

FIRST AMENDATORY AGREEMENT

THIS FIRST AMENDATORY AGREEMENT is made and entered into this _____ day of _____, 2010, by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (the "City"), and **NEIGHBORHOOD DEVELOPMENT COLLABORATIVE , INC.**, a Colorado nonprofit corporation (the "Contractor"), whose address is 777 Grant Street, 6th Floor, Denver Colorado 80203.

WITNESSETH:

A. The City and the Contractor entered into an Agreement dated February 9, 2010, to provide funds to be utilized for implementing program activities related to the Neighborhood Stabilization Program (NSP) (the "Agreement"); and

B. The City and Contractor desire to amend the Agreement by amending the scope of services.

NOWHEREFORE, in consideration of the premises and the mutual covenants and agreements contained in the Agreement and herein contained the parties agree as follows:

1. The revised Scope of Services, including Attachment A-1, is attached hereto and incorporated herein as **Exhibit A-1**. All references to "Exhibit A" in the Agreement are hereby amended to read "Exhibit A-1."

2. Section 7 is deleted in its entirety and replaced with the following:

7. CONTRACTOR'S INSURANCE:

A. GENERAL CONDITIONS: Contractor agrees to secure, at or before the time of execution of this Agreement, the following insurance covering all operations, goods or services provided pursuant to this Agreement. Contractor shall keep the required insurance coverage in force at all times during the term of the Agreement, or any extension thereof, during any warranty period, and for three (3) years after termination of the Agreement. The required insurance shall be underwritten by an insurer licensed to do business in Colorado and rated by A.M. Best Company as "A" VIII or better. Each policy shall contain a valid provision or endorsement stating "Should any of the above-described policies be canceled or should any coverage be reduced before the expiration date thereof, the issuing company shall send written notice to Denver Risk Administrator, 201

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West Colfax Avenue, Dept. 1105, Denver, Colorado 80202 via certified mail, return receipt requested. Such written notice shall be sent thirty (30) days prior to such cancellation or reduction unless due to non-payment of premiums for which notice shall be sent ten (10) days prior.” If any policy is in excess of a deductible or self-insured retention, the City must be notified by the Contractor. Contractor shall be responsible for the payment of any deductible or self-insured retention. The City reserves the right to require the Contractor to provide a bond, at no cost to the City, in the amount of the deductible or self-insured retention to guarantee payment of claims. The insurance coverages specified in this Agreement are the minimum requirements, and these requirements do not lessen or limit the liability of the Contractor. The Contractor shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Agreement.

B. PROOF OF INSURANCE: Contractor shall provide a copy of this Agreement to its insurance agent or broker. Contractor certifies that the certificate of insurance (preferably an ACORD certificate of insurance) attached as **Exhibit E** complies with all insurance requirements of this Agreement. The City’s acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Agreement shall not act as a waiver of Contractor’s breach of this Agreement or of any of the City’s rights or remedies under this Agreement. The City’s Risk Management Office may require additional proof of insurance, including but not limited to policies and endorsements.

C. ADDITIONAL INSURED: For general liability, Contractor’s insurer shall name the City as an additional insured.

D. WAIVER OF SUBROGATION: For all required coverages, Contractor’s insurer shall waive subrogation rights against the City.

E. SUB-CONSULTANTS: All sub-consultants, subcontractors, independent contractors, suppliers or other entities providing goods or services required by this Agreement shall be subject to all of the requirements herein and shall procure and maintain the same coverages required of the Contractor.

Contractor shall include all such sub-consultants, subcontractors, independent contractors, suppliers or other entities as insureds under its policies or shall ensure that all subconsultants maintain the required coverages. Contractor agrees to provide proof of insurance for all such sub-consultants, subcontractors, independent contractors, suppliers or other entities upon request by the City.

F. WORKERS' COMPENSATION/EMPLOYER'S LIABILITY INSURANCE: The parties recognize and agree that the Contractor is engaged in an independent occupation and profession and is free from control and direction in the performance of the services contracted for herein consistent with that mandated by C.R.S. 8-40-202(2)(a). It is understood and agreed by the parties that the City does not (1) require the Contractor to work exclusively for the City, provided that the Contractor may have elected to work exclusively for the City for the period of time specified in the term of this Agreement; (2) establish a quality standard for the Contractor, provided that the parties agree that while the City may provide plans regarding its expectancy of the work to be performed by the Contractor, the City will not oversee the actual work of the Contractor or instruct the Contractor as to how the work will be performed; (3) pay a salary or hourly wage to the Contractor instead of the fixed contract rate stated herein; (4) terminate the work of the Contractor for cause during the term of this Agreement unless the Contractor violates the terms of the Agreement or fails to produce a work product or result that meets the specific terms provided in the Agreement; (5) provide any training for the Contractor other than minimal orientation to the site or other parameters of the Contractor activity; (6) provide tools or benefits to the Contractor; (7) dictate the time of performance; except that the Agreement completion date together with the range of negotiated and mutually agreeable work hours has been established herein; (8) pay the Contractor personally instead of making City warrants payable to the professional name of the Contractor, except that in this Agreement the Contractor is an individual and sole proprietor; and (9) combine the regular operation of the City in any way with the professional or business operations of the Contractor instead of maintaining office operations separately and distinctly.

G. GENERAL LIABILITY: Contractor shall maintain limits of \$1,000,000 for each occurrence claim, \$1,000,000 for each personal and advertising injury claim, \$2,000,000 products and completed operations for each occurrence, and \$2,000,000 policy aggregate.

H. AUTOMOBILE LIABILITY: Contractor shall maintain personal automobile insurance with limits of \$100,000 bodily injury per person; \$300,000 bodily injury per accident; \$50,000 property damage for all vehicles used in performing services under this Agreement. The policy will include a business use endorsement. Contractor represents, as material representations upon which the City is relying, that Contractor does not own any motor vehicles and that in performing Services under the Agreement, Contractor's owners, officers, directors, and employees use their personal vehicles. Contractor shall ensure that any person operating a motor vehicle in performing Services under the Agreement shall keep in full force Personal Auto Liability coverage with minimum required limits.

I. ADDITIONAL PROVISIONS:

- (1) For all general liability, the policies must provide the following:
 - (a) If any aggregate limit is reduced by twenty-five percent (25%) or more by paid or reserved claims, the Contractor shall notify the City within ten (10) days and reinstate the aggregates required;
 - (b) Unlimited defense costs in excess of policy limits;
 - (c) Contractual liability covering the indemnification provisions of this Agreement;
 - (d) A severability of interests provision;
 - (e) Waiver of exclusion for lawsuits by one insured against another;
 - (f) A provision that coverage is primary; and

(g) A provision that coverage is non-contributory with other coverage or self-insurance provided by the City.

(2) In the event the Contractor is unable to obtain inclusion in the policies of any such additional provisions at reasonable cost, the Contractor may request from the City's Department of Risk Management approval of an alternative to such additional provision, provided that approval of such alternative shall be in the Department's sole discretion.

(3) For all general liability, if the policy is a claims-made policy, then the retroactive date must be on or before the date of this Agreement or the first date when any goods or services were provided to the City, whichever is earlier.

3. Except as herein amended, the Agreement is affirmed and ratified.

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IN WITNESS WHEREOF, the parties have executed, through their respective lawfully empowered representatives, this Amendatory Agreement as of the day and year first above written.

ATTEST:


CITY AND COUNTY OF DENVER

By: _____
STEPHANIE Y. O'MALLEY,
Clerk & Recorder, Ex-Officio Clerk
of the City & County of Denver

By: _____
Mayor

RECOMMENDED AND APPROVED:

APPROVED AS TO FORM:
City Attorney for the
City & County of Denver

By:  _____
Office of Economic Development

By: _____
Assistant City Attorney

REGISTERED AND COUNTERSIGNED:

By: _____
Manager of Finance
Contract Control No. GE9A030(1)

By: _____
Auditor

“CITY”

NEIGHBORHOOD DEVELOPMENT
COLLABORATIVE, INC., a Colorado
nonprofit corporation,
Tax Identification No. 26-4810482

By:  _____

Name: Debra Bustos
(please print)

Title: President

“CONTRACTOR”

EXHIBIT A-1
SCOPE OF SERVICES

EXHIBIT "A-1"

OFFICE OF ECONOMIC DEVELOPMENT
DIVISION OF BUSINESS AND HOUSING SERVICES

NEIGHBORHOOD DEVELOPMENT COLLABORATIVE, INC.
NEIGHBORHOOD STABILIZATION PROGRAM
REVISED SCOPE OF SERVICES

Contract Amendment

SCOPE REVISIONS ARE SHADED

I. INTRODUCTION

The purpose of this contract agreement is to amend an existing Neighborhood Stabilization Program grant for \$3,079,153 through the Office of Economic Development's Division of Business and Housing Services (BHS). These funds have been provided to the **Neighborhood Development Collaborative, Inc.**, (NDC) (the "Contractor"), to be utilized for implementing program activities related to the Neighborhood Stabilization Program 1 (NSP1).

Funding Source: **Amount:** **CFDA #: 14.218**
 CDBG \$
 HOME \$
 NSP \$3,079,153 (No new funds are requested)

HUD Matrix Code: 1: Acquisition of Real Property
2: Disposition
12: Construction of Housing
4: Clearance and Demolition
14A: Rehabilitation: Single-unit Residential
14B: Rehabilitation: Multi-unit Residential
17A: CI Land Acquisition/Disposition

HUD Eligible Activity: 570.201; 570.202; 570.206
Accomplishment Code: 10: Housing Units

CDBG – Only
HUD National Objective: LMH: Low/mod housing benefit to improve permanent residential housing

HOME – Only
HUD Eligible Cost: N.A.

Organization: Neighborhood Development Collaborative, Inc. **EIN: 26-4810482**
Address: 777 Grant Street, Denver, CO 80203
Contact Person: Ismael Guerrero
Phone: 720-932-3106
Email: iguerr@denverhousing.org
Organization Type: Non-profit For-profit Quasi-Governmental Agency

Is the organization a Faith-based/Community Initiative? Yes No
Is the organization woman owned? Yes No

Contract Relationship:
 Subrecipient Vendor Beneficiary Community Based Development Organization
 CHDO

Council District(s): CW **Neighborhood(s):** CW **Census Tracts:** CW

Is the purpose of this activity to:
Help prevent homelessness? Yes No

EXHIBIT "A-1"

- Help the homeless Yes No
- Help those with HIV/AIDS Yes No
- Primarily help persons with disabilities Yes No

Contract Period: April 1, 2009 – March 20, 2019

Will program income be generated by this activity? Yes No
 Will activity be carried out by an entity other than grantee? Yes No
 If yes, please list entity: NDC will be the contracting entity. The NDC team is comprised of the Denver Housing Authority, the Colorado Coalition for the Homeless, Del Norte Neighborhood Development Corp., NEWSED Community Development Corp., Northeast Denver Housing Center, Inc. and the Urban Land Conservancy, (each a "Collaborative Organization"). Each Collaborative Organization will also be carrying out activities under this Agreement.

II. ACTIVITY DESCRIPTION

1. **Purpose**
 Purpose/Description of Activity: To implement activities under the Neighborhood Stabilization Program Substantial Amendment Plan.
 Funds will be used to Acquire, rehabilitate and resell foreclosed, vacant, or abandoned properties.
 Acquire and demolish blighted properties for redevelopment.
 Acquire and land bank properties for potential redevelopment.
 Land banking is an eligible activity. The land bank must operate in a specific, defined geographic area. The allowed geographic areas for land banking activities are the Denver NSP target neighborhoods listed in Attachment A-1 C. The developer may purchase properties that have been foreclosed upon, and maintain, assemble, facilitate redevelopment of, market, and dispose of the land-banked properties.
 Develop and redevelop low income rental and homeownership housing.
 Provide financial assistance to homebuyers for home purchases.

2. **Program Requirements and Responsibilities: SEE ATTACHMENT A-1**

3. **Performance Objectives & Outcomes**
 The intent of this activity is to acquire, rehabilitate and/or demolish and resell or redevelop foreclosed properties.
 (Select Objectives with Outcomes)

Availability / Accessibility

- Enhance Suitable Living Environment Through New/Improved Accessibility
- Create Decent Housing with New/Improved Availability
- Promote Economic Activity Through New/Improved Sustainability

Affordability

- Enhance Suitable Living Environment Through New/Improved Accessibility
- Create Decent Housing with New/Improved Availability
- Promote Economic Activity Through New/Improved Sustainability

Sustainability

EXHIBIT "A-1"

- Enhance Suitable Living Environment Through New/Improved Accessibility
- Create Decent Housing with New/Improved Availability
- Promote Economic Activity Through New/Improved Sustainability

4. Indicators

The following indicators will be used to measure the success of the contract/activity.

Indicators
Rehabilitation Loan Program
Number of homeownership units estimated to be acquired rehabbed and sold or redeveloped: 45
Number of rental units estimated to be provided : 36
Number of properties estimated to be developed through acquisition and land banking: 1
Amount of money estimated leveraged: \$1,000,000
NOTE: These estimates are based on expenditure of initial program funding and program income through March 20, 2013.

5. Implementation Plan and Timeline

The following table outlines the implementation plan and time lines for this contract.

Task	Projected Beginning & End Dates
Secure appraisals for proposed acquisitions Complete rehabilitation inspections for proposed acquisitions Complete demolition on blighted acquisitions Close acquisitions of targeted properties Provide assemblage assistance for land bank organizations Provide homeownership development parcels Coordinate redevelopment activities of non-profit and for-profit developers Ensure adequate property management for acquired properties Coordinate and contract for ancillary services Ensure completion of homebuyer counseling component Ensure all affordability restrictions are met Coordinate all property sales and lease purchases Coordinate marketing activities with the Office of Economic Development Complete all acquisition, rehabilitation and resale development of properties Assure that homebuyers receive NSP-required pre-purchase counseling Provide financial assistance to homebuyers for home purchases	April 1, 2009 – March 20, 2013
Complete all redevelopment activities for land banked properties Monitor redevelopment of land banked parcels Ensure adequate property management for land-banked properties	March 21, 2013 – March 20, 2019

III. Budget:

A. Program Activity Budget

PROGRAM ACTIVITY	AMOUNT
Acquisition, Rehabilitation, and Land Banking	\$2,169,153
Low Income Rental and Homeownership	\$910,000
TOTAL	\$3,079,153

B. Developer Fees. A maximum developer fee of nineteen percent (19%) per property acquired and competed shall be paid by the City out of the Total Award Amount calculated as a percentage of the total development cost (TDC) of one or more qualified properties acquired and developed as a single project by a Collaborating Organization ("the Project") as estimated in a project proforma prepared by NDC prior to property acquisition. After the sale of each property, the fee will be adjusted to 19% of actual costs of development, by means of an adjustment of the final payment described in III(B)(iii) below or a refund to the City of fees received. Portions of the fees described in this Section III(B) will be adjusted in the same fashion. A fifteen percent (15%) Developer Fee will accrue to a Collaborating Organization under contract with NDC ("Developer Fee") and allocated for development costs and four percent (4%) to NDC for a master developer fee ("Master Developer Fee").

EXHIBIT "A-1"

The 15% main Developer Fee will be paid as follows:

- (i) 5% at the time of the closing of the real estate purchase of a Project ("Acquisition"), if applicable;
- (ii) 5% at Substantial Completion of each Project. Substantial Completion is defined as when Developer has: (a) obtained a temporary certificate of occupancy for the Project; (b) the construction of the construction or rehabilitation of the Project has been completed, subject only to the completion of "punch list" items which do not materially interfere with an occupant's use of the Project; and (c) the Project, if applicable, is ready for sale or lease-up, as applicable;
- (iii) 5% upon submission of all program income, eligibility and compliance information required by the NSP Program to the Manager or ultimate sale of the Project, whichever is later.

NDC shall be paid its Master Development Fee as follows: 2% of the estimated TDC of each Project at Acquisition and the remaining 2% upon submission of all program income, eligibility and compliance information required by the NSP Program to the Manager or ultimate sale of the Project, whichever is later.

Due to the fact that multi-family and land banking opportunities are each unique transactions that involve a more intense and longer term effort, the structure of the Development Fee and Master Development Fee will be adjusted for multi-family and/or land banked transactions provided that the total development fees will not exceed nineteen percent (19%). In order to maximize the effectiveness of the NSP funds, adjustments to the Development Fee and Master Development Fee will be determined on a case-by-case basis, as approved in advance by BHS, and will be based on certain factors, including the total amount of NSP funds devoted to the transaction in relation to the total acquisition/development costs.

C. Establishment Costs- Advancement and Repayment. Notwithstanding the forgoing terms, a total of \$60,000. ("Advancement Amount") in Master Development Fees will be advanced immediately upon execution of this Agreement to enable NDC to commence work on Projects, such as investigations to acquire properties. This advance of fees will be credited back to the City upon submission of payment of the Master Development Fee to be paid in the amount of 50% of such amount to be paid. For example, if the amount of Master Development Fee to be paid to NDC upon Acquisition for a Project is \$5,000, then \$2,500 will be credited against repayment of the Advancement Amount and NDC will be paid the remaining \$2,500. This credit process shall continue until the Advancement Amount is paid in full.

D. If program income is generated, how will income be used? Program Income is not anticipated to be generated. Revenues will be generated through homes sales and rental property income. Revenues generated must be used to acquire, rehabilitate and/or demolish and resell additional foreclosed homes or redevelop other foreclosed properties for housing purposes. As of March 21, 2013, all unencumbered program income and/or program revenue remaining must be returned to the City. The Contractor has been designated a "Beneficiary/Developer" under this contract. This allows the Beneficiary to keep any revenue generated by this contract and those funds are not designated "program income" under the traditional HUD definition. Revenue generated under this contract will be considered program revenue and shall be used for additional NSP eligible activities as outlined in the contract. Monthly reporting will be required until funds have been depleted.

IV. Reporting

The *Neighborhood Development Collaborative, Inc. Neighborhood Stabilization Program* will provide the following monthly reports to **BHS/CPM (Contract Performance Management)**: (emailed to contractor and to be provided with executed contract if the contractor does not already have):

1. The *Statement of Household Income/Demographics* for each program participant (signed by each program participant and kept on file at NDC).
2. The *Outcome Performance Measurement Report*
3. The *Race/Ethnicity Report* which will be a monthly cumulative report.
4. Other reporting as requested by BHS/CPM (such as quarterly narrative reports).
5. HUD requires reporting of NSP activities in the Disaster Recovery Grant Reporting system. Final requirements of the DRGR have not been received. We will provide reporting format and review with contractor when available.
6. Most acquisition and rehabilitation activities will be completed within 48 months. HUD allows land banking activities to be completed in 10 years, requiring a 10 year contract period. As the contract progresses, reporting will only be required for continuing activities.

EXHIBIT "A-1"

Is the Outcome Performance Measurement Report attached? Yes No

Type of income verification utilized:

Self-Certified Verification Not Applicable

Self-certification is sufficient for counseling activities, however, verification is required for homebuyers or renters.

EXHIBIT "A-1"

ATTACHMENT A-1
PROGRAM REQUIREMENTS AND RESPONSIBILITIES

NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

A. PURPOSE

The purpose of this agreement is to make \$3,079,153 available to the Neighborhood Development Collaborative, Inc. ("NDC") to complete program activities outlined in the City of Denver's (the "City") Neighborhood Stabilization Program ("NSP") Substantial Amendment plan.

B. PROGRAM ACTIVITIES

Eligible NSP activities are:

1. Establish financing mechanisms for the purchase and redevelopment of foreclosed homes and purchases by qualified homebuyers.
2. Purchase and rehabilitate properties that have been abandoned or foreclosed.
3. Establish land banks for homes that have been foreclosed.
4. Demolish blighted structures, and
5. Redevelop demolished or vacant properties.

The majority of the City's program funds will be used to provide subsidies for the acquisition and rehabilitation of foreclosed and abandoned homes in targeted neighborhoods, with the most foreclosures, subprime loans and a higher likelihood of a rise in foreclosures.

A portion of the funds will be set aside for activities benefiting households earning no more than 50% of Area Median Income (AMI) and to acquire and land bank properties in locations that provide additional opportunities for long-term affordability.

C. NEIGHBORHOODS

The Neighborhood Development Collaborative will conduct NSP activities in certain target neighborhoods. The following neighborhoods shall be the target neighborhoods for NDC for NSP activities:

1. Montbello
2. Elyria/Swansea
3. Northeast Park Hill
4. Athmar Park
5. West Colfax
6. Villa Park
7. Skyland
8. Barnum
9. Barnum West
10. Chaffee Park
11. Clayton
12. Cole
13. College View
14. East Colfax
15. Five Points
16. Globeville
17. Green Valley Ranch
18. Harvey Park
19. Jefferson Park
20. Mar Lee
21. North Park Hill
22. Ruby Hill
23. Sunnyside
24. Westwood
25. Whittier

EXHIBIT "A-1"

Additional neighborhoods may be considered for inclusion in Contractor's NSP Iwork plan, but any expansion or alteration from the areas listed here must be pre-approved through written approval by the BHS Director and an officer of Contractor and must be posted as a change to Denver's Substantial Amendment prior.

D. AFFORDABILITY REQUIREMENTS

The City will ensure long-term affordability for NSP 1 units through the use of a Promissory Note and Deed of Trust and/or Covenants that will be recorded against NSP-assisted property in favor of the Contractor or an entity named by the Contractor. Promissory Note and Deed of Trust shall be in a form consistent with traditional lending documents. Covenants will not typically be eligible for subordination, but specific requests for subordination of covenants will be reviewed by the City for possible allowance based upon the circumstances surrounding each specific request. The initial sales of residences under NSP1 must be to households earning up to 120% of AMI. Subsequent sales by the purchaser are not subject to a limit based on AMI of the purchaser. Based on the level of investment of NSP funds, recapture periods will be established to comply with NSP requirements.

Any previously executed Promissory Notes and Deeds of Trust specifying the City and County of Denver as the Beneficiary will be assigned to NDC or their designee.

With respect to For-Sale Units: NDC and its Collaborating Organizations will use the following underwriting standards to ensure affordability.

- 1. The final sales price of single family homeownership units will approximate the appraised value (using the sales value approach) determined by an appraisal.
2. If the total development costs exceed the current market valuation, the difference will be written down (the "Development Subsidy Grant").
3. All homebuyers will be pre-qualified for a Subsidy Loan (defined below) made in the form of a second mortgage provided the home is occupied by the homebuyer.
4. A minimum \$1,000 loan (the "Subsidy Loan") for down payment and closing cost assistance will be provided to every home buyer. Subsidy Loans in larger amounts may be made for individual homebuyers in accordance with Collaborating Organization guidelines.

Section 5 has been removed intentionally.

- 5. The term of the Subsidy Loan ("Loan Term") commences on the loan closing date and is either 5, 10, or 15 years. The minimum affordability period is based on the investment of direct subsidy NSP funds:

Subsidy Loan Term, Affordability Period and Pro Rata Forgiveness Period

Table with 2 columns: Total Subsidy, Loan Term, Affordability Period in Years. Rows include Under \$15,000 (5 years), \$15,000 to \$40,000 (10 years), and Over \$40,000 (15 years).

Sections 7 and 8 have been removed intentionally.

- 9. At the end of Subsidy Loan Term, unless terminated earlier pursuant to the terms contained herein, the Subsidy Loan will expire and the indebtedness will cease to exist.
10. The buyer may pay all or a portion of the Subsidy Loan principal with no pre-payment penalty.

EXHIBIT "A-1"

11. The entire Subsidy Loan amount will be due and payable upon leasing of the home or at title transfer not consented to by NDC or a Collaborating Organization; or immediately upon the discovery of any misrepresentation by buyer.
12. Buyer is not entitled as a matter of right to any subordination of the loan; rather a request for subordination of the loan to another loan will be considered on a case by case basis by NDC or its Collaborating Organization according to its policies.
13. Loan balance assumption will be considered on a case by case basis by NDC member according to its policies.
14. Loans are not guaranteed.
15. These terms will be set forth in a Promissory Note, a copy of which will be delivered to buyer.
16. The indebtedness of each loan will be secured by a Deed of Trust encumbering the property in favor of NDC or a Collaborating Organization, a copy of which will be delivered to buyer.

Notwithstanding anything to the contrary, all affordability restrictions shall be released by the lienholder upon foreclosure, extinguished upon re-sale or recapture by the buyer, and are the obligation of the buyer.

With respect to Rental Units:

For all rental properties assisted with NSP funds, the City will follow the minimum affordability requirements of the federal HOME Investment Partnership program under 24 CFR 92.252(a), (c)(e) and (f), and 92.254. The minimum affordability period based on investment of NSP funds is:

Amount of NSP Funds Invested	Minimum Affordability Period For Rental Units
Up to \$15,000	5 Years
\$15,001 to \$40,000	10 Years
More than \$40,000	15 Years
New Construction - Any Amount	20 Years

Denver will annually monitor rental developments that are assisted with NSP funds to ensure that NSP-assisted units remain affordable and continue to meet minimum housing quality standards. Other than HUD requirements, the affordable housing requirements may be modified upon mutual agreement between the City and the Contractor, as allowed by law.

E. NEIGHBORHOOD DEVELOPMENT COLLABORATIVE RESPONSIBILITIES

NDC's responsibilities for program implementation will include:

1. Complete preliminary inspections and due diligence for properties being considered for purchase.
2. Determine rehabilitation needs and develop comprehensive work specifications
3. Complete energy audits on housing post purchase.
4. Participate in periodic meetings to review reports of homes purchased and NSP program activities and coordinate program goals with the City and County of Denver.
5. Aside from individual single family homes being purchased for rehabilitation and resale, properties considered for rental on a larger scale multi-family development or redevelopment must be approved by the BHS prior to purchase. Approval will be timely granted to facilitate acquisition.
6. Coordinate NSP activities with the City Council members who represent the neighborhoods where NDC is carrying out NSP development.
7. Acquire eligible foreclosed homes and properties at a discount of at least 1% from the current market-appraised value of the home or property for individual purchases with NSP funds during the 18 month period.

EXHIBIT "A-1"

8. Obtain appraisals on all acquisitions using NSP funds.
9. Ensure a maximum Developer Fee of 15%, and a maximum Master Developer Fee of 4%.
10. Complete required environmental and historic review processes.
11. Establish Rehabilitation Standards (minimum of Housing Quality Standards and local codes, with green building and energy and water efficiency encouraged). Use Enterprise Community green rehab standards or similar standard for rehabilitation of the units as appropriate. Monitor construction on homes.
12. Structure contractor bidding and selection process as necessary and maintain a list of eligible contractors, which shall include the names of the City's designated Minority Business Enterprises (MBE's) and Women Business Enterprises (WBE's). Contractor shall make a good faith effort to utilize qualified MBE/WBE's as eligible contractors.
13. Incorporate energy saving appliances and construction methods and practices wherever possible.
14. Monitor rehabilitation activity;
15. Market and sell houses to qualified buyers. Assist potential eligible buyers identify appropriate houses.
16. Provide technical assistance to buyers and potential buyers through the loan and construction process
17. Determine applicant eligibility and collect source documentation. Income shall be determined based on the census definition of income for homeownership and the Section 8 definition for rental units.
18. Arrange for and ensure buyers have completed 8 hours of homebuyer counseling from a HUD approved counseling agency prior to closing.
19. Underwrite and originate loans of NSP funds to homebuyers.
20. Develop and cause to be executed affordability Covenants with respect to multi-family rental units and Deeds of Trust with respect to resale units on all properties that are consistent with requirements outlined in the Denver NSP Substantial Plan and are in a form approved by BHS and mutually agreed upon with the Contractor. Affordability Covenants for rental projects developed and owned by collaborating Organizations will be drafted by NDC and approved for individual projects by the City.
21. Develop, within 30 days of the date of this contract, program activity and client characteristic records in compliance with HUD and BHS source file monitoring procedures.
22. Maintain program activity records and provide monthly reports to BHS on or before the 10th day of the following month.
23. Ensure monitoring and compliance with all federal, state and city requirements, including Davis Bacon, the Uniform Relocation Act, Section 3 and lead-based paint regulations on all units built prior to 1978. These requirements are current HUD regulations for NSP and apply in a manner similar to Community Development Block Grant requirements.
24. Documentation must be maintained on the purchase and sale amounts of each property and the sources and uses of funds for each activity.
25. Maintain information on all draw downs, deposits and expenditures of grant funds and program income.
26. Ensure compliance with fair housing and affirmative marketing requirements.
27. Ensure that 100% of NSP funds are used to serve families whose income is less than 120% of Area Median Income (AMI) and that 25% of the funds assist households whose income does not exceed 50% of AMI.
28. Ensure NSP funds are obligated within 18 months of the HUD contract approval date of March 20, 2009 and expended within 48 months of this date.
29. NDC shall use a good faith effort to collaborate with the OED Division of Workforce Development (DWD) to identify opportunities to train and recruit skilled workers for all projects under this contract. Activities DWD can assist with may include, but are not limited to, the design and implementation of strategies related to job profiling, skill assessment, targeted recruitment, wage subsidies and bonding opportunities.
30. Ensure that the following guidelines are followed by NDC and its Collaborating Organizations with respect to costs:
 - a. Third party costs of engineering and testing approved by NDC are eligible costs for homes not acquired as well as homes acquired, subject to a pool of funds budgeted for all homes. NDC will be expected to manage that budget judiciously as the City may not be able to augment it.
 - b. Ensure that a maximum 15% contingency on rehabilitation costs are budgeted. If Collaborating Organizations require change orders which exceed the contingency budget, then NDC or its Manager must determine whether such changes are approved.
 - c. Costs for houses not acquired are eligible.
 - d. Collaborating Organizations may charge sales commissions up to 5% of the resale price, whether or not such commissions are paid to third parties or the Collaborating Organizations.
 - e. Counseling fees may not be charged, since the nonprofits are funded separately by the City for that work.

EXHIBIT "A-1"

31. Cooperate with City regarding forms and descriptions of what is required for documentation at each stage of development in order to streamline compliance by NDC, its Manager, and the City.
32. Ensure cooperation of overall marketing of NSP homes and the program by its Collaborating Organizations and the City.

F. DATA COLLECTION

NDC will maintain statistical data on all households assisted including but not limited to: name of (s); street address, census tract and council district, ethnicity, race and gender of borrower; age of head of household; household size; female head of household; and household income. NDC shall also maintain data on home purchased, including acquisition price, sales price, discount rate, address, unit size, rehabilitation costs and neighborhood.

NDC will maintain statistical data on all construction contracts awarded during the previous year including the name of the contractor, street address, city, state, zip code; the contractor's federal identification number; the race and gender of the contractor; and the dollar amount of contracts awarded to the contractor.

EXHIBIT E
CERTIFICATE OF INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/14/2009

PRODUCER (203)272-8220 FAX: (203)271-2265
Housing Insurance Services
 189 Commerce Court
 P. O. Box 189
 Cheshire CT 06410

INSURED
Neighborhood Development Collaborative, Inc.
 777 Grant Street, 6th Floor
 Denver CO 80203

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A	Endurance American Specialty	41718
INSURER B		
INSURER C		
INSURER D		
INSURER E		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A	X	GENERAL LIABILITY	CMC10000809200	10/5/2009	10/5/2010	EACH OCCURRENCE	\$ 1,000,000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 5,000
		GEN'L AGGREGATE LIMIT APPLIES PER				PERSONAL & ADV INJURY	\$ 1,000,000
		<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC				GENERAL AGGREGATE	\$ 2,000,000
		AUTOMOBILE LIABILITY				PRODUCTS - COM/PROP AGG	\$ 2,000,000
		ANY AUTO				COMBINED SINGLE LIMIT (Ea accident)	\$
		ALL OWNED AUTOS				BODILY INJURY (Per person)	\$
		SCHEDULED AUTOS				BODILY INJURY (Per accident)	\$
		HIREN AUTOS				PROPERTY DAMAGE (Per accident)	\$
		NON-OWNED AUTOS				AUTO ONLY - EA ACCIDENT	\$
		GARAGE LIABILITY				OTHER THAN AUTO ONLY	EA ACC \$
		ANY AUTO				AGG	\$
		EXCESS / UMBRELLA LIABILITY				EACH OCCURRENCE	\$
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$
		DEDUCTIBLE					\$
		RETENTION \$					\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS	OTHER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)				E.L. EACH ACCIDENT	\$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$
		OTHER				E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

City and County of Denver
 Office of Economic Development
 201 W Colfax Ave., Dept 1011
 Denver, CO 80202

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
 Ed Malaspina/KIM