummation of this Lease. This warranty and representation does not apply to Home Owner's dealings with brokers in connection with the purchase of the Home.

17.3 Severability and Duration. If any clause, article, section, paragraph, or subparagraph of this Lease shall be unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other section, clause, article, paragraph or subparagraph, or give rise to any cause of action of either party to this Lease against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that their respective options to purchase and all other rights and options hereunder shall continue in full force and effect for the duration of the term of this Lease and any renewal or extension thereof, and such options and other rights shall be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration thereof, the time period for the exercising of such option or right shall be construed to expire twenty (20) years after the death of the last survivor of the following persons: The issue of any member of the Board of Directors of the Colorado Community Land Trust living as of the date of this Lease.

17.4 Waiver. The waiver by Land Owner of, or the failure of Land Owner to take action with respect to, any breach of any term, covenant, condition, provision, restriction, or reservation herein contained shall not be deemed to be a waiver of such term, covenant, condition, provision, restriction, or reservation or subsequent breach of same, or of any other term, covenant, condition, provision, restriction, or reservation herein contained. Land Owner may grant waivers in the terms of this Lease, but such must be in writing and signed by Land Owner before being effective. The subsequent acceptance of Lease Fee payments hereunder by Land Owner shall not be deemed to be a waiver of any preceding breach by Home Owner of any term, covenant, condition, provision, restriction, or reservation of this Lease, other than the failure of the Home Owner to pay the particular Lease Fee so accepted, regardless of Land Owner's knowledge of such preceding breach at the time of acceptance of such Lease Fee payment.

17.5 Land Owner's Right to Prosecute or Defend. Except in the event that the Home Owner is HUD, Land Owner shall have the right, but shall be under no duty or obligation, to co-prosecute or defend, in its own or the Home Owner's name, any actions or proceedings appropriate or necessary to the protection of its title to, and Home Owner's perpetual occupancy, use and possession of or interest in the Land. Whenever requested by Land Owner, Home Owner shall give Land Owner all reasonable aid in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, or prosecuting or defending such action or proceeding.

17.6 Construction and Interpretation. This Lease shall be interpreted in a manner to give effect to the rights and remedies provided herein. In particular, this Lease shall be interpreted to further the interest of the Land Owner in preserving the Land and Home for low to moderate income residents by avoiding, wherever possible, the foreclosure of Land or Home and the conveyance of such Land or Home, pursuant to such foreclosure proceedings to residents other than residents of low to moderate income households. Therefore, subject to the express rights of Permitted Mortgagees set forth in this Lease, this Lease shall be interpreted to permit termination of this Lease in those circumstances where termination of this Lease is appropriate or necessary to protect against the possibility of the transfer of the Land or Home to non-low to moderate income residents. Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

17.7 Captions and Table of Contents. The captions and Table of Contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms, covenants, conditions, provisions, restrictions, or reservations of this Lease.

17.8 Parties Bound. This Lease sets forth the entire agreement between the parties hereto with respect to the leasing of the Land; it is binding upon and inures to the benefit of the parties hereto and, in accordance with the provisions hereof, their respective successors in interest. This Lease may be altered or amended only by written notice executed by the parties hereto or their legal representatives or, in accordance with the provisions hereof, their successors in interest.

17.9 Governing Law. Except to the extent that federal law applies in the event that the Home Owner is

HUD, this Lease shall be interpreted in accordance with and governed by the laws of the State of Colorado. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against Land Owner or Home Owner.

17.10 Recording. The parties agree, as an alternative to the recordation of this Lease, to execute a Memorandum of Lease in form recordable and complying with applicable law and reasonably satisfactory to Land Owner’s attorneys and to Permitted Mortgagees. In no event shall such document set forth the Lease Fee or other charges payable by Home Owner under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

17.11 Exhibits and Riders. The following Exhibits and Rider are attached hereto and incorporated herein by this reference:

Exhibits:

- A. Definitions
- B. Maximum Resale Price
- C. Right of First Refusal
- D. Legal Description of the Home and the Land

Riders:

- 1. HUD/FHA Insured Mortgages Rider
- 2. FNMA Community Land Trust Land Lease Rider. **This Rider shall be, and is applicable only when, separately executed and recorded in conjunction with the recordation of a FNMA mortgage against the Home.**

IN WITNESS WHEREOF, the parties hereby agree that the specific terms set forth in the Article of Specific Terms and Signature Pages constitute a material part of this lease and have executed this Lease on the day and year set forth below.

LAND OWNER: Colorado Community Land Trust-Denver, LLC a Colorado Limited Liability Company

By: Habitat for Humanity of Metro Denver, Inc. dba Colorado Community Land Trust,
a Colorado nonprofit corporation

Its: Manager

By: _____

[Name], [Title]

STATE OF COLORADO)
) SS.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this ___ day of _____, 20___, by _____ as _____ of Habitat for Humanity of Metro Denver, Inc. dba Colorado Community Land Trust, a Colorado nonprofit corporation, Manager of Colorado Community Land Trust-Denver LLC, a Colorado limited liability company.

My commission expires: _____.

WITNESS my hand and official seal.

Notary Public

HOME OWNER:

signature

printed name

Date: _____

signature

printed name

Date: _____

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____.

My commission expires: _____.

WITNESS my hand and official seal.

Notary Public

Developer consents to the terms and conditions of this Land Lease:

DEVELOPER:

By: _____
[Name]

Title: _____

Date: _____

STATE OF COLORADO)
) SS.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this ___ day of _____, 20___,
by _____ as _____ of Habitat for Humanity of Metro
Denver, Inc., a Colorado nonprofit corporation.

My commission expires: _____

WITNESS my hand and official seal.

Notary Public

EXHIBIT A
Definitions

“Area Median Income or AMI” shall mean the area median income for single persons and households of various sizes as reported by HUD or by any successor United States Government department, agency, or instrumentality, for the metropolitan statistical area which includes Denver, Colorado.

"Association" shall mean the _____ Homeowners Association, Inc., a Colorado nonprofit corporation, and its successors and assigns, as further defined and described in the Declaration.

“Closing” shall mean the transfer of title of the Home to a Home Owner.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

"Common Elements" shall have the meaning set forth in the Declaration.

"CPI-U" shall mean the most recent United States Department of Labor (Bureau of Labor Statistics) Consumer Price Index for All Urban Consumers for the consolidated metropolitan statistical area that includes Denver, Colorado. In the event that the CPI-U is substantially changed, re-named, or abandoned by the United States Government, then in its place shall be substituted the index established by the United States Government that most closely resembles the CPI-U.

"Declaration" shall mean that certain Declaration of Covenants, Conditions and Restrictions for _____ recorded in the real estate records of the City and County of Denver, Colorado on _____, at Reception No. _____, as amended from time to time.

"Developer" shall mean Habitat for Humanity of Metro Denver, Inc.

“Eligible Buyer” shall mean a natural person (1) whose Income (as defined below) is at or below 80% of Area Median Income (or at or below such other percentage of AMI as set forth in Land Owner’s Affordable Housing Guidelines) at the time of purchasing the Home, and (2) who is certified in writing by Land Owner to be qualified to buy the Home in accordance with the additional qualifications, standards, and procedures then in effect under relevant provisions of Land Owner’s Affordable Housing Guidelines (as defined below).

“Event of Default” shall mean those events of default set forth in Article 13 of this Lease.

"Home" shall mean the residential unit located on the Land and described on Exhibit D, and any and all additional structures, fixtures, and other improvements purchased by the Home Owner or constructed or placed by the Home Owner upon any part of the Land at any time during the term of this Lease.

"Homeowner Association Documents" means the covenants, articles of incorporation, bylaws and rules and regulations of any and all homeowner associations having jurisdiction over the Home, and any other documents adopted by such associations, including without limitation the Association.

"HUD" shall mean the United States Department of Housing and Urban Development.

“Income” shall mean the household income of a Home Owner or prospective Eligible Buyer and shall include all income from whatever source by any member of the household over the age of eighteen, including:

- (1) All wages and salaries;
- (2) The net income from being self-employed, including rental income;
- (3) Assistance payments from Federal or Federally aided public assistance programs, such as Supplemental Security Income (SSD or Aid to Families with Dependent Children (AFDC), General Assistance (GA) programs, or other assistance programs based on need;
- (4) Annuities; pensions; retirement; veterans or disability benefits; worker’s or unemployment compensation; old-age, survivors, or social security benefits; strike benefits; foster care payments for children or adults;
- (5) Child support or alimony payments made directly to the household from non-household members;
- (6) Payments from Government-sponsored programs, dividends, interest, royalties, and all other direct money payments from any source which can be construed to be a gain or benefit.

Only the following items shall be excluded from Income:

- (1) Gifts;
- (2) Loans, including loans from private individuals as well as commercial institutions;
- (3) Money received in the form of a nonrecurring lump sum payment, including but not limited to, income tax refunds, rebates, or credits; retroactive lump-sum social security, SSI, public assistance, railroad retirement benefits or other payments, or retroactive lump-sum insurance settlements; or refunds of security deposits on rental properties or utilities.

In determining Income, the number of residents in the household shall be taken into account in accordance with HUD regulations. THE STANDARDS FOR DETERMINING INCOME ARE SUBJECT TO CHANGE

FROM TIME TO TIME AS SET FORTH IN THE LAND OWNER'S AFFORDABLE HOUSING GUIDELINES.

“Land” shall mean the parcel of real property described on Exhibit D attached hereto.

“Land Owner” shall mean Colorado Community Land Trust-Denver, LLC a Colorado Limited Liability Company

“Land Owner’s Affordable Housing Guidelines” or “Guidelines” shall mean those certain guidelines adopted by Land Owner setting forth certain requirements applicable to Home Owners regarding Eligible Buyer application, eligibility and certification standards and procedures, Maximum Resale Price determinations, re-sale procedures, occupancy standards, definitions of Income, dispute resolution procedures and related matters. Home Owners, other occupants of the Home and contract buyers shall have access to these Guidelines, shall review the Guidelines and shall be bound by the Guidelines. The Guidelines may be amended from time to time by Land Owner. The terms and conditions of the Guidelines are incorporated herein by this reference.

“Aria Pocket Neighborhood” shall mean the planned community created by and described in the Declaration.

“Primary Residence” shall mean the residence a person occupies for a minimum of two hundred forty (240) days out of each calendar year.

“Property” shall mean the Home and the Land, collectively.

“Purchase Price” shall mean all consideration paid for the Transfer of the Home and Home Owner's interest in the Land, either at or outside of closing, but shall not include any proration amounts, taxes, costs and expenses of obtaining financing, the fair market value of furnishings or personal property, lenders fees, title insurance fees, closing costs, inspection fees, or other normal and customary costs related to the purchase of property but not paid directly to the seller.

“Qualifying Exempt Transferee of the Land” shall mean a nonprofit corporation or charitable trust described in Code Section 501(c)(3), Governmental agency or other similar tax exempt entity sharing the goals and objectives set forth in the Recitals to this Lease.

“Transfer” shall mean any sale, assignment or transfer, voluntary or involuntary, by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee’s sale, deed in lieu of foreclosure, or otherwise) of any interest in the Home, including but not limited to, a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, a leasehold interest, or any interest evidenced by a land contract by which possession of the Home is transferred while the existing Home Owner retains title.

**EXHIBIT B
TO
LAND LEASE
(Maximum Resale Price)**

A. **Home Owner's Purchase Price.** The original Home Owner hereby agrees that the total purchase price for the Home, as of the commencement of the term of this Lease, is as set forth in the Article of Specific Terms ("**Home Owner's Purchase Price**"). The Purchase Price for subsequent Home Owners shall be as set forth in their deed to the Home.

B. **Initial Appraised Value of the Home.** The original Home Owner further agrees that the initial appraised value of the Property (valued as though the owner owned the Property in fee simple absolute) is as set forth in the Article of Specific Terms, and that the initial appraised value of the Home is seventy percent (70%) of the initial appraised value of the Property ("**Initial Appraised Value of the Home**"). The appraised value of the Property upon subsequent sales of the Home shall be the amount set forth in the Appraisal obtained pursuant to Section 11.3 of this Lease; and the Initial Appraised Value of the Home for subsequent Home Owners shall be seventy percent (70%) of said Appraisal.

C. **Appraised Value of the Home Upon Sale.** The "**Appraised Value of the Home Upon Sale**" shall be an amount equal to seventy percent (70%) of the Appraisal obtained pursuant to Section 11.3 of this Lease.

D. **Maximum Resale Price.** The "**Maximum Resale Price**" shall be determined by the formula below:

1. **Calculation of Market Value Appreciation of the Home.** The Appreciation in Value of the Home, for the purpose of determining the Maximum Resale Price, is calculated as follows:

- a. The **Appraised Value of the Home Upon Sale**;
- b. Less the **Initial Appraised Value of the Home** as defined above;
- c. Equals the total amount of **Appreciation in the Value of the Home** for the purposes of calculating the Maximum Resale Price.

Following is a table for calculation of the **Appreciation in Value of the Home**:

Appraised Value of the Home Upon Sale		\$	
Minus the Initial Appraised of the Home	-	\$	
Equals the Appreciation in Value of the Home	=	\$	

2. **Calculation of Maximum Resale Price.** The **Maximum Resale Price** shall be equal to the **LESSER** of the following:

- a. The **Limited Equity Resale Price**, calculated as follows:
 - (1) **Home Owner's Purchase Price**; less any sales commissions paid by Home Owner at purchase;
 - (2) Plus Ten percent (10%) of the **Appreciation in the Value of the Home**, as determined above, during the first twelve (12) months that the Home Owner owns the Home, with an increase of one percent (1%) for each twelve (12) month period of ownership thereafter (for example, the amount would be 11% during months 13 to 24 of ownership and 12% during months 25 – 36 of ownership), up to a maximum of twenty percent (20%) of the **Appreciation in the Value of the Home**, as determined above;
 - (3) Plus any sales commission and **Lease Reissue Fee** (defined below) to be paid by Home Owner to resell the Home;
 - (4) Less any amount charged for **Excessive Damage**, as determined herein (unless deduction for an **Excessive Damage Charge** results in the **Limited Equity Resale Price** falling below the sum of 1, 2, and 3 above, in which case there shall not be any deduction for an **Excessive Damage Charge**);

OR

- b. The **Appraised Value of the Home Upon Sale**.

Following is a table for calculation of the **Limited Equity Resale Price**:

- | | | |
|-----|---|------------|
| (1) | Home Owner's Purchase Price , less any sales commissions paid by Home Owner at purchase; | \$ _____ |
| (2) | Plus Ten percent (10%) of the Appreciation in the Value of the Home , as determined above, during the first twelve (12) months that the Home Owner owns the Home, with an increase of one percent (1%) for each twelve (12) month period of ownership thereafter (for example, the amount would be 11% during months 13 to 24 of ownership and 12% during months 25 – 36 of ownership), up to a maximum of twenty percent (20%) of the Appreciation in the Value of the Home , as determined above; | + \$ _____ |
| (3) | Plus any sales commission and Lease Reissue Fees to be paid by the Owner at resale, which sales commission and Lease Reissue Fee in the aggregate shall be limited to 7%; | + \$ _____ |
| (4) | Minus any Excessive Damage Charge (unless deduction for Excessive Damage Charge results in a Limited Equity Resale Price less than the sum of 1, 2, and 3 above); | - \$ _____ |
| (5) | Equals the Limited Equity Resale Price | = \$ _____ |

E. **Lease Reissue Fee.** In the event that the Home is not repurchased by Land Owner, but is resold by the then current Home Owner directly to a new Home Owner, as provided under Articles 10 and 11 of this Lease, then Land Owner shall be paid at Closing out of the closing proceeds a Lease Reissue Fee. The Lease Reissue Fee shall also be payable upon certain other Transfers as specified in this Lease or in the Land Owner's Affordable Housing Guidelines. This Lease Reissue Fee shall be in an amount equal to **three percent (3%)** of the sum of (i) Home Owner's Purchase Price (less any sales commissions paid by Home Owner at purchase) plus (ii) applicable percent of Appreciation in Value of the Home, as described above.

F. **Improvements and Repairs.** Subject to the terms of this Lease, Home Owner may make additions, modifications or changes to the Home. To the extent that such additions, modifications, or changes add to the value of the Home, that value will be taken into account by the formula which determines the Maximum Resale Price as part of the appreciated value, if any, of the Home.

G. **Excessive Damage Charge.** Home Owner shall be responsible for maintaining the Home in good, safe, habitable, and workable conditions, as further provided in this Lease. At the time of calculating the Maximum Resale Price, Home Owner agrees that Land Owner shall have access to the Home and may inspect the Home, or cause it to be inspected, for the purpose of determining whether Home Owner has complied with the requirements of this Lease for maintenance and repair of the Home. If Land Owner determines, after such inspection, in its reasonable discretion, that Home Owner is not in compliance with the requirements for maintenance or repair, or that any maintenance, replacement or repairs, costing in excess of One Thousand and No/100 Dollars (\$1,000.00), will be necessary within twelve (12) months after the date of sale or Transfer, then the amount reasonably necessary to complete such repairs, replacements or maintenance, referred to as an **Excessive Damage Charge**, shall be deducted in determining the Maximum Resale Price, as further provided herein.

EXHIBIT C
Right of First Refusal

Whenever any party under this Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") shall during the term of this Lease receive a bona fide third party offer to purchase the property which such Offering Party is willing to accept, the holder of the right of first refusal ("Holder") shall have the following rights:

1. Offering Party shall give written notice ("Notice") of such offer to Holder setting forth (a) the name and address of the prospective purchaser thereof, (b) the purchase price offered by the prospective purchaser, and (c) all other terms and conditions of the sale, and shall provide to the Holder a copy of the written offer from the prospective purchaser. Holder shall have a period of ninety (90) days after the receipt of the Notice containing the offer ("Election-Period") within which to elect to purchase the property on the same terms and conditions, including the purchase price set forth in the Notice. Such election shall be made by a written notice given to the Offering Party within the Election Period.

2. If Holder makes the election to purchase the property, such purchase shall be consummated within ninety (90) days after such election shall have been made by Holder (or if the Notice shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice, including payment of the purchase price provided therein.

3. Should Holder fail to make any election within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in this Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one (1) year period, the Offering Party's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one (1) year period, the purchaser shall purchase subject to a renewed right of first refusal in said property.

EXHIBIT D
Legal Description of the Home and the Land

1. Legal Description of the Home

Solely the **Improvements** located upon that parcel of land commonly known as

also known by street and number as:

1. Legal Description of the Land

Solely the **Leasehold Interest** located upon that parcel of land commonly known as

HUD/FHA INSURED MORTGAGES RIDER

This Rider is attached to and incorporated into, and shall be deemed to amend and supplement to the extent applicable as set forth below, that certain Land Lease by and between Colorado Community Land Trust-Denver, LLC (the "Land Owner") and the owner of a Home ("Home") at Aria Pocket Neighborhood located in Denver, Colorado as Home Owner (the "Home Owner") as set forth in said Land Lease. The Land Lease covers certain Land located in Denver, Colorado as further described therein.

Capitalized terms not defined herein shall have the meaning provided in the Land Lease. Land Owner and Home Owner are entering into the Land Lease in furtherance of mutual goals as set forth therein.

This Rider shall amend the Land Lease in the event, and for so long as, the Home is encumbered by a first mortgage lien insured by HUD, for the purpose of enabling the Home Owner to secure HUD financing. Each HUD-insured first mortgage encumbering the Home is referred to herein as a "Mortgage".

HUD would be unwilling to insure the Mortgage without the modifications to the Land Lease set forth herein.

With the exception of Provision (7) contained herein, the provisions of this Rider shall apply to the Land Lease as modifications thereof so long as (and only so long as) the Mortgagee and HUD have an interest in the premises related to the Mortgage, as a mortgagee or as insurer of the Mortgage or as owner of the Home Owner's interest pursuant to any sale after or in lieu of foreclosure.

(1) The Mortgagee, its successors and assignees, shall be a "Permitted Mortgagee" under the terms of the Land Lease. In the event that the Mortgage is assigned to HUD, HUD shall be a "Permitted Mortgagee" under the terms of the Land Lease.

(2) Failure of the Home Owner to occupy the premises as required by Section 4.4 of the Land Lease shall not be grounds to terminate the Land Lease, but shall entitle the Land Owner to exercise the option of purchase as described in the Land Lease.

(3) Real estate taxes and assessments (but not fees in lieu thereof or Homeowner's Association assessments and charges) applicable to the ownership or use of the Home, which Home Owner is required to pay under Article 6 of the Land Lease, shall not be paid directly to the Land Owner but shall be paid to the Mortgagee to be escrowed as provided by the Mortgage.

(4) The Lease Fee allowed under Article 5 shall not be greater than the lesser of (a) twelve percent of the valuation of the Home, or (b) the mortgage interest rate at the time of underwriting the Home, less two percent, multiplied by the valuation of the Home. Land Owner shall not impose any increase in the Lease Fee for the first three years after the recordation of this Land Lease, and thereafter no annual increase in the Lease Fee may be more than two percent of HUD's valuation of the Home.

(5) Sections 8.1.3, 8.1.4 and 8.1.5 of the Land Lease shall have no force or effect during the term of this Rider. However, notwithstanding the foregoing, the Land Owner shall continue to have the right to exercise its option to purchase under the Land Lease and the Land Owner and the Mortgagee agree to communicate and cooperate in efforts to deal with the circumstances of default, foreclosure and sale after or in lieu of foreclosure, insofar as such agreement does not impose a formal legal notice requirement upon the Mortgagee or HUD, except that Home Owner must provide Land Owner with written notice of an intent to deliver a deed in lieu of foreclosure at least 60 days prior thereto so that Land Owner may exercise its option to purchase the mortgaged property.

In the event of a default in any of Home Owner's obligations under the Permitted Mortgage, the Home Owner agrees to immediately notify the Land Owner in writing of any such default. Regardless of when or how the Land Owner learns of such default, Permitted Mortgagee agrees that Land Owner shall have the right to cure said default within 120 days of the default or, alternatively and at Land Owner election, within 30 days from the date of the notice of foreclosure. Additionally, Home Owner agrees as follows:

(a) to immediately notify Land Owner in writing of any default in Mortgagor's obligations under the Permitted Mortgage;

(b) to reimburse Land Owner for all payments made by Land Owner pursuant to Land Owner's above right to cure any defaults in Home Owner's obligations under the Permitted Mortgage.

(6) In the event of a default under the Land Lease, Land Owner shall, when notice of such default is given to Home Owner as provided in the Land Lease, concurrently give notice of the default to the Permitted Mortgagee. The Permitted Mortgagee shall have the right to cure such default on behalf of the Home Owner within 120 days of the date of such notice or within such further time as may be necessary for the Mortgagee to complete a foreclosure. Land Owner shall not terminate the Land Lease prior to the conclusion of this cure period.

Notwithstanding any contrary provision in the Land Lease, a violation of the restrictions on transfer contained in Articles 10 or 11 of the Land Lease shall not be grounds for voiding a conveyance of the Home Owner's interest in the Home, or terminating the Home Owner's interest in the Home, or subjecting the Home Owner to contractual liability other than requiring repayment (at a reasonable interest rate) of assistance provided to make

the property affordable as low- or moderate-income housing. The prohibition against contractual liability precludes liability for specific performance, injunctive relief or damages (except for repayment of assistance as described immediately above).

(7) In the event of the assignment of the Mortgage to HUD or foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, the provisions of Articles 10, 11 and 12 as well as Section 4.4 shall be permanently deleted from the Land Lease and shall thereupon be of no further force or effect as to only so much of the security so assigned, foreclosed upon, or transferred.

(8) In the event the Home is sold by a Permitted Mortgagee through foreclosure, Home Owner shall remit to Land Owner that portion of the sales proceeds received by Home Owner after payment of all obligations to Permitted Mortgagee and costs of foreclosure, which exceeds the Maximum Resale Price that would have applied to the sale of the Home if Articles 10, 11 and 4.4 had continued in effect.

(9) In the event of a foreclosure or assignment in lieu of foreclosure, which results in the conveyance of the encumbered property from the Home Owner, the Permitted Mortgagee shall, before conveyance of the encumbered property to another party, first offer in writing to sell the property to the Land Owner for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage, including all costs and expenses of foreclosure, to the date of closing. The Permitted Mortgagee does not have to make such an offer to purchase if it is under an obligation to convey the property to HUD/FHA within a certain time frame and is unable to obtain the approval of HUD/FHA to extend such time frame to allow for the making of the offer to the Land Owner and the completion of the Land Owner's purchase.

If the Land Owner does not agree to so purchase the encumbered property within 30 days of receipt of the offer and complete the purchase within 60 days of the receipt of the offer, then the Permitted Mortgagee shall be free to sell the property to another party. If the Land Owner does not exercise its right to purchase the encumbered property, the Land Owner agrees to pay to the Permitted Mortgagee its costs of holding the encumbered property for the time that the Land Owner was considering the offer, but only those costs incurred during the 30 day option period.

If the Land Owner does not purchase the property upon the occurrence of a foreclosure or assignment in lieu of foreclosure or assignment in lieu of foreclosure, the Leasehold estate may be transferred, mortgaged, and sublet an unlimited number of times and the Land Owner shall not require a credit review or impose any other qualifying criteria on any such transferee, mortgagee or sublessee.

(10) The Land Owner's Affordable Housing Guidelines shall not be amended in such a way as to materially impact a rule or regulation governing transfer restrictions imposed by HUD, to the extent that such amendment applies to affordable housing that have first mortgages insured or held by HUD, without first obtaining the consent of HUD. In addition, HUD shall be promptly notified of all changes to the Guidelines.

(11) In the event that only a single Home resides on the Land that is subject to this Land Lease, such that this Land Lease is not a master land lease encumbering more than one Home, and title to the Home is conveyed to HUD by way of foreclosure, deed in lieu of foreclosure or assignment, HUD shall have the right to purchase the Land from Land Owner on the following terms and conditions:

(a) HUD shall deliver to Land Owner written notice ("HUD's Notice") of HUD's decision to purchase the Land within forty-five (45) days of taking title to the Home. If HUD does not timely deliver HUD's Notice, HUD shall have waived its right to purchase the Land hereunder. HUD's Notice shall set forth: (i) HUD's purchase price for the Land, which shall be a reasonable estimate of the market value of the Land; (ii) a closing date for the purchase, which shall be no later than thirty (30) days after the delivery of HUD's Notice; (iii) the name, address, phone and facsimile numbers and e-mail address of the person(s) at HUD that Land Owner may contact in connection with the purchase ("Contact Person"); and (iv) other customary terms and procedures for the closing.

(b) In the event that Land Owner objects to the purchase price set forth in HUD's Notice, Land Owner shall have fifteen (15) days from delivery of HUD's Notice to object to the purchase price set forth in HUD's Notice by delivering written notice of objection to the Contact Person. Land Owner shall then have an additional fifteen (15) days to deliver to the Contact Person a current appraisal of the Land made by an independent, licensed appraiser ("First Appraisal"). If Land Owner does not timely deliver an Objection Notice or a First Appraisal, then the purchase price set forth in HUD's Notice shall be the purchase price for the Land.

(c) HUD may object to the First Appraisal by delivering written notice to Land Owner within fifteen (15) days of delivery of the First Appraisal. In such event, HUD shall have an additional fifteen (15) days to deliver to Land Owner a Second Appraisal of the Land by an independent, licensed appraiser. If HUD does not timely deliver an objection to the First Appraisal or a Second Appraisal, then the value set forth in the First Appraisal shall be the purchase price for the Land. If HUD timely delivers an objection to the First Appraisal and a Second Appraisal, then the purchase price for the Land shall be the average of the First Appraisal and the Second Appraisal.

(d) In the event of a closing hereunder, all closing costs shall be paid by HUD. Title to the Land shall be conveyed by Land Owner to HUD by special warranty deed, subject to all encumbrances except monetary liens, and in an "as-is, where is" physical condition without seller representations or warranties, except warranties of title as provided in the special warranty deed.

[end of rider]

Community Land Trust Ground Lease Rider

[For use with CLT ground leases substantially based on either the Institute for Community Economics or the National Community Land Trust Network model ground lease as identified in Fannie Mae's *Selling Guide*]

THIS COMMUNITY LAND TRUST GROUND LEASE RIDER (the "Rider") is made this _____ day of _____, 20____, and amends and supplements a certain ground lease (referred to herein as "the CLT Ground Lease") dated _____ that is by and between **Colorado Community Land Trust-Denver, LLC** as lessor (herein referred to as "the "Lessor" but may otherwise be referred to in the CLT Ground Lease as the "CLT") and _____, as lessee (herein referred to as "the "Lessee" but may otherwise be referred to in the CLT Ground Lease as "Homeowner"). This Rider shall be deemed incorporated into the CLT Ground Lease, and the CLT Ground Lease as amended by this Rider, shall hereafter be referred to as the "Lease," unless otherwise indicated.

The CLT Ground Lease is a long-term lease of the Lessor's fee interest in the land located at _____; **Denver, CO**, referred to herein as the "Leased Land," as improved by a residential structure or unit, referred to herein as the "Improvements." The Leased Land and the Improvements are collectively referred to herein as the "Leased Premises."

This Rider amends the CLT Ground Lease for the purpose of enabling the Lessee to obtain Fannie Mae financing in the form of a mortgage or deed of trust given this ___ day of _____, _____, by Lessee to _____ (the "Specified Mortgage"), and the interest of the Specified Mortgagee in the Leased Premises as secured by such mortgage or deed of trust may be referred to herein as the "Leasehold Estate." The Specified Mortgage is recognized by Lessor as a "Permitted Mortgage" (or as such concept is otherwise defined) under the CLT Ground Lease, and the holder of the Specified Mortgage (the "Specified Mortgagee") is recognized as a "Permitted Mortgagee" (or as such concept is otherwise defined) under the CLT Ground Lease.

ADDITIONAL COVENANTS. Notwithstanding anything to the contrary contained in the CLT Ground Lease, and in addition to the covenants and agreements made in the CLT Ground Lease, the Lessor and the Lessee further covenant and agree, so long (but only so long) as the Specified Mortgagee, its successors and assigns shall have an interest in the Leased Premises, as a holder of the Specified Mortgage or as an owner of the Lessee's interest pursuant to any sale after or in lieu of foreclosure, the following provisions shall apply to the CLT Ground Lease as modifications thereof:

A. No Assignment or Transfer. The making of the Specified Mortgage shall not be deemed to constitute an assignment or transfer of the Lease or Leasehold Estate so as to require the Specified Mortgagee to assume the performance of any of the Lessee's obligations under the Lease.

B. Status of the Fee Estate. The Lessor represents and warrants that there is no existing mortgage on the fee estate, and so long as the Specified Mortgage shall remain on the Leased Premises, the Lessor and the Lessee shall not subordinate the Lease to any mortgage or lien that may hereafter be placed on the fee estate. Notwithstanding the foregoing, a state- or local-government entity ("Government Entity") may hold a prior recorded interest (represented by recorded covenants, a mortgage or deed of trust, other lien) on the fee estate **if** the Government Entity has agreed that in the event it (including its successors and assigns) succeeds to the interest of the Lessor under the Lease by any remedy available to the Government Entity by law or pursuant to its lien, the Government Entity shall recognize all the terms of the Lease and this Rider as though the Government Entity were acting as the Lessor. Such recognition must include, but is not limited to, the provisions of this Rider whereby all provisions of the Lease regarding (a) occupancy of the Leased Premises as a primary residence by the Lessee, (b) limitation on assignment of, or sublease under, the Lease, (c) the price at which the Leasehold Estate may be transferred, and (d) the income of successive transferees, assignees or successors, shall, in the event of foreclosure or assignment in lieu of foreclosure of the Specified Mortgage, be of no further force or effect with respect to such Specified Mortgagee or its successive transferees, assignees or successors. Further, in such event of the Government Entity succeeding to the interests of the Lessor, the Lessee hereby agrees to recognize the Government Entity as exercising all rights and privileges of the Government Entity as lessor under the Lease and this Rider.

Such agreement by the Government Entity may be evidenced by the agreement between the Government Entity and the Lessor under which the Government Entity's prior recorded interest is derived, or by use of a recognition agreement derived from a sample the Specified Mortgagee may obtain from Fannie Mae. Irrespective of any interest by a Government Entity, the Specified Mortgage shall constitute a first leasehold lien on the Leased Premises, and shall have priority over the Lessor's reversionary interest. If the Lessor conveys title to the Leased Land while the Specified Mortgage remains on the Leased Premises, the Lease shall remain in effect with the same priority thereto.

C. Termination, Forfeiture and Modification of Lease. There shall be no termination, forfeiture, or modification of the Lease, except as provided in this Rider, without the prior written consent of the Specified Mortgagee. The Lessor and Lessee shall amend the Lease from time to time as reasonably requested by the Specified Mortgagee, as long as the requested changes do not change the periodic fee, charge or payment due the Lessor for the rights accorded the Lessee under the Lease (the "Ground Lease Fee"), and do not materially or adversely affect the rights of Lessor or Lessee or their respective interests in the Leased Premises. An adjustment of the Ground Lease Fee may be made by the Lessor as provided in the Lease, without prior approval of the Specified Mortgagee, so long as written notice has been delivered to the Specified Mortgagee at least 60 days prior to the effective date of such adjustment with respect to adjustments other than those (i) that were scheduled at the time the 198399.6

Specified Mortgage was given, and (ii) reflecting routine, periodic updates to variable expenses such as property taxes and liability insurance premiums; provided, however, that the Specified Mortgagee shall have the right to arbitrate (as provided herein) any dispute as to an adjustment of the Ground Lease Fee.

D. New Lease. In the event the Lessee's interest in the Lease has been terminated, forfeited, or surrendered as provided in the Lease, and the Specified Mortgage remains outstanding, a new Lease shall automatically be created between the Lessor and the Specified Mortgagee, which Lease shall be for the remainder of the term of the Lease, with the same priority thereto, and shall be subject to the same terms of the Lease as would be applicable pursuant to Section E.1. below where the Specified Mortgagee had accelerated its note, foreclosed on the Specified Mortgage, taken an assignment in lieu of foreclosure, or exercised its other remedies for default.

E. Mortgage Default or Foreclosure. Subject to the following, upon the occurrence of an event of default under the Specified Mortgage (as determined by the Specified Mortgagee—an "Event of Default"), and without the consent of the Lessor, the Specified Mortgagee shall be permitted to accelerate its note, foreclose on the Specified Mortgage, take an assignment in lieu of foreclosure, or exercise its other remedies for default.

Further:

1. Upon the occurrence of an Event of Default under the Specified Mortgage, the Lessee shall immediately notify the Lessor of such Event of Default and shall submit to Lessor copies of all notices the Lessee received from the Specified Mortgagee relating thereto. The Specified Mortgagee and the Lessor shall endeavor to communicate and cooperate in efforts to deal with the circumstances of the Event of Default and the actions the parties may take relating thereto; provided, however, the Specified Mortgagee shall have no obligation to give formal legal notice of the Event of Default to the Lessor.
2. The Lessee and the Specified Mortgagee agree that the Lessor shall have the right, but not the obligation, to cure an Event of Default in the Lessee's name and on the Lessee's behalf. If such cure is not effective and continuing, nothing herein shall be construed to prevent or delay the Specified Mortgagee from its pursuit of foreclosure and any other available remedies. The Lessee shall be responsible to the Lessor for all payments made, and expenses incurred, by the Lessor in curing such default.
3. Should the Lessor not choose to cure an Event of Default as specified above, the Lessor shall nevertheless have the option to purchase from the Specified Mortgagee its interest in the Leasehold Estate on the Leased Premises for the full amount owing to the Specified Mortgagee under the Specified Mortgage as of the date of closing of the purchase, upon written notice given by the Specified Mortgagee (the "Mortgagee Option Notice") not later than 60 days following acquisition of title to the Leasehold Estate by the Specified Mortgagee by foreclosure or by an assignment in lieu of foreclosure; provided, however, the Specified Mortgagee may give such written notice following the occurrence of an Event of Default under the Specified Mortgage and prior to the completion of foreclosure proceedings. If the Lessor elects to exercise such option to purchase, the Lessor shall give written notice to the Specified Mortgagee of the Lessor's intent to purchase the Leasehold Estate (the "Lessor Option Notice") within 45 days following the Specified Mortgagee's giving of the Mortgagee Option Notice; provided, however, at the option of the Lessor, in the event the Mortgagee Option Notice is given prior to the completion of foreclosure proceedings by the Specified Mortgagee, the Lessor shall, within such 45-day period, be able to give a written notice to the Specified Mortgagee that it will delay giving the Lessor Option Notice until a date that is not later than 30 days following written notice from the Specified Mortgagee of its acquisition of title to its interest in the Leasehold Estate on the Leased Premises.

The Lessor shall complete the purchase of the Specified Mortgagee's interest in the Leasehold Estate within 60 days of giving the Lessor Option Notice. If the Lessor does not complete the purchase within the allotted 60 days, the Specified Mortgagee shall be free to sell its interest to another person or entity. Further, if the Lessor does not complete the purchase within the allotted 60 days, the Lessor agrees to pay to the Specified Mortgagee its costs of holding its interest in the Leasehold Estate from the date of the Lessor Option Notice until the expiration of such 60-day period. If the Lessor does not purchase the Specified Mortgagee's interest in the Leasehold Estate as described herein, the Leasehold Estate may be transferred, mortgaged and sublet an unlimited number of times, and the Lessor shall not require a credit review or impose other qualifying criteria on any such transferee, mortgagee or sublessee.

4. In the event of foreclosure or assignment in lieu of foreclosure, which results in the conveyance of the Leasehold Estate on the Leased Premises from the Lessee, any adjustment of the Ground Lease Fee to reflect then current fair market rental value as provided in the Lease, shall be subject to the approval of the Specified Mortgagee. The Specified Mortgagee and the Lessor shall attempt to resolve any dispute concerning such adjustment of the Ground Lease Fee, through the normal interaction of the parties, or through formal mediation as the case may warrant. If the dispute remains unresolved, the Specified Mortgagee and the Lessor shall submit the dispute as to the fair market rental value to binding arbitration.
5. In the event the Specified Mortgagee acquires title to the Leasehold Estate on the Leased Premises through foreclosure or assignment in lieu of foreclosure of the Specified Mortgage, all provisions of the Lease regarding (a) occupancy of the Leased Premises as a primary residence by the Lessee, (b) any limitation on the assignment of, or sublease under, the Lease, (c) any obligation to target certain populations in marketing the Leasehold Estate to potential transferees, (d) the price at which the Leasehold Estate on the Leased Premises may be transferred, and (e) the income of successive transferees, and their successors and assigns, shall be of no further force or effect with respect to such Specified Mortgagee or its

successive transferees, assignees or successors. The foregoing sentence shall not be construed to invalidate other Lease provisions regarding permitted use of the Leased Premises. Any transfer or assignment of the Leasehold Estate encumbered by the Specified Mortgage as provided for in this paragraph shall be deemed a permitted sale, transfer or assignment of the Lease and the Leasehold Estate. Further, in such event, the Leasehold Estate may be transferred, mortgaged and sublet an unlimited number of times, and the Lessor shall not require a credit review or impose other qualifying criteria on any such transferee, mortgagee or sublessee.

F. Lease Default. There shall be no forfeiture or termination of the Lease except for (i) the nonpayment of amounts due under the Lease, and (ii) violation of one or more provisions of the Lease addressing the following: (a) prohibition or restrictions on the sale or transfer of the Lessee's interest (however, non-sale transfers resulting from marriage, divorce, death of a spouse, or a transfer otherwise permitted by applicable federal law, may not constitute a basis for default under the Lease, though the Lessor may require such transferee to agree to assume the transferor's obligations under the Lease), and (b) requirement that the Lessee occupy the Leased Premises as primary residence. Provided, however, such forfeiture or termination shall be subject to the Specified Mortgagee's right to cure a monetary default, or otherwise foreclose or take an assignment of the Leasehold Estate in lieu of foreclosure with respect to the Lessee's monetary or non-monetary default. Notwithstanding the foregoing, nothing herein shall be construed to require the Specified Mortgagee to cure any non-monetary default. Further, the Specified Mortgagee shall become subrogated to any and all rights of the Lessee with respect to such curing of a default. If the Lessee's default shall be cured as provided in the Lease, and the Specified Mortgagee shall discontinue its foreclosure or assignment in lieu of foreclosure proceedings, the Lease shall continue in full force and effect as if the Lessee had not defaulted. A default by the Lessee under the Lease shall constitute a default under the Specified Mortgage.

G. Lease Default Notice. Notwithstanding the notice requirements provided in the Lease, no default notice by the Lessor shall be deemed to have been given unless and until a copy thereof shall have been so given to the Specified Mortgagee.

H. Insurance. All insurance policies covering the Improvements shall by endorsement name the Specified Mortgagee as an additional insured and loss payee, and provide the Specified Mortgagee with 30 days' cancellation notice.

I. Casualty and Condemnation. If the Leased Premises are destroyed or taken to such an extent that the Lease is to be terminated, the insurance proceeds or condemnation award, as the case may be, shall be applied first in an amount sufficient to satisfy the Specified Mortgage. Upon the termination of the Lease as a result of a partial destruction or a condemnation of less than the entire Leased Premises, the total insurance proceeds or condemnation award, as the case may be, shall be paid to an appointed trustee, who shall first apply such insurance proceeds or condemnation award in accordance with the Specified Mortgage for restoration of the Improvements (if such trustee determines that the Improvements may reasonably be restored to a residential use consistent with the Lease), with the balance of such insurance proceeds or condemnation award to be allocated between the Lessor and Lessee as otherwise provided in the Lease. The Specified Mortgagee shall be entitled to participate in (i) the adjustment of all casualty losses and (ii) all condemnation proceedings and settlement discussions. Any insurance proceeds or condemnation award shall be applied in accordance with the Specified Mortgage. The Specified Mortgagee shall also be entitled to participate in the adjustment of the Ground Lease Fee as a result of a partial destruction or taking.

J. Force Majeure. The Lessee shall not be in default where performance is delayed or prevented by "Acts of God," war, civil commotion, strikes, labor disputes or the like.

K. Easements and Alterations. Additions to and alternations in the Improvements may be made as provided in the Lease, as long as the value of the Leased Premises is not diminished. The Lessor, as owner of the fee interest in the Leased Land, shall join in all easements, permits and applications necessary for such development of the Leased Premises as is permitted under the Lease, provided that the Lessor shall have no liability or obligation under such easement, permit or application.

L. Arbitration. The Specified Mortgagee shall have the right to participate in any arbitration or legal proceedings between the Lessor and the Lessee. Any arbitration proceedings shall be conducted in accordance with arbitration statutes applicable in the state where the Leased Premises are located.

M. Merger. If the estates of the Lessor and Lessee are at any time owned by the same person, so long as the Specified Mortgagee has any interest in the security or in the Specified Mortgage, such person shall take all necessary steps to ensure that the Specified Mortgage constitutes a first lien on the combined estate.

N. Sublease. There shall be no modification, cancellation, or surrender of any subleases, or prepayment of rent thereunder without the consent of the Specified Mortgagee. If the Specified Mortgagee forecloses on the Leased Premises, or takes an assignment in lieu of foreclosure, all subtenants shall attorn to such Specified Mortgagee or its assignee.

O. Estoppel Certificate. The Lessor shall, from time to time, with 10 days written notice from the Specified Mortgagee, certify by written instrument, duly executed and acknowledged, to such Specified Mortgagee that the

Lease has not been amended, the Lease is in full force and effect, that neither party is in default thereunder, and shall certify as to the existence of any offsets, counterclaims or defenses on the part of the Lessee.

P. Conflict. In the event of a conflict between the terms and provisions of this Rider and the terms and provisions of the Lease, the terms and provisions of this Rider shall control.

BY SIGNING BELOW, the Lessor and the Lessee accept and agree to the terms and conditions of this Rider.

IN WITNESS WHEREOF, the parties have executed this Rider at _____, on the day and year first written above.

LESSOR:

Colorado Community Land Trust-Denver LLC,
a Colorado limited liability company:

By: Habitat for Humanity of Metro Denver, Inc. dba Colorado Community Land Trust, a Colorado nonprofit corporation

Its: Manager

By: _____

[Name], [Title]

The foregoing instrument was acknowledged before me this ___ day of _____, 20___, by _____ as _____ of Habitat for Humanity of Metro Denver, Inc. dba Colorado Community Land Trust, a Colorado nonprofit corporation, Manager of Colorado Community Land Trust-Denver LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires:

Notary Public

LESSEE:

The foregoing instrument was acknowledged before me this ___ day of _____, 20___, by _____.

Witness my hand and official seal.
My commission expires:

Notary Public

EXHIBIT D

RECORDING REQUESTED BY:

WHEN RECORDED RETURN TO:

**City and County of Denver
Land Lease Rider**

THIS LAND LEASE RIDER (the “Rider”) is made this _____ day of _____, 20__ and is incorporated into, and shall be deemed to amend and supplement the Land Lease (herein, the “Land Lease”) dated _____ by and between _____ as the Land Owner (the “Land Owner”) and _____ as Home Owner (the “Home Owner”).

This Rider amends the Land Lease for the purpose of securing the City of Denver’s interest in maintaining the affordability of the home on land leased to Home Owner under the Lease (the “Home”). Land Owner and the Home Owner hereby covenant and agree that so long as the Loan Agreement between the Land Owner and the City and County of Denver shall be in effect, the following provisions shall apply to the Land Lease as modifications thereof:

1. All capitalized terms in this Rider shall have the same meaning as in the Land Lease, except as specifically noted.
2. The City and County of Denver (the “City), through its Department of Housing Stability (“HOST”), subsidized the construction of this Home. The City is hereby acknowledged to be a third-party beneficiary of the Land Lease and this Rider. The City may enforce the provisions of this Rider and any other provision of the Land Lease in order to protect its interests in preserving the affordability of Property.
3. This Rider shall bind the Land Owner and the Home Owner. Each Owner, upon acceptance of a deed to the Unit, shall be personally obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during the Home Owner’s period of ownership of the Home.
4. Pursuant to Article 11 of the Land Lease, the Land Owner shall verify the qualifications of a proposed buyer to ensure such buyer is an Eligible Buyer. The definition of “income” to be used to determine the eligibility of a proposed buyer shall be annual income as defined at 24 C.F.R. § 5.609.

5. The Home shall be utilized as the permanent residence of the Home Owner. A “permanent residence” shall mean the home or place in which one’s habitation is fixed and to which one, whenever he or she is absent, has a present intention of returning after a departure or absence therefrom, regardless of the duration of the absence. In determining what is a permanent residence, the following circumstances relating to the Home Owner may be taken into account: business pursuits, employment, income sources, residence for income or other tax purposes, age, marital status, residence of parents, spouse and children, if any, location of personal and real property, and motor vehicle registration. The Home Owner shall not rent the Home; provided, however, the Home Owner may share occupancy of the Home with non-owners on a rental basis provided that the Home Owner continues to reside in the Home and to meet the obligations contained in this Rider and in the Land Lease.

6. This Rider shall be in effect during the entire 99-year term of the Land Lease. Should the Home be sold to an Eligible Buyer during the Affordability Period, the Eligible Buyer shall execute a letter of stipulation acknowledging certain information related to owning the Home and leasing the land on which the Home resides, and execute a rider in the same form as this Rider.

7. Resale of the Home during the term of the Land Lease shall take place pursuant to the maximum resale price restrictions contained in Article 10 of the Land Lease.

8. No modification to the Specific Terms, Sections 4.1 or 8.11, or Articles 10, 11, or 12 of the Land Lease shall be made without the prior written consent of the City.

9. In the event that Land Owner becomes unwilling or unable to enforce the requirements of this Rider or the Land Lease, particularly in reference to the requirements related to requirements of affordability, the City shall assume enforcement authority for the City-subsidized Homes.

By signing below, the Land Owner and the Home Owner accept and agree to the terms and conditions of this Rider.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Rider on the day and year first written above.

LAND OWNER:

[INSERT NAME OF LAND OWNER]

By: _____

Title: _____

Date: _____

STATE OF COLORADO)
)ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this ____ day of _____, 20___, by _____, as the _____ of _____, a _____.

Witness my hand and official seal
My commission expires _____

(Notary Public's Official Signature)

[SEAL]

HOME OWNER(S):

(signature)

(signature)

(printed name)

(printed name)

STATE OF COLORADO)
)ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____.

Witness my hand and official seal
My commission expires _____

(Notary Public's Official Signature)

[SEAL]

STATE OF COLORADO)
)ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____.

Witness my hand and official seal
My commission expires _____

(Notary Public's Official Signature)

[SEAL]

Exhibit E

LEGAL DESCRIPTION

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

A PARCEL OF LAND BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY AND COUNTY OF DENVER, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 17;
THENCE NORTH 63°43'00" EAST, A DISTANCE OF 1,173.91 FEET TO A POINT OF NON-TANGENT CURVE AND THE POINT OF BEGINNING;

THENCE ALONG THE ARC OF SAID CURVE TO THE LEFT AN ARCH LENGTH OF 187.60 FEET, SAID CURVE HAVING A RADIUS OF 192.00 FEET, A CENTRAL ANGLE OF 55°58'57", AND A CHORD WHICH BEARS NORTH 59°02'44" WEST A CHORD DISTANCE OF 180.23 FEET;

THENCE NORTH 88°26'02" WEST, A DISTANCE OF 33.70 FEET;

THENCE NORTH 00°40'43" WEST, A DISTANCE OF 22.69 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT AN ARC LENGTH OF 8.40 FEET, SAID CURVE HAVING A RADIUS OF 37.50 FEET, A CENTRAL ANGLE OF 12°50'15", AND A CHORD WHICH BEARS NORTH 05°44'23" EAST A CHORD DISTANCE OF 8.38 FEET;

THENCE NORTH 12°09'31" EAST, A DISTANCE OF 20.63 FEET TO A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT AN ARC LENGTH OF 32.67 FEET, SAID CURVE HAVING A RADIUS OF 87.50 FEET, A CENTRAL ANGLE OF 21°23'30", AND A CHORD WHICH BEARS NORTH 22°51'17" EAST A CHORD DISTANCE OF 32.48 FEET;

THENCE NORTH 33°33'02" EAST, A DISTANCE OF 23.14 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT AN ARCH LENGTH OF 21.62 FEET, SAID

CURVE HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 49°32'49", AND A CHORD WHICH BEARS NORTH 58°19'26" EAST A CHORD DISTANCE OF 20.95 FEET;

THENCE NORTH 83°05'51" EAST, A DISTANCE OF 105.27 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT AN ARC LENGTH OF 36.77 FEET, SAID CURVE HAVING A RADIUS OF 92.00 FEET, A CENTRAL ANGLE OF 22°54'00", AND A CHORD WHICH BEARS SOUTH 85°27'09" EAST A CHORD DISTANCE OF 36.53 FEET;

THENCE SOUTH 74°00'09" EAST, A DISTANCE OF 168.59 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT AN ARC LENGTH OF 82.53 FEET, SAID CURVE HAVING A RADIUS OF 74.50 FEET, A CENTRAL ANGLE OF 63°28'13", AND A CHORD WHICH BEARS SOUTH 42°16'02" EAST A CHORD DISTANCE OF 78.37 FEET;

THENCE SOUTH 72°08'00" WEST, A DISTANCE OF 131.19 FEET;

THENCE SOUTH 52°19'02" WEST, A DISTANCE OF 114.64 FEET TO THE POINT OF BEGINNING.

SAID LEGAL DESCRIPTION PREPARED BY:

AARON MURPHY, PLS 38162

FOR AND ON BEHALF OF HARRIS KOCHER SMITH

1120 LINCOLN STREET, SUITE 1000

DENVER, COLORADO 80203

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