

12-140

**MORTGAGE CREDIT CERTIFICATE
PROGRAM ADMINISTRATION AGREEMENT**

MORTGAGE CREDIT CERTIFICATE PROGRAM
by and between

CITY AND COUNTY OF DENVER, COLORADO

and

MORGAN KEEGAN & COMPANY, INC.,
as Program Administrator

Dated as of March 1, 2012

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS

Section 1.01.	Definitions.....	1
Section 1.02.	Administration Agreement to Constitute a Contract	9
Section 1.03.	Table of Contents, Titles and Headings	9
Section 1.04.	Interpretation.....	9

ARTICLE II REPRESENTATIONS

Section 2.01.	Representations, Warranties and Covenants by the City	9
Section 2.02.	Representations, Warranties and Covenants of the Program Administrator	10

ARTICLE III ISSUANCE OF MORTGAGE CREDIT CERTIFICATES

Section 3.01.	Agreement to Issue Certificates	12
Section 3.02.	Application Fee and Issuance Fee.....	12
Section 3.03.	Program Expiration.....	12

ARTICLE IV ADMINISTRATION OF PROGRAM

Section 4.01.	The Program Administrator	12
Section 4.02.	MCC Commitment.....	19
Section 4.03.	Issuance of Certificates	20
Section 4.04.	Numbering of the Certificates.....	21
Section 4.05.	Revocation of Certificates.....	21
Section 4.06.	Mutilated, Lost, Stolen or Destroyed Certificates	21
Section 4.07.	Issuance of Reissued Certificates.....	21
Section 4.08.	Homebuyer Education	22

ARTICLE V FEES

Section 5.01.	Collection of Application Fee	22
Section 5.02.	Collection of Issuance Fee	22
Section 5.03.	Lender Participation Fee	23

ARTICLE VI REPORTING REQUIREMENTS

Section 6.01.	Quarterly Reports of City.....	23
Section 6.02.	Filing of Quarterly Reports.....	23
Section 6.03.	Information Report.....	23
Section 6.04.	Assembly and Filing of Information.....	23
Section 6.05.	General Recordkeeping and Reporting.....	24

Section 6.06.	Demographic Reports	24
Section 6.07.	Fee Reports	24
Section 6.08.	Monthly Reports and Notice to the City	24

**ARTICLE VII
PROGRAM ADMINISTRATOR**

Section 7.01.	Status of the Program Administrator	24
Section 7.02.	Merger or Consolidation of the Program Administrator.....	24
Section 7.03.	Program Administrator Not to Resign; Removal.....	25
Section 7.04.	Delegation of Duties of the Program Administrator.....	25

**ARTICLE VIII
EVENTS OF DEFAULT**

Section 8.01.	Program Administrator Events of Default Defined	25
Section 8.02.	Program Administrator Default Remedies.....	26
Section 8.03.	No Remedy Exclusive.....	26
Section 8.04.	Agreement to Pay Attorneys' Fees and Expenses	26

**ARTICLE IX
MISCELLANEOUS PROVISIONS**

Section 9.01.	Amendments, Changes and Modifications	27
Section 9.02.	Term.....	27
Section 9.03.	Termination.....	27
Section 9.04.	Examination of Records.....	28
Section 9.05.	When Rights and Remedies Not Waived.....	28
Section 9.06.	Insurance	28
Section 9.07.	Indemnification	30
Section 9.08.	Colorado Governmental Immunity Act	31
Section 9.09.	Taxes, Charges and Penalties.....	31
Section 9.10.	Assignment And Subcontracting	31
Section 9.11.	No Third Party Beneficiary.....	32
Section 9.12.	No Authority to Bind City to Contracts	32
Section 9.13.	Severability	32
Section 9.14.	Conflict of Interest	32
Section 9.15.	Notices	32
Section 9.16.	Disputes.....	33
Section 9.17.	Governing Law; Venue.....	33
Section 9.18.	No Discrimination in Employment.....	33
Section 9.19.	Use, Possession or Sale of Alcohol or Drugs	33
Section 9.20.	Legal Authority.....	34
Section 9.21.	Order of Precedence.....	34
Section 9.22.	Survival of Certain Provisions	34
Section 9.23.	Compliance with all Laws	34
Section 9.24.	Advertising and Public Disclosure.....	34
Section 9.25.	City Execution of Agreement	34
Section 9.26.	Counterparts of this Administration Agreement.....	35

EXHIBIT A	INSTRUCTION SHEET FOR APPLICATION AFFIDAVIT AND APPLICATION AFFIDAVIT
EXHIBIT B	BORROWER CLOSING AFFIDAVIT
EXHIBIT C	INCOME TAX AFFIDAVIT
EXHIBIT D	LENDER'S CERTIFICATION OF APPLICANT ELIGIBILITY
EXHIBIT E	SELLER AFFIDAVIT
EXHIBIT F	CERTIFICATE OF INITIAL RECEIPT OF RECAPTURE NOTICE
EXHIBIT G	RECAPTURE NOTICE AND COMPUTATION WORKSHEET
EXHIBIT H-I	MCC CERTIFICATE
EXHIBIT H-II	FORM OF REISSUED MCC
EXHIBIT I	TARGETED AREAS
EXHIBIT J	DEMOGRAPHIC REPORT
EXHIBIT K	MCC COMMITMENT
EXHIBIT L	REFINANCING AFFIDAVIT FOR REISSUED CERTIFICATE
EXHIBIT M	CERTIFICATE OF REFINANCING LENDER
EXHIBIT N	FORM OF ANNUAL INFORMATION REPORT
EXHIBIT O	HOME BUYER EDUCATION PROVIDER

**MORTGAGE CREDIT CERTIFICATE
PROGRAM ADMINISTRATION AGREEMENT**

THIS MORTGAGE CREDIT CERTIFICATE PROGRAM ADMINISTRATION AGREEMENT is entered into as of March 1, 2012 (this "Administration Agreement"), by and between the **CITY AND COUNTY OF DENVER, COLORADO** (the "City"), a municipal corporation, home rule charter city and political subdivision of the State of Colorado, and **MORGAN KEEGAN & COMPANY, INC.**, a duly organized and validly existing Tennessee corporation (the "Program Administrator").

WITNESSETH:

WHEREAS, the City has authorized the issuance and delivery of its Mortgage Credit Certificates (the "Certificates") under its Mortgage Credit Certificate Program (the "Program"), to assist in financing of residential facilities for low and middle income persons or families or facilities intended for use as the sole place of residence by owners or intended occupants; and

WHEREAS, in order to assist the City in issuing the Certificates and establishing, administering and maintaining the Program, the City and the Program Administrator have agreed to enter into this Agreement; and

WHEREAS, the execution and delivery of this Administration Agreement have been duly authorized by the City and the Program Administrator.

NOW, THEREFORE, in consideration of the respective representations, covenants and agreements contained in this Administration Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following words and phrases shall have the following meanings:

"*Act*" means, collectively, the County and Municipality Development Revenue Bond Act, Article 3 of Title 29, Colorado Revised Statutes, as amended; the Colorado Private Activity Bond Ceiling Allocation Act, constituting Article 32, Title 24, Part 17, Colorado Revised Statutes; and the Supplemental Public Securities Act, Article 57, Title 11, Section 201, et seq., Colorado Revised Statutes, as amended.

"*Administration Agreement*" means this Mortgage Credit Certificate Program Administration Agreement, dated as of March 1, 2012, by and between the City and the Program Administrator.

"*Allocation*" means an amount equal to the Certificate Authority.

“*Annual Income*” means the product of the Gross Monthly Income of a person or family (consisting of one or more persons all of whom occupy or will occupy the Residence and are primarily or secondarily liable on indebtedness incurred in connection with the Residence), multiplied by 12.

“*Applicable Percentage*” with respect to any Reissued Certificate, means an amount equal to the lesser of (a) the outstanding principal balance, immediately prior to refinancing, of the loan relating to the Certificate replaced by the Reissued Certificate divided by the initial principal balance of the loan related to such Reissued Certificate multiplied by 100%, or (b) 100%.

“*Applicant*” means any person who has completed and executed an Application and delivered it, or caused it to be delivered, to the Program Administrator.

“*Application*” means the Instruction Sheet for Application Affidavit and Application Affidavit in substantially the form attached hereto as Exhibit A.

“*Application Fee*” means a nonrefundable application fee of \$75.00, due and payable by the Borrower or on the Borrower’s behalf to the Program Administrator on the date the Application is submitted.

“*Area Median Income*” means the median income for the City determined in a manner consistent with the determination of “median gross income” under Section 8 of the United States Housing Act of 1937. Area Median Income shall be based on the most current “Revised Income Limits for Lower Income and Very Low Income” under the Housing Act of 1937.

“*Authorized City Representative*” means the Mayor of the City, the Acting Mayor of the City, the City Attorney of the City, the Director of the City’s Division of Housing and Neighborhood Development or the City’s Manager of Finance and any other officer or employee of the City designated by the Mayor of the City.

“*Borrower*” means a person who qualifies to receive a Certificate in connection with financing the acquisition of a Residence, who will maintain the Residence as such Borrower’s Principal Residence within 60 days of the issuance of the Certificate and who has an Annual Income equal to or less than the Maximum Annual Income.

“*Borrower Affidavit*” means the Borrower Closing Affidavit in the form attached hereto as Exhibit B, which is to be completed and executed by the Borrower in connection with issuance of the Certificate.

“*Certificate*” means the City’s Mortgage Credit Certificate in the form attached hereto as Exhibit H-I or in the form of a Reissued Certificate attached hereto as Exhibit H-II, issued or reissued in accordance with the terms of this Agreement and pursuant to the City’s Election.

“*Certificate Authority*” means \$7,500,000, which is 25% of the Nonissued Bond Amount.

“*Charter*” means City’s Home Rule Charter.

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

“*Code*” means the Internal Revenue Code of 1986, as amended and accompanying Treasury Regulations.

“*Credit Rate*” means that rate which a Borrower applies to the interest paid on its Indebtedness Amount in determining the amount of federal income tax credit for a taxable year, which rate shall be 30% with respect to any Certificate.

“*Default*” and “*Event of Default*” means any occurrence or event specified in Section 8.01 hereof.

“*Demographic Report*” means the Demographic Report completed pursuant to the terms of this Agreement and substantially in the form of Exhibit J hereto.

“*Election*” means the Mortgage Credit Certificate Election of the City dated as of March [28], 2012 in which the City elected to issue the Certificates and not to issue the Nonissued Bond Amount of Qualified Mortgage Bonds.

“*Existing Mortgage*” means any mortgage or other indebtedness, whether or not previously repaid, held by the Applicant on the Residence with respect to which the Certificate is to be issued.

“*Expiration Date*” means the date on which the right to a particular Indebtedness Amount will expire if the Borrower has not previously obtained and closed on the indebtedness, which shall be the earlier of (a) the Program Expiration Date, and (b) the date that is four months after the date of issuance of the related MCC Commitment, or such later date resulting from extension of expiration of the MCC Commitment.

“*First Time Homebuyer*” means a Borrower who has had no Present Ownership Interest in a Principal Residence at any time within the three-year period immediately preceding the approval of the issuance of the related Certificate.

“*Form 8329*” means the IRS Form 8329 which a Lending Institution providing indebtedness to a Borrower or a Refinancing Borrower is required to file with the Internal Revenue Service under Section 1.25-8T(a) of the Income Tax Regulations.

“*Gross Monthly Income*” means the sum of current monthly wages, salary or other gross income; income from overtime, part-time employment, commissions and bonuses; income from dividends, interest, royalties, pensions, Veterans Administration compensation and net rental income; and any other income such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts and income received from business activities or investments.

“*Holder*” means the Borrower or Refinancing Borrower to whom a Certificate is issued pursuant to the Program.

“*Homebuyers Education Course*” means any homebuyer education course offered by a Homebuyer Education Provider.

“*Homebuyer Education Provider*” means any of the home buyer education providers listed on Exhibit O hereto, which may be amended from time-to-time upon written notice of the City to the Program Administrator.

“*Income Tax Regulations*” means the regulations applicable to, or promulgated pursuant to, the Code.

“*Income Tax Return Affidavit*” means the Income Tax Affidavit relating to filing of income tax returns by the Borrower in the form attached hereto as Exhibit C.

“*Indebtedness Amount*” means the amount of indebtedness specified in a Certificate, which is the amount of indebtedness for which the Holder is entitled to the federal income tax credit described in Section 25 of the Code and which amount shall not exceed the amount of indebtedness incurred by the Holder to finance a Residence, or incurred by the Holder for a permitted refinancing of a Residence in connection with the Program.

“*Issuance Fee*” means a nonrefundable issuance fee in an amount of .15% of the original Principal Loan Amount due to the Program Administrator on the closing date of the mortgage loan, whether a mortgage loan of a First Time Homebuyer or a Refinancing Borrower.

“*Issue Date*” means the date of issuance of a particular Certificate, which is the date on which a closing is held with respect to the indebtedness incurred in connection with the financing or permitted refinancing of a Residence or an Existing Mortgage.

“*Lender Certificate*” means the Lender’s Certification of Applicant Eligibility in the form attached hereto as Exhibit D completed and executed by an authorized officer of a Lending Institution in connection with the issuance of a Certificate.

“*Lender Participation Fee*” means a nonrefundable participation fee in an amount equal to \$400 due to the Program Administrator from any Lending Institution desiring to participate in the Program.

“*Lending Institution*” means any mortgage lending institution in the business of funding mortgage loans in the Program Area or any other person or entity seeking to fund a mortgage loan in the Program Area in connection with the purchase of a Residence or refinancing of an Existing Mortgage.

“*Maximum Annual Income*” means initially the applicable amounts set forth in the table below, which amounts may be amended from time-to-time by the Issuer, upon written notice to the Program Administrator. A copy of such notice shall be provided by the Program Administrator to the Lending Institutions.

As of the date hereof, the Maximum Annual Incomes for the City are:

Family of Less Than Three

Lending Area	Non-Targeted Area	Targeted Area
City and County of Denver	\$79,300	\$95,160

Family of Three or More

Lending Area	Non-Targeted Area	Targeted Area
City and County of Denver	\$91,195	\$111,020

“*Maximum Purchase Price for Residences*” means initially the applicable maximum Purchase Price limits set forth in the table below, subject to any applicable FHA limits, or such revised amounts as may be adopted from time-to-time by the Issuer, upon written notice to the Program Administrator. A copy of any such revised limits shall be provided by the Program Administrator to each Lending Institution:

Maximum Purchase Price

Non-Targeted	\$361,054
Targeted	441,289

“*MCC Commitment*” means the letter, substantially in the form of Exhibit K hereto, indicating conditional acceptance into the Program issued to an Applicant pursuant to Section 4.02 hereof.

“*MCC Commitment Proceeds*” means the sum of the Proceeds of each unexpired MCC Commitment. For this purpose an MCC Commitment for which a Certificate has been issued shall be treated as expired.

“*Newly Constructed Residence*” means a Residence which, at the time of the issuance of the Certificate, other than a Reissued Certificate, has not been previously occupied other than by a Borrower on a temporary basis pending the funding of the indebtedness and issuance of the Certificate or permanently financed by any person other than the Borrower.

“*Nonissued Bond Amount*” means \$30,000,000 principal amount of Qualified Mortgage Bonds the City elected not to issue pursuant to the Program.

“*Ordinance*” means the Ordinance duly adopted by the City Council of the City on second reading on March [19], 2012.

“Present Ownership Interest” means (a) a fee simple interest; (b) a joint tenancy, a tenancy in common, or tenancy by the entirety; (c) the interest of a tenant-shareholder in a cooperative; (d) a life estate; (e) a land contract (i.e., a contract pursuant to which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some time later); and (f) an interest held in trust for the Borrower (whether or not created by the Borrower) that would constitute a present ownership interest if held directly by the Borrower. The term *“Present Ownership Interest”* excludes (i) a remainder interest; (ii) a lease with or without an option to purchase; (iii) a mere expectancy to inherit an interest in a principal residence; (iv) the interest that a purchaser of a residence acquires on the execution of a purchase contract; and (v) an interest in other than a Principal Residence during the previous three years.

“Previously Occupied Residence” means a Residence which, at the time of the issuance of the Certificate, other than a Reissued Certificate, does not qualify as a Newly Constructed Residence.

“Principal Residence” means a Residence (including any real property and improvements permanently affixed thereto) which, at the time the financing or refinancing on the Residence is executed and depending on all the facts and circumstances in each case (including the good faith intent of the occupant), is occupied or intended to be occupied primarily for residential purposes by the Borrower or Refinancing Borrower. A *“Principal Residence”* does not include a Residence used or intended to be used as an investment property or as a recreational Residence or a Residence that is primarily intended to be used in a trade or business, as evidenced by the use in a trade or business of more than 15% of the total area. Any use of a Residence that does not qualify for a deduction (whether or not the deduction is taken) allowable for certain expenses incurred in connection with the business use of a Residence under Section 280A of the Code will not be considered as a use in a trade or business.

“Proceeds” means, with respect to any single Certificate or MCC Commitment, the product of:

- (a) The Indebtedness Amount of the Certificate or MCC Commitment, multiplied by
- (b) The Credit Rate specified in such Certificate or MCC Commitment.

“Program” means the City’s Mortgage Credit Certificate Program described in this Administration Agreement.

“Program Administrator” means Morgan Keegan & Company, Inc., a duly organized and validly existing Tennessee corporation, and its successors and assigns hereunder.

“Program Area” means the City.

“Program Expiration Date” means December 31, 2014, unless otherwise extended pursuant to Section 3.03.

“Publication Date” means the date the City has announced, or will announce, the Program by publishing notice of the Program in a newspaper of general circulation in the State.

“*Purchase Price*” means the cost of acquiring a Residence from the Seller as a completed residential unit.

(a) Purchase Price includes the following: All amounts paid, either in cash or in kind, by the purchaser (or a related party or for the benefit of the purchaser) to the Seller (or a related party or for the benefit of the Seller) as consideration for a Residence.

(i) If a Residence is incomplete, the reasonable cost of completing the Residence whether or not the cost of completing construction is to be financed with the Indebtedness Amount. For example, where a mortgagor purchases a building which is so incomplete that occupancy of the building is not permitted under local law, the Purchase Price includes the cost of completing the building so that occupancy of the building is permitted.

(ii) Where a Residence is purchased subject to ground rent, the capitalized value of the ground rent, which shall be calculated using a discount rate equal to the interest rate of the Indebtedness Amount.

(b) Purchase Price does not include the following:

(i) The usual and reasonable settlement or financing costs but only to the extent that such amounts do not exceed the usual and reasonable costs which would be paid by the buyer where financing is not provided in connection with a qualified mortgage credit certificate program within the meaning of Section 25 of the Code.

(ii) The value of services performed by the Borrower or members of the Borrower’s immediate family in completing the Residence. Where the Borrower purchases an incomplete Residence, the Purchase Price includes the cost of material and labor paid by the Borrower to complete the Residence but does not include the imputed value of the Borrower’s labor or the labor of the Borrower’s family in completing the Residence.

(iii) The cost of land which has been owned by the Borrower for at least two years prior to the date on which construction of the Residence begins.

“*Qualified Mortgage Bond*” means any bond the proceeds of which are used, in whole or in part, directly or indirectly, to fund mortgage loans on owner-occupied residences and which conforms, or is purported to conform, with the requirements of Section 143 of the Code, or the requirements of Section 103A of the Internal Revenue Code of 1954, as amended, in such manner as to exclude interest on the bond from inclusion in gross income.

“*Qualified Veteran*” means a Borrower who is a “veteran” (as defined in 38 U.S.C. Section 101) who has not previously obtained a loan financed by single-family mortgage revenue bonds or mortgage credit certificates utilizing the veteran exception set forth in Section 143(d)(2)(D) of the Code.

“*Qualified Veterans Bond*” means any bond the proceeds of which are used, in whole or in part, directly or indirectly, to fund mortgage loans on owner-occupied residences for veterans and which conforms, or is purported to conform, with the requirements of Section 143 of the Code, or the requirements of Section 103A of the Internal Revenue Code of 1954, as amended, in such manner as to exclude interest on the bond from inclusion in gross income.

“*Quarterly Report Date*” means April 30 for the quarter ending March 31; July 31 for the quarter ending June 30; October 31 for the quarter ending September 30; and January 31 for the quarter ending December 31; commencing on the Quarterly Report Date relating to the quarter in which the City elected to issue the Certificates and ending on the Quarterly Report Date relating to the quarter in which the Program Expiration Date occurs.

“*Refinancing Applicant*” means any person who has completed and executed a Refinancing Application and delivered it, or caused it to be delivered to the Program Administrator.

“*Refinancing Application*” means the Refinancing Affidavit for Reissued Certificate in substantially the form attached as Exhibit L to this Administration Agreement.

“*Refinancing Borrower*” means a person who meets the eligibility requirements set forth in Section 4.01(h) hereof and qualifies to receive a Reissued Certificate in connection with the refinancing of a Residence.

“*Refinancing Lender Certificate*” means the Certificate of Refinancing Lender in the form attached hereto as Exhibit M completed and executed by an authorized officer of a Lending Institution in connection with the issuance of a Reissued Certificate.

“*Reissued Certificate*” means the City’s Mortgage Credit Certificate in the form attached as Exhibit H-II to this Administration Agreement, issued to a Refinancing Borrower in accordance with the terms of Section 4.07 hereof and Section 1.25-3(p) of the Income Tax Regulations to completely replace a Certificate previously issued by the Program Administrator to a Holder in connection with the Program.

“*Reporting Period*” means each 1-year period beginning July 1 and ending June 30 during which Certificates are issued under the Program.

“*Residence*” means a single family residential housing unit consisting of land and improvements thereon located within the Program Area, which otherwise meets the requirements of the Administration Agreement, and which is occupied or to be occupied by the Borrower. Residence includes a mobile home or other similar factory-made housing which has a minimum of 400 square feet of living space, a minimum width in excess of 102 inches and is of a kind customarily used at a fixed location, provided that it is permanently affixed to real property. The determination of whether factory made housing is permanently affixed to real property shall be made on the basis of other facts and circumstances of each particular case. Residence includes stock held by a tenant-shareholder in a cooperative housing corporation (as those terms are defined in Section 216(b)(1) and (2) of the Code). Land appurtenant to a Residence can be considered as part of the Residence only if the land reasonably maintains the basic livability of the Residence and does not provide, other than incidentally, a source of income to the Borrower.

“*Seller*” means the seller of the Residence.

“*Seller Affidavit*” means the Seller Affidavit in the form attached hereto as Exhibit E.

“*State*” means the State of Colorado.

“*State Median Income*” means the median income for the State determined by the United States Department of Housing and Urban Development in a manner consistent with the determinations of Area Median Income. State Median Income as of the date hereof is \$79,300.

“*Targeted Areas*” means Targeted Areas as defined in the Code. Targeted Areas as of the date of this Administration Agreement are indicated on Exhibit I. Other Targeted Areas may be designated and become eligible as such and will be announced from time-to-time by the Program Administrator (promptly upon receipt of such information in writing from the City or counsel to the City).

“*Total Proceeds*” means the sum of the Proceeds of each Certificate issued hereunder except Proceeds of Reissued Certificates.

“*Unused Allocation*” means the Allocation minus the sum of (a) the Total Proceeds, and (b) the MCC Commitment Proceeds.

Section 1.02. Administration Agreement to Constitute a Contract. This Administration Agreement shall be deemed to be and shall constitute a contract between the City and the Program Administrator.

Section 1.03. Table of Contents, Titles and Headings. The table of contents, titles and headings of the articles and sections of this Administration Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Administration Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation. Unless the context requires otherwise, words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Administration Agreement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Administration Agreement.

ARTICLE II

REPRESENTATIONS

Section 2.01. Representations, Warranties and Covenants by the City. The City represents and warrants to, and covenants with, the Program Administrator that:

- (a) The City is a municipal corporation, home rule charter city and political subdivision of the State. Pursuant to the Act, the Charter and the Ordinance duly adopted

by the City, the City has authorized the execution and delivery of this Administration Agreement.

(b) The City has found and determined that issuance of Certificates under the terms of this Administration Agreement will both further the purposes of its Charter and be in the public interest.

(c) The City has complied with all the provisions of the Constitution and laws of the State and its Charter, and has full power and authority under its Charter and the Ordinance to consummate all transactions contemplated by this Administration Agreement.

(d) Other than as disclosed in a certificate or affidavit relating to the Program, no officer or official of the City has, to such person's knowledge, any conflict of interest as defined by the applicable laws of the State with the Program Administrator or the transactions contemplated by this Administration Agreement.

(e) The City will not knowingly take any action or permit any action within its control, other than a Certificate subject to revocation or termination as provided in this Administration Agreement, to be taken which would impair the federal income tax credit available in connection with any of the Certificates.

(f) Neither the acceptance of this Administration Agreement nor the performance of the City's obligations hereunder require the consent of or approval or other action by any governmental body (other than any consents and approvals already obtained).

(g) Neither the acceptance of this Administration Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Administration Agreement conflict with or result in a breach of any of the terms, conditions or provisions of any legal restriction or any agreement or instrument to which City is now a party or by which it is bound, or constitute a default under any of the foregoing.

Section 2.02. Representations, Warranties and Covenants of the Program Administrator. The Program Administrator represents and warrants to, and covenants with, the City that:

(a) The Program Administrator is a duly organized and validly existing Tennessee corporation and is in good standing under the laws of the State, and has the power and authority to own its properties and carry on its business as it is now being conducted.

(b) The Program Administrator agrees that, so long as it shall continue to serve in the capacity contemplated under the terms of this Administration Agreement, it will remain in good standing and qualified to do business under the laws of the State and that it is qualified to do business in the State, will not dissolve or otherwise dispose of all or substantially all of its assets or business and will not voluntarily consolidate with or

merge into another entity or permit one or more other entities to consolidate with or merge into it except as provided in Section 7.02 hereof.

(c) The Program Administrator has the power and authority to accept this Administration Agreement, to enter into the transactions contemplated by, and to perform the terms of, this Administration Agreement and has duly authorized the acceptance and performance of this Administration Agreement.

(d) Neither the acceptance of this Administration Agreement nor the performance of the Program Administrator's obligations hereunder require the consent of or approval or other action by any governmental body (other than any consents and approvals already obtained).

(e) Neither the acceptance of this Administration Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Administration Agreement conflict with or result in a breach of any of the terms, conditions or provisions of any legal restriction or any agreement or instrument to which Program Administrator is now a party or by which it is bound, or constitute a default under any of the foregoing.

(f) The Program Administrator will not arbitrarily refuse to review or fail to approve an Application or Refinancing Application for a Certificate for a Residence within the Program Area because of the location or the age of the property. In the case of an Applicant or a Refinancing Applicant, the Program Administrator will comply with all applicable federal, State and local laws, ordinances and regulations with respect to equal opportunity and non-discrimination and, in so doing, will not arbitrarily vary the terms of a Certificate or the application procedures therefore or refuse to review or approve a Certificate because of race, color, religion, national origin, age (provided the Applicant or Refinancing Applicant has legal capacity to enter into a contract), sex or marital status or the fact that all or part of the Applicant's or Refinancing Applicant's income derives from any public assistance program or the fact that the Applicant or Refinancing Applicant has in good faith exercised any right under the Federal Consumer Protection Act.

(g) All Applications for Certificates shall be reviewed and either approved or rejected by the Program Administrator on a "first come, first served" basis.

(h) The Program Administrator will not knowingly take any action or permit any action by it or parties within its control to be taken which would impair the federal income tax credit available in connection with any of the Certificates (other than a Certificate subject to revocation as provided in this Administration Agreement) or, except as may be required by applicable law, impair or prejudice the rights of the City or any Holder.

The representations and warranties contained in this Section 2.02 shall be true and correct when made and shall be true and correct throughout the term hereof.

ARTICLE III

ISSUANCE OF MORTGAGE CREDIT CERTIFICATES

Section 3.01. Agreement to Issue Certificates. The City hereby authorizes the issuance and delivery of its Mortgage Credit Certificates to eligible, qualifying Borrowers in the manner and on the terms and basis set forth in this Administration Agreement and supplementary guidelines provided by the City (e.g., Program Manual).

Section 3.02. Application Fee and Issuance Fee. The City hereby directs that the Application Fee and the Issuance Fee shall be remitted and distributed as provided in Article V hereof.

Section 3.03. Program Expiration. The Program Expiration Date may be extended upon written agreement executed by the City and the Program Administrator; provided, however, that such extension must be consistent with the Code.

ARTICLE IV

ADMINISTRATION OF PROGRAM

Section 4.01. The Program Administrator. The Program Administrator hereby covenants and agrees to administer and supervise the Program in the manner required hereunder. The Program Administrator will utilize reasonable efforts and due diligence in carrying out its duties hereunder. The Program Administrator shall have full power and authority, acting alone, to do any and all things in connection with the administering of the Program that it may deem necessary or desirable. However, the Program Administrator shall have only those duties expressly set forth herein, and, under no circumstances will the Program Administrator have any responsibility for performing the responsibilities associated with the underwriting of mortgage loans or credit analysis of Applicants, Refinancing Applicants or Holders. It is the responsibility of the Applicants or Refinancing Applicants to provide the Program Administrator with the requisite information to make the determinations required by Section 4.03 and Section 4.07 hereof.

As a part of its duties and responsibilities, the Program Administrator shall perform the following acts:

(a) **Public Notice.** The public notice required by Section 1.25-7T of the Income Tax Regulations was published on December 15, 2011. The cost of publication was paid for by the City.

(b) **Applications.** Upon receipt of a preliminary loan application, the Program Administrator shall mail an Application to any person requesting an Application within 3 business days of receipt of the request. Additionally, the Program Administrator shall mail a Refinancing Application to any Certificate Holder within 3 business days of receipt of the request. In addition, the Program Administrator shall provide a reasonable number of Applications or Refinancing Applications to any Lending Institution requesting Applications or Refinancing Applications.

(c) ***Explanatory Materials and Marketing.*** As a part of its duties to promote and market the Program and to assist potential Applicants and Refinancing Applicants, the Program Administrator shall prepare or cause to be prepared explanatory materials and forms for Applicants, Refinancing Applicants, Lending Institutions, realtors and other interested parties as the Program Administrator, in its discretion and in consultation with the City, shall determine to be necessary.

Additionally, the Program Administrator shall issue press releases, conduct interviews, hold informational seminars, prepare brochures and otherwise advertise the Program.

(d) ***Recordkeeping and Reporting.*** The Program Administrator shall create, keep, file, and/or submit the reports and records described in Article VI of this Administration Agreement.

(e) ***Processing Applications.*** Upon receipt of a completed, or partially completed, Application and Application Fee (paid for by or on behalf of the Borrower) from the Lending Institution, the Program Administrator shall use its best efforts to make the determinations required in Section 4.01(f) hereof and, within five business days of receipt of the Application, depending on the appropriate response, either (i) issue an MCC Commitment or a Certificate, as appropriate, (ii) reject the Application as ineligible and mail the Applicant an explanation of the rejection or (iii) return the incomplete Application, together with an explanatory letter, to the Applicant.

(f) ***Applicant Eligibility.*** The Program Administrator shall administer the Program in compliance with the terms of this Administration Agreement and additional guidance provided by the City. The Program Administrator shall determine whether or not the Applicant is eligible to participate in the Program pursuant to this Administration Agreement. To be eligible, an Applicant must satisfy each of the following conditions and the Program Administrator hereby represents, warrants and covenants with the City that it will determine that each of the following conditions is satisfied before issuing an MCC Commitment or a Certificate, as appropriate.

(i) The Certificate will be provided in connection with a loan for the acquisition of a Residence, which, at the time the financing or refinancing on the Residence is executed or assumed, can reasonably expected to become the Principal Residence of the Holder of the Certificate within a reasonable time (60 days) after the financing is executed or incurred. The Program Administrator shall also determine that the Applicant has pledged to provide notification to such Program Administrator in the event the Residence ceases to be the Applicant's Principal Residence. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Application.

(ii) The Program Administrator shall verify that the Residence is located in the Program Area. The requirement of this subsection will be met if the Program Administrator relies on the Residence address provided in the Application.

(iii) The Program Administrator shall verify that the Applicant is a First Time Homebuyer. This subsection shall not apply with respect to any Residence, financed in connection with the Certificate, located in a Targeted Area. The requirements of this Subsection will be met if the Program Administrator relies on the relevant provisions of the Borrower Affidavit and the Application together with copies of the Applicant's federal income tax return for the preceding three years, which the Program Administrator examines to determine that the Applicant has not claimed a deduction for taxes on property which was the Applicant's Principal Residence pursuant to Section 164(a)(1) of the Code or a deduction pursuant to Section 163 of the Code for interest paid on a mortgage secured by property which was the Applicant's Principal Residence. In the event the Applicant states that the Applicant was not required to file a Federal Income Tax Return, the Program Administrator may rely on a statement contained in the Borrower's Income Tax Return Affidavit that the Applicant was not required by law to file a federal income tax return for any of the 3 years in lieu of its review of a tax return for the year(s) in question. Where the mortgage is executed during the period between January 1 and February 15 and the Applicant has not yet filed a federal income tax return with the Internal Revenue Service, the Program Administrator may, with respect to such year, rely on provisions of the Borrower's Income Tax Return Affidavit which indicates that the Applicant is not entitled to claim deductions for taxes or interest on indebtedness with respect to property constituting the Borrower's Principal Residence of the preceding calendar year.

(iv) The Program Administrator shall verify that the Purchase Price of the Residence does not exceed the applicable Maximum Purchase Price for Residences. The requirements of this Subsection will be met if the Program Administrator determines, based on the relevant provisions of the Application and the Seller Affidavit.

(v) The Program Administrator shall verify that the Annual Income of the Applicant does not exceed the applicable Maximum Annual Income. The requirements of this Subsection will be met if the Program Administrator relies on (1) the Application, (2) the amount specified in the Mortgage Loan Application and other loan documents as the income used to qualify the Borrower for the loan, and (3) copies of the Applicant's federal income tax returns for the preceding three years, which the Program Administrator examines to determine that the Applicant's Annual Income for each year did not exceed the applicable Maximum Annual Income. In the event that the Borrower's Annual Income as reflected in the Application and the Borrower Affidavit or the loan application exceeds the Maximum Annual Income then the Borrower is not eligible for the Program because the Annual Income exceeds the Maximum Annual Income. In the event that the Borrower's Annual Income, as reflected on the prior years' income tax returns, exceeds the Maximum Annual Income, but the Borrower's Annual Income as reflected by the Borrower's Affidavit and the Mortgage Loan Application and other loan documents is less than the Maximum Annual Income then the eligibility of the Borrower shall be subject to the Program

Administrator's reasonable judgment regarding the Borrower's actual Annual Income. The Program Administrator may rely on any relevant additional information in making its determination.

(vi) The Program Administrator shall verify that the Certificate is not issued in connection with the acquisition or replacement of an Existing Mortgage. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Application.

(vii) The Program Administrator shall verify that the Applicant knows that the Certificate is not transferable (1) without the prior written consent of the Program Administrator, and (2) unless the transferee meets the Applicant eligibility requirements set forth herein. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Application.

(viii) The Program Administrator shall verify that none of the financing for acquisition of the Residence will be provided from proceeds of a Qualified Mortgage Bond or a Qualified Veterans Bond. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Application and the Lender Certificate.

(ix) The Program Administrator shall verify that the City, directly or indirectly, has not prohibited the Applicant from obtaining financing from one or more Lending Institutions and has not required the Applicant to obtain financing from one or more Lending Institutions. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Application.

(x) The Program Administrator shall verify, that if the Residence financed in connection with the Certificate is located in a particular development where proceeds of the Program were allocated to a developer, the developer has provided the Applicant, the Program Administrator and the City with a certificate stating that the Purchase Price of the Residence was not higher than it would have been had the City not allocated mortgage credit certificates to the development and the Applicant has provided the Program Administrator an affidavit acknowledging receipt of such certificate from the developer. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Application, the Lender Certificate and the certificate of the developer.

(xi) The Program Administrator shall verify that interest on the Indebtedness Amount is not payable or paid to a person who is a related person to the Applicant. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Application and the Lender Certificate.

(xii) The Program Administrator shall verify that any points (other than Program administration costs such as the Application Fee and the Issuance Fee), origination fees, servicing fees, loan application fees, survey fees, credit report fees, insurance fees or similar financing costs, and any other fees paid to the Lending Institution providing the Indebtedness, or any other person, are reasonable and not in excess of amounts customarily charged in the area or by the person receiving the fee, with respect to mortgages not provided in connection with mortgage credit certificates. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Application and the Lender Certificate.

(xiii) The Program Administrator shall verify that the Applicant has applied for a mortgage loan for the Residence to be financed in connection with the Program. The requirements of this subsection will be met if the Program Administrator relies on a loan application submitted with the Application.

(xiv) The Code requires that Applicants must be provided notice (i) upon origination, that the Certificate is subject to the recapture tax provisions of the Code, and (ii) within 90 days of origination, of the federally subsidized amount and the modified amount applicable, during each of the 9 years following the origination of the mortgage loan for which the Certificate is issued, for each category of family size.

Information returns required to be submitted by real estate brokers under Section 6045(e) of the Code, and statements of such returns furnished to customers, must indicate whether the seller's mortgage loan was federally subsidized within the meaning of the recapture requirements. In order to comply with the requirements of the Code and to disclose such requirements to prospective Holders, the Program Administrator shall provide (i) to each Applicant at the time of loan application, a copy of the Certificate of Initial Receipt of Recapture Notice attached hereto as Exhibit F and (ii) at the time of settlement of the mortgage loan (closing) a completed Recapture Notice and Computation Worksheet, which notice includes the information required by Section 143(m)(7) of the Code in the form of Exhibit G attached hereto. This requirement also applies to the transferee of any Certificate, and the Program Administrator agrees that it will provide corresponding Notices upon any transfer of a Certificate that occurs within 9 years after the date of closing or transfer, as the case may be.

(g) ***Processing Refinancing Applications.*** Upon receipt of a completed, or partially completed, Refinancing Application and Application Fee, the Program Administrator shall use its best efforts to make the determinations required in Section 4.01(h) hereof and, within five business days of receipt of the Refinancing Application, depending on the appropriate response, either (i) issue a Reissued Certificate, (ii) reject the Refinancing Application as ineligible and mail the Refinancing Applicant an explanation of the rejection, or (iii) return the incomplete Refinancing Application, together with an explanatory letter, to the Refinancing Applicant. The Program Administrator may retain legal counsel to help in the performance of its duties

herein and all expenses incurred pursuant to this paragraph will be paid for by the City provided that an Authorized City Representative has given approval of the expenditure.

(h) ***Refinancing Applicant Eligibility.*** The Program Administrator shall administer the Program to assure compliance with the terms of this Administration Agreement. The Program Administrator shall determine whether or not the Refinancing Applicant is eligible to participate in the Program pursuant to this Administration Agreement. To be eligible, a Refinancing Applicant must satisfy each of the following conditions and the Program Administrator hereby represents, warrants and covenants with the City that it will determine that each of the following conditions is satisfied before issuing a Reissued Certificate.

(i) The Program Administrator shall verify that the Refinancing Applicant is a Holder of an outstanding Certificate previously issued in connection with the Program and that the Reissued Certificate will relate to the same Residence to which the outstanding Certificate relates. The requirement of this subsection will be met if the Program Administrator relies on the relevant provisions of the Refinancing Application and receives the original outstanding Certificate from the Refinancing Applicant.

(ii) The Reissued Certificate will be provided in connection with a loan which refinanced, directly or indirectly, a loan for the acquisition of a Residence which, at the time the refinancing on the Residence was executed and the Reissued Certificate is issued, can reasonably be expected to continue to be the Principal Residence of the Holder of the Reissued Certificate. The Program Administrator shall also determine that the Refinancing Applicant has pledged to provide notification to the Program Administrator in the event the Residence ceases to be the Refinancing Applicant's Principal Residence. The requirements of this subsection will be met if the Program Administrator relies on the relevant provision of the Refinancing Application.

(iii) The Program Administrator shall verify that the Indebtedness Amount of the Reissued Certificate is not greater than the outstanding principal balance, immediately prior to refinancing, of the Indebtedness Amount of the Certificate which is to be replaced by the Reissued Certificate. The requirements of this subsection will be met if the Program Administrator relies on the relevant provision of the Refinancing Application and the attachments submitted therewith.

(iv) The Program Administrator shall verify, to the extent possible, that the Reissued Certificate does not result, in any taxable year, in an increase in the federal income tax credit that would have been available to the Refinancing Applicant under the original Certificate to be replaced, directly or indirectly, by the Reissued Certificate. To that end, the Program Administrator shall verify that the expiration date of the Reissued Certificate is not later than the earlier of the expiration of the original Certificate to be replaced, directly or indirectly, by the Reissued Certificate or the scheduled final maturity date of the acquisition related

to the original Certificate which is to be replaced, directly or indirectly, by the Reissued Certificate (i.e., the first Certificate issued to the Refinancing Applicant under the Program). The Program Administrator shall also inform the Holder of such Reissued Certificate that the Holder is responsible for calculating the federal income tax credit which would have been available each year under the original Certificate (determined by using either the scheduled interest method or the hypothetical interest method, whichever is applicable, as provided in Section 1.25-3(p)(3)(v) of the Income Tax Regulations) in order to determine the amount of the federal income tax credit available under the Reissued Certificate. The requirements of this subsection will be met if the Program Administrator relies on the relevant provision of the Refinancing Application and the Program Administrator's records relating to the Refinancing Applicant's original Certificate and issues a Reissued Certificate.

(v) The Program Administrator shall verify that the Refinancing Applicant knows that the Reissued Certificate is not transferable (1) without the prior written consent of the Program Administrator, and (2) unless the transferee meets the Applicant eligibility requirements set forth herein. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Refinancing Application.

(vi) The Program Administrator shall verify that none of the loan related to the Reissued Certificate was provided from proceeds of a Qualified Mortgage Bond or a Qualified Veterans Bond. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Refinancing Application and the Refinancing Lender Certificate.

(vii) The Program Administrator shall verify that the City, directly or indirectly, has not prohibited the Refinancing Applicant from obtaining financing from one or more Lending Institutions and has not required the Refinancing Applicant to obtain financing from one or more Lending Institutions. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Refinancing Application.

(viii) The Program Administrator shall verify that the interest on the loan related to the Reissued Certificate is not payable or paid to a person who is a related person to the Refinancing Applicant. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Refinancing Application and the Refinancing Lender Certificate.

(ix) The Program Administrator shall verify that any points (other than Program administration costs such as the Issuance Fee), origination fees, servicing fees, loan application fees, survey fees, credit report fees, insurance fees or similar financing costs, and any other fees paid to the Lending Institution providing the loan related to the Reissued Certificate, or any other person, were (1) reasonable, and (2) not in excess of amounts customarily charged in the area or by the person receiving the fee, with respect to mortgages not provided in connection with

mortgage credit certificates. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Refinancing Application and the Refinancing Lender Certificate.

(x) The Program Administrator shall verify that the Refinancing Applicant has received a refinancing mortgage loan for the Residence originally financed in connection with the Program. The requirements of this subsection will be met if the Program Administrator relies on the relevant provisions of the Refinancing Application and attachments submitted therewith and the Refinancing Lender Certificate.

Section 4.02. MCC Commitment. In the event that an Applicant, as evidenced by its Application and material submitted in connection therewith, has satisfied the requirements of Section 4.01(f) hereof (other than the submission of the Borrower Affidavit, the Seller Affidavit, Borrower's Income Tax Return Affidavit, if any, and the Lender Certificate), the Program Administrator shall determine that the Applicant is eligible for the Program. An eligible Applicant shall be issued an MCC Commitment provided that the Proceeds of such MCC Commitment, if issued, would not cause the Unused Allocation to be less than \$1.

If issuance of the MCC Commitment would cause the Unused Allocation to be less than \$1, the Applicant shall be reclassified as ineligible for the Program because the Certificate Authority is expended. The Program Administrator shall so inform the Applicant as provided in Section 4.01(e)(ii) hereof.

Twenty-five percent (25%) of the Certificate Authority (\$1,875,000) shall be reserved for Applicants financing or refinancing Residences located in Targeted Areas until April 2, 2013. Certificate Authority not used prior to April 2, 2013 may apply to Applicants financing or refinancing Residences located in Targeted Areas or Non-Targeted Areas.

The Program Administrator shall issue its MCC Commitments in the form attached hereto as Exhibit K with such changes and modifications as it shall determine. The MCC Commitment shall contain the following information:

- (a) The name, address and taxpayer identification number of the Applicant;
- (b) The address of the Residence to be financed in connection with the Program;
- (c) The Indebtedness Amount that has been set aside on behalf of the Applicant;
- (d) The Credit Rate;
- (e) A list of materials and verifications that must be provided before a Certificate will be issued to the Applicant; and
- (f) The Expiration Date of the MCC Commitment.

The MCC Commitment, together with a form of Borrower Affidavit and Seller Affidavit shall be mailed by first-class mail, postage prepaid, to the Applicant. The Borrower Affidavit and Seller Affidavit shall indicate the Applicant's name, social security number and a reference number, if necessary, to enable the Program Administrator to assemble the application materials efficiently. A copy of the MCC Commitment shall be retained by the Program Administrator.

Upon mailing of the MCC Commitment, the Program Administrator shall mail the Lender Certificate and applicable MCC Commitment, by first-class mail, postage prepaid, to the Lender.

Section 4.03. Issuance of Certificates. The City shall provide the Program Administrator with an initial numbered set of fifty (50) Certificates. When the Program Administrator determines that additional Certificates will be necessary, it shall request up to fifty (50) additional Certificates by providing notice to the City under Section 9.16 hereof. Upon a determination that the Program Administrator is in compliance with reporting requirements, the City shall provide the next numbered Certificates up to a maximum of fifty (50) Certificates. Upon a determination by the Program Administrator that an Applicant has submitted all the necessary materials including (a) the Borrower Affidavit reflecting no material changes from the Application of the Applicant that would cause the Applicant to be ineligible to receive a Certificate, (b) the Seller Affidavit, (c) the Lender Certificate, (d) income tax returns for the most recent three years and/or the Borrower's Income Tax Return Affidavit, (e) the loan application, (f) the Application Fee, (g) certificate evidencing successful completion of a Homebuyers Education Course in accordance with Section 4.08 hereof, and (h) such additional materials as the Program Administrator may deem necessary, the Program Administrator shall make a final determination of the Applicant's eligibility for the Program. Such determination shall assure that each of the following is true:

(a) That the Applicant satisfies each of the conditions set forth in Section 4.01(f) hereof;

(b) That the Application Fee, if applicable, has been paid by or on behalf of the Applicant or that provision for payment of the Application Fee has been arranged with the escrow agent (or a similar entity) handling the closing of the related mortgage loan;

(c) That the Proceeds of the Applicant's Certificate, if issued, would not cause the Unused Allocation (after taking into account cancellation of the related MCC Commitment) to be less than \$1; and

(d) That the Issue Date is (i) on or after April 2, 2012 (which is after the date of the Election and at least 91 days after the Publication Date), and (ii) on or before the Program Expiration Date.

Upon completion of each of the above determinations and its findings that issuance of the Certificate will not violate the terms of this Administration Agreement, the Program Administrator is hereby authorized and directed to prepare and complete on behalf of the City, a Certificate for the Applicant. The Certificate shall be in the form of Exhibit H-I hereto with such

additions, substitutions and completions as are necessary. The Certificates shall be executed by the manual or facsimile signatures of the officers of the City authorized by the Ordinance and shall be countersigned by the manual signature of an authorized agent of the Program Administrator.

The original Certificate shall be mailed, by first-class mail, postage prepaid, to the Applicant. One copy of the Certificate shall be retained by the Program Administrator on behalf of the City. A second copy shall be mailed to the Lending Institution providing the indebtedness for its records.

Upon issuance of the Certificate, the Program Administrator shall cancel the related MCC Commitment and treat it as expired.

Section 4.04. Numbering of the Certificates. The Certificates, other than Reissued Certificates, shall be numbered consecutively upward from Number 100. Reissued Certificates numbers shall begin with the letter "R" and shall bear a number that corresponds to the number of the original Certificate replaced by the Reissued Certificate and reflects the number of times such original Certificate has been reissued. (For example, if the loan relating to a Reissued Certificate was the second refinancing of the loan relating to original Certificate Number 200, the number of the Reissued Certificate would be "R200-2.") The Program Administrator shall be certain that no two certificates bear the same number.

Section 4.05. Revocation of Certificates. In the event that the Program Administrator obtains actual knowledge that any of the representations contained in a Borrower Affidavit, Application or Refinancing Application of a Holder were false at the time made or that the Residence is no longer the Holder's Principal Residence, then the Program Administrator shall revoke the Holder's Certificate. Revocation shall be effected by mailing such notice to the Holder for which the Certificate was issued and by notifying the Internal Revenue Service on IRS Form 8330, which is required to be filed pursuant to Section 6.01 hereof. The Program Administrator shall deliver copies of such revocation notice and IRS Form 8330 to the City.

Section 4.06. Mutilated, Lost, Stolen or Destroyed Certificates. In the event any Certificate is mutilated, lost, stolen or destroyed, the Program Administrator, on behalf of the City, may execute and deliver a new Certificate for the Holder, executed by facsimile signature of the City in the same numbering as the original Certificate, and including the original signature of the Program Administrator specified in the original Certificate at the same Credit Rate and Indebtedness Amount; provided that (a) in the case of a mutilated Certificate, such mutilated Certificate shall first be surrendered to the Program Administrator, and (b) in the case of any lost, stolen or destroyed Certificate, there shall first be furnished to the Program Administrator evidence of such loss, theft or destruction satisfactory to it. At its discretion, the Program Administrator may charge an administrative or processing fee not to exceed \$25 in connection with the execution and issuance of a new Certificate as provided in this Section.

Section 4.07. Issuance of Reissued Certificates. Upon a determination by the Program Administrator that a Refinancing Applicant has submitted all the necessary materials including (a) the Refinancing Application, (b) the original Certificate issued to the Refinancing Applicant in connection with the Program relating to the loan refinanced by the loan relating to the

Reissued Certificate, (c) the Refinancing Lender Certificate, (d) copies of the settlement statement and promissory note for the loan relating to the Reissued Certificate, and (e) such additional materials as the Program Administrator may deem necessary, the Program Administrator shall make a final determination of the Refinancing Applicant's eligibility for the issuance of a Reissued Certificate. Such determination shall assure that the Refinancing Applicant satisfies each of the conditions set forth in Section 4.01(h) hereof. Upon completion of the final determination and its findings that issuance of the Reissued Certificate will not violate the terms of this Administration Agreement, the Program Administrator shall request that the City provide to the Program Administrator a Reissued Certificate by providing notice to the City under Section 9.16 hereof. Upon a determination that the Program Administrator is in compliance with reporting requirements, the City shall provide the Reissued Certificate to the Program Administrator and the Program Administrator is hereby authorized and directed to prepare and complete on behalf of the City, a Reissued Certificate for the Refinancing Applicant. The Reissued Certificate shall be in the form of Exhibit H-II hereto, with such additions, substitutions and completions as are necessary. The Certificates shall be executed by the manual or facsimile signatures of the officers of the City authorized by the Ordinance and shall be countersigned by the manual signature of an authorized agent of the Program Administrator.

The original Reissued Certificate shall be mailed, by first-class mail, postage prepaid, to the Refinancing Applicant. One copy of the Reissued Certificate shall be retained by the Program Administrator on behalf of the City. A second copy shall be mailed to the Lending Institution providing the indebtedness for its records.

Upon issuance of the Reissued Certificate, the Program Administrator shall cancel the Certificate relinquished by the Refinancing Applicant and being replaced by the Reissued Certificate.

Section 4.08. Homebuyer Education. Each Borrower, regardless of whether the Borrower is a First Time Homebuyer is required to complete a Homebuyer Education Course prior to the issuance of a Certificate to such Borrower.

ARTICLE V

FEES

Section 5.01. Collection of Application Fee. Prior to sending an MCC Commitment to any approved applicant, the Program Administrator shall have received from the Lending Institution on behalf of the Borrower or the Refinancing Borrower the Application Fee or provision for payment of the Application Fee shall have been arranged with the escrow agent handling the closing of the related mortgage loan prior to the submission of the Application by the Lending Institution on behalf of the Borrower or the Refinancing Borrower, as applicable.

Section 5.02. Collection of Issuance Fee. On or prior to the issuance date of any Certificate or Reissued Certificate, the Program Administrator shall receive or shall have received the Issuance Fee from the Borrower or the Refinancing Borrower or the Lending Institution on behalf of the Borrower or the Refinancing Borrower, as applicable.

Section 5.03. Lender Participation Fee. Any Lending Institution participating in the Program must pay to the Program Administrator the Lender Participation Fee on or prior to any such Lending Institution submitting an Application on behalf of a Borrower.

ARTICLE VI

REPORTING REQUIREMENTS

Section 6.01. Quarterly Reports of City. At least 10 days prior to each Quarterly Report Date the Program Administrator shall, on behalf of the City, prepare and submit to the City a quarterly report for the preceding quarter. The report shall be submitted to the City on IRS Form 8330 and shall contain the information required therein, including:

- (a) The name, address, and Taxpayer Identification Number of the City of the Certificates;
- (b) The date of the City's Election and the Nonissued Bond Amount;
- (c) The sum of the products determined by multiplying:
 - (i) The Indebtedness Amount of each Certificate issued under the Program by such Program Administrator during the calendar quarter, by
 - (ii) The Credit Rate with respect to each Certificate; and
- (d) A listing of the name, address and Taxpayer Identification Number of each Holder of a Certificate which has been revoked during the calendar quarter.

The report filed for the quarter that is the last quarter in which a Certificate may be issued under the Program shall contain a statement to that effect.

Section 6.02. Filing of Quarterly Reports. The reports required by this Article VI are to be filed on or before each Quarterly Report Date by the Program Administrator on behalf of the City with the Internal Revenue Service Center, Ogden, Utah 84201. The Program Administrator shall send a copy of the report to the City.

Section 6.03. Information Report. On or before the July 20th next following a Reporting Period, the Program Administrator shall compile, assemble, prepare and submit to the City (with a copy to counsel to the City) an annual report for the most recent Reporting Period. The annual information report shall be in the form and contain the information required by Section 1.25-4T(e) of the Income Tax Regulations, which form is set forth in Exhibit N attached hereto.

Section 6.04. Assembly and Filing of Information. The Program Administrator shall then (on or before the August 5 next following a Reporting Period) execute and file the Mortgage Credit Certificate Information Report required by Section 1.25-4T(e) of the Income Tax Regulations. The Mortgage Credit Certificate Information Report shall be in the format and on the form, if available, prescribed in Section 1.25-4T(e) of the Income Tax Regulations. The

Mortgage Credit Certificate Information Report shall be filed by certified mail, return receipt requested, at the Internal Revenue Service Center, Ogden, Utah 84201. The Program Administrator shall send a copy of the report to the City.

Section 6.05. General Recordkeeping and Reporting. The Program Administrator shall also maintain such files and records as will enable it to report to the City, from time-to-time, on the then current status of the Program, including the amount of Certificates issued, the average annual income of the Holders and the average Purchase Price of Residences for which Certificates have been issued.

Section 6.06. Demographic Reports. The Program Administrator shall compile a report based upon the Demographic Report completed by each Applicant in the form attached hereto as Exhibit J for which the Program Administrator has issued a Certificate and shall submit such reports to the City on a quarterly basis.

Section 6.07. Fee Reports. The Program Administrator shall submit to the City, no later than 15 days after the end of each quarter, a report which lists (a) the amount of each Application Fee collected during the preceding quarter and the amount of the corresponding loan; (b) the aggregate amount of all Application Fees collected in the preceding quarter; (c) the aggregate amount of all Application Fees collected in the Program throughout the term of the Program through the end of the preceding quarter; (d) the amount of each Issuance Fee collected during the preceding quarter and the amount of the corresponding loan; (e) the aggregate amount of all Issuance Fees collected in the preceding quarter; and (f) the aggregate amount of all Issuance Fees collected in the Program throughout the term of the Program through the end of the preceding quarter.

Section 6.08. Monthly Reports and Notice to the City. The Program Administrator shall submit to the City, no later than the 15th of each month, a report stating the amount of Certificates issued under the Program, including the percentage of which is attributable to Targeted Ares, and the Unused Allocation. The Program Administrator shall estimate the date on which all of the Allocation shall be issued and provide notice to the City 90 days prior to such date and to the Participating Lenders 30 days prior to such date.

ARTICLE VII

PROGRAM ADMINISTRATOR

Section 7.01. Status of the Program Administrator. In the performance of all its activities hereunder, the Program Administrator shall be an independent contractor acting on its own behalf and for its own account, unless otherwise specifically provided herein. The Program Administrator shall have full power and authority to do and perform any and all things that the Program Administrator may deem necessary or desirable to carry out its duties and responsibilities under this Administration Agreement.

Section 7.02. Merger or Consolidation of the Program Administrator. With the written consent of the City, the Program Administrator may consolidate with or merge into another entity, or permit one or more entities to consolidate with or merge into it, or sell or

otherwise transfer to another such entity all or substantially all of its assets or business as an entirety and thereafter dissolve, if the surviving, resulting or transferee entity, as the case may be, (a) shall be authorized to do business in the State; (b) after giving effect to such transaction, have a net worth substantially equal to or in excess of that of the Program Administrator immediately prior to such acquisition, consolidation or merger; and (c) (unless the Program Administrator is the surviving entity) shall assume in writing all of the obligations of the Program Administrator under this Administration Agreement. The Program Administrator has informed the City that on January 11, 2012, Regions Financial Corporation entered into a definitive agreement to sell the Program Administrator (its wholly-owned subsidiary) to Raymond James Financial. The transaction is expected to close on or about March 30, 2012. The City hereby provides its written consent to such sale and/or consolidation with respect to the role of the Program Administrator hereunder.

Section 7.03. Program Administrator Not to Resign; Removal. The Program Administrator may not resign from the obligations and duties imposed and accepted by the terms of this Administration Agreement. There shall be no removal of the Program Administrator.

Section 7.04. Delegation of Duties of the Program Administrator. The Program Administrator may delegate any of the obligations and duties imposed and accepted by it hereunder only with the prior written consent of the City.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.01. Program Administrator Events of Default Defined. The happening of any one or more of the following shall constitute an "Event of Default" by the Program Administrator under this Administration Agreement:

(a) Failure to observe or perform in any material respect any covenant, condition or agreement in this Administration Agreement to be observed or performed for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, given to it by the City, provided, however, if the failure stated in the notice cannot be corrected within the 30 day period, the City may agree in writing to a 30 day extension of such time prior to its expiration if corrective action is instituted within the 30 day period and so long as such corrective action will be diligently pursued until the failure is corrected.

(b) A decree or order of a court or agency or supervisory authority having jurisdiction in the premises shall have been entered against the Program Administrator for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or other similar proceedings, or for the winding up or liquidation of its affairs, and such decree or order shall have remained in force and undischarged or unstayed for a period of 60 days.

(c) The Program Administrator shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling

of assets and liabilities or other similar proceedings, or for the winding up or the liquidation of the affairs of or relating to the Program Administrator or of or relating to all or substantially all of its property.

(d) The Program Administrator shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statutes, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations.

(e) The determination that any representation of or warranty by the Program Administrator in this Administration Agreement shall have been knowingly or recklessly false in any material respect when made.

Section 8.02. Program Administrator Default Remedies. Upon the occurrence of an Event of Default by the Program Administrator, the City:

(a) By notice in writing to the Program Administrator may, subject to applicable state and federal law, terminate all of the Program Administrator's rights, powers, duties and obligations hereunder; and

(b) May take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under this Administration Agreement or to enforce performance and observance of any obligation, agreement or covenant of the Program Administrator under this Administration Agreement.

At the time the City notifies the Program Administrator of its termination, all rights, duties and obligations of the Program Administrator hereunder shall be terminated and shall pass to and vest in such successor Program Administrator that the City shall appoint (which appointment may be evidenced by the written direction of the Authorized City Representative or other authorized officer of the City). Such successor forthwith shall execute an agreement, in form and substance satisfactory to the City confirming its assumption of all such rights, duties and obligations.

Section 8.03. No Remedy Exclusive. Unless otherwise expressly provided, no remedy herein conferred upon or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Administration Agreement or existing at law or in equity. No delay or omission to exercise any right or power occurring upon the happening of any event set forth in Section 8.01 hereof shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time-to-time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Article, it shall not be necessary to give notice, other than such notice as may be required in this Article.

Section 8.04. Agreement to Pay Attorneys' Fees and Expenses. In the event that the Program Administrator fails to perform its obligations under any of the provisions of this Administration Agreement and the City employs attorneys or incurs other expenses in connection with such default or for the enforcement of the performance of any obligation or

agreement on the part of the Program Administrator herein contained, the Program Administrator agrees to pay or reimburse the City on demand the reasonable fees of such attorneys and such other incurred expenses as a result of action or inaction by the Program Administrator.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.01. Amendments, Changes and Modifications. Except as set forth in this Section 9.01, subsequent to the Election and prior to the Program Expiration Date, this Administration Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Program Administrator and the City. No such amendment shall become effective unless accompanied by an opinion or opinions of counsel acceptable to the City that if such amendment takes effect the Program will remain a “qualified mortgage credit certificate program” as defined in the Code and will remain valid and authorized under the Charter and the Ordinance.

Section 9.02. Term. The initial term during which the Program Administrator’s services shall be rendered under this Administration Agreement is from April 2, 2012, through December 31, 2012 (the “Initial Term”), unless terminated sooner under Section 9.03 of this Administration Agreement. The Initial Term of this Administration Agreement shall automatically renew and extend annually on December 31 of each year until December 31, 2014, unless the City provides written notice to the Program Administrator on or before December 30 of each year until December 30, 2014 indicating its desire not to renew this Administration Agreement. The City may extend the term of this Administration Agreement beyond December 31, 2014 upon written agreement executed by the City and the Program Administrator.

Section 9.03. Termination. The City has the right to terminate this Administration Agreement, with or without cause, on thirty (30) days written notice to Program Administrator signed by the City Attorney. However, nothing herein shall be construed as giving Program Administrator the right to perform services under this Administration Agreement beyond the time when such services become unsatisfactory to the City.

In addition, the City may, by thirty (30) days written notice to Program Administrator, terminate this Administration Agreement in the event Program Administrator or any of its officers or employees are convicted, plead nolo contendere, enter into a formal agreement in which they admit guilt, enter a plea of guilty or otherwise admit culpability to criminal offenses of bribery, kick backs, collusive bidding, bid-rigging, antitrust, fraud, undue influence, theft, racketeering, extortion or any offense of a similar nature in connection with Program Administrator’s business.

Program Administrator has the right to terminate this Administration Agreement for cause by giving not less than thirty (30) days written notice to the City.

If this Administration Agreement is terminated, the City shall take possession of all materials, equipment, tools and facilities owned by the City that Program Administrator is using by whatever method the City deems expedient. Program Administrator shall deliver to the City

all drafts or other documents it has completed or partially completed under this Administration Agreement, together with all other items, materials and documents which have been paid for by the City; and these documents and materials shall be the property of the City. Copies of work product incomplete at the time of termination shall be marked "DRAFT-INCOMPLETE." The City shall use any and all such incomplete documents or incomplete data at its own risk.

Upon termination of this Administration Agreement by the City, Program Administrator shall not have any claim against the City by reason of such termination or by reason of any act incidental to termination, except for compensation for work satisfactorily performed as described in this Administration Agreement.

Section 9.04. Examination of Records. Program Administrator agrees that any duly authorized representative of the City, including the City Auditor, shall, until the expiration of three (3) years after the final payment under this Administration Agreement, have access to and the right to examine any books, documents, papers and records of Program Administrator related to this Administration Agreement.

Section 9.05. When Rights and Remedies Not Waived. In no event shall any action by either the City or the Program Administrator constitute or be construed to be a waiver by that party of any breach of covenant or default which may then exist on the part of the other party. The City's or the Program Administrator's action or inaction when any breach exists shall not impair or prejudice the remedy available to that party with respect to such breach as set forth herein. No assent, expressed or implied, to any breach of any provisions of this Administration Agreement shall be deemed to be a waiver of any other breach.

Section 9.06. Insurance.

(a) **General Conditions.** Program Administrator 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. Program Administrator 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 or authorized 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 requiring notification to the City in the event any of the required policies be canceled or non-renewed before the expiration date thereof. Such written notice shall be sent to the parties identified in the Notices section of this Agreement. Such notice shall reference the City contract number listed on the signature page of this Agreement. Said notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to non-payment of premiums for which notice shall be sent ten (10) days prior. If such written notice is unavailable from the insurer, Program Administrator shall provide written notice of cancellation, non-renewal and any reduction in coverage to the parties identified in the Notices section by certified mail, return receipt requested within three (3) business days of such notice by its insurer(s) and referencing the City's contract number. If any policy is in excess of a deductible or self-insured retention, the City must be notified by the Program Administrator. Program Administrator shall be responsible for

the payment of any deductible or self-insured retention. The insurance coverages specified in this Agreement are the minimum requirements, and these requirements do not lessen or limit the liability of the Program Administrator. The Program Administrator 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.*** Program Administrator shall provide a copy of this Agreement to its insurance agent or broker. Program Administrator may not commence services or work relating to the Agreement prior to placement of coverage. Program Administrator certifies that it will supply the City with a certificate of insurance, preferably an ACORD certificate, which complies with all insurance requirements of this Agreement. The City requests that the City's contract number be referenced on the Certificate. 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 Program Administrator'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 Insureds.*** For Commercial General Liability, Auto Liability and Professional Liability, Program Administrator and subconsultant's insurer(s) shall name the City and County of Denver, its elected and appointed officials, employees and volunteers as additional insured.

(d) ***Waiver of Subrogation.*** For all coverages, Program Administrator's insurer shall waive subrogation rights against the City.

(e) ***Subconsultants.*** All subconsultants (including 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 Program Administrator. Program Administrator shall include all such subconsultants as additional insured under its policies (with the exception of Workers' Compensation) or shall ensure that all such subconsultants maintain the required coverages. Program Administrator agrees to provide proof of insurance for all such subconsultants upon request by the City.

(f) ***Workers' Compensation/Employer's Liability Insurance.*** Program Administrator shall maintain the coverage as required by statute for each work location and shall maintain Employer's Liability insurance with limits of \$100,000 per occurrence for each bodily injury claim, \$100,000 per occurrence for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims. Program Administrator expressly represents to the City, as a material representation upon which the City is relying in entering into this Agreement, that none of the Program Administrator's officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall effect such rejection during any part of the term of this Agreement, and that any such rejections previously effected, have been revoked as of the date Program Administrator executes this Agreement

(g) **Commercial General Liability.** Program Administrator shall maintain a Commercial General Liability insurance policy with limits of \$1,000,000 for each occurrence, \$1,000,000 for each personal and advertising injury claim, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate.

(h) **Business Automobile Liability.** Program Administrator shall maintain Business Automobile Liability with limits of \$1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Agreement.

(i) **Professional Liability (Errors & Omissions.)** Program Administrator shall maintain limits of \$1,000,000 per claim and \$1,000,000 policy aggregate limit. Policy shall include a severability of interest or separation of insured provision (no insured vs. insured exclusion) and a provision that coverage is primary and non-contributory with any other coverage or self-insurance maintained by the City.

(j) **Additional Provisions.**

(a) For Commercial General Liability and Excess Liability, the policies must provide the following:

(i) That this Agreement is an Insured Contract under the policy;

(ii) Defense costs are in excess of policy limits;

(iii) A severability of interests or separation of insureds provision (no insured vs. insured exclusion); and

(iv) A provision that coverage is primary and non-contributory with other coverage or self-insurance maintained by the City.

(b) For claims-made coverage:

(i) The retroactive date must be on or before the contract date or the first date when any goods or services were provided to the City, whichever is earlier

(c) Program Administrator shall advise the City in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limits. At their own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the Program Administrator will procure such per occurrence limits and furnish a new certificate of insurance showing such coverage is in force.

Section 9.07. Indemnification. Program Administrator shall defend, release, indemnify and hold harmless the City, its officers, agents and employees from and against: (1) any and all

damages, including loss of use, to property, including City property, or (2) injuries to or death of any person or persons (including officers, agents and employees of the City), and (3) any and all claims, demands, suits, causes of action, liabilities, fines, penalties, costs, expenses (including reasonable attorney fees, expert witness fees and all associated defense fees), or proceedings of any kind or nature, including workers' compensation claims, of or by anyone, regardless of the legal theory(ies) upon which premised, directly caused by the acts or omissions of Program Administrator or those performing under it in connection with its performance under this Administration Agreement or its use or occupancy of real or personal property hereunder, including acts or omissions of the officers, employees, agents, contractors, representatives, invitees, or licensees of Program Administrator. Program Administrator's obligation to indemnify or hold harmless the City, its officers, agents and employees under this paragraph shall not apply to liability or damages proximately caused by and apportioned to the negligence of the City's officers, agents and employees.

This indemnity clause shall also cover the City's defense costs, in the event that the City, in its sole discretion elects to provide its own defense. The City retains the right to disapprove counsel, if any, selected by Program Administrator to fulfill the foregoing defense indemnity obligation, which right of disapproval shall not be unreasonably exercised.

Insurance coverage requirements specified in this Administration Agreement shall in no way lessen or limit the liability of Program Administrator under the terms of this indemnification obligation. Program Administrator shall obtain, at its own expense, any additional insurance that it deems necessary for the City's protection in the performance of this Administration Agreement.

Program Administrator shall require all contracts with subcontractors performing work under this Administration Agreement to contain an indemnification provision identical to this Section.

Section 9.08. Colorado Governmental Immunity Act. The City and the Program Administrator agree that the City is relying upon, and has not waived, the monetary limitations and all other rights, immunities and protection provided by the Colorado Governmental Act, C.R.S. § 24-10-101, *et seq.*

Section 9.09. Taxes, Charges and Penalties. The City shall not be liable for the payment of taxes, late charges or penalties of any nature, except for any additional amounts that the City may be required to pay under the City's prompt payment ordinance D.R.M.C. § 20-107, *et seq.* Program Administrator shall promptly pay when due, all taxes, bills, debts and obligations it incurs performing the services under this Administration Agreement and shall allow no lien, mortgage, judgment or execution to be filed against City property, including but not limited to land, facilities, improvements or equipment.

Section 9.10. Assignment And Subcontracting.

(a) **Assignment.** Program Administrator agrees that it will not assign or transfer any of its rights or obligations under this Administration Agreement without first obtaining the written consent of the City, which consent may be withheld at the sole and

absolute discretion of the City. A transfer will include a merger, consolidation, liquidation or change of ownership by which fifty percent (50%) or more of the outstanding voting stock is transferred. Any attempt by Program Administrator to assign or transfer its rights or obligations without the prior written consent of the City shall, at the option of the City, terminate this Administration Agreement and all rights of Program Administrator. Any assignment, and any consent thereto, shall not become effective until the assignee executes a document satisfactory to the City wherein assignee (1) assumes the obligations under this Administration Agreement; and (2) agrees to be bound by all of the terms, covenants and conditions of this Administration Agreement.

(b) **Subcontracting.** Program Administrator agrees that it will not subcontract any of its obligations under this Administration Agreement without first obtaining the written consent of the City, which consent may be withheld in the absolute discretion of the City. Program Administrator shall submit to the City a request to subcontract, which sets forth the role of the proposed subcontractor. If the City consents to the subcontract, such action shall not be construed to create any contractual relationship between the City and Program Administrator's subcontractor. Program Administrator shall remain fully responsible to the City according to this Administration Agreement.

Section 9.11. No Third Party Beneficiary. The City and the Program Administrator agree that enforcement of the terms and conditions of this Administration Agreement, and all rights of action relating to enforcement, shall be strictly reserved to the City and the Program Administrator. Nothing contained in this Administration Agreement shall give any claim or right of action to any third person. The City and the Program Administrator intend that any person other than the City or Program Administrator receiving services or benefits pursuant to this Administration Agreement shall be deemed to be an incidental beneficiary only.

Section 9.12. No Authority to Bind City to Contracts. Program Administrator has no authority to bind the City on any contractual matters. Final approval of all contractual matters that obligate the City must be by the City, as required by Charter and Ordinance.

Section 9.13. Severability. The City and the Program Administrator agree that if any provision of this Administration Agreement or any portion thereof, except for the provisions of this Administration Agreement requiring appropriation of funds and limiting the total amount payable by the City, is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity of the remaining portions or provisions shall not be affected if the intent of the City and the Program Administrator can be fulfilled.

Section 9.14. Conflict of Interest. No official or employee of the City shall have any personal or beneficial interest in the services or property described in this Administration Agreement. Program Administrator agrees not to hire or contract for services any employee or officer of the City which would be in violation of the City's Code of Ethics, D.R.M.C. § 2-51, *et seq.* or the Charter §§ 1.2.8, 1.2.9, and 1.2.12. Program Administrator agrees that it will not engage in any transaction, activity or conduct that would result in a conflict of interest under this Administration Agreement. Program Administrator represents that it has disclosed current or potential conflicts of interest. A conflict of interest shall include transactions, activities or conduct that would affect the judgment, actions or work of Program Administrator by placing

Program Administrator's own interests, or the interests of any party with whom Program Administrator has a contractual arrangement, in conflict with those of the City. The City, in its sole discretion, shall determine the existence of a conflict of interest. If a conflict is found to exist, the City shall give Program Administrator written notice describing the conflict. Program Administrator shall have thirty (30) days from the date of the notice to eliminate or cure the conflict of interest in a manner acceptable to the City. If the conflict is not cured, the City may terminate this Administration Agreement.

Section 9.15. Notices. Notices required by this Administration Agreement shall be deemed delivered if sent by the City or the Program Administrator in the United States mail, postage prepaid, to the City or the Program Administrator at the following addresses:

If to the City: City and County of Denver, Colorado
 Attn: Deputy Director
 Office of Economic Development
 201 West Colfax Avenue
 Second Floor
 Denver, CO 80202

with copies to: Department of Finance
 201 West Colfax Avenue
 Department 1010
 Denver, CO 80202

 City Attorney
 Denver City Attorney's Office
 1437 Bannock Street, Room 353
 Denver, CO 80202
 Telephone: (720) 865-8600

If to Program Morgan Keegan & Company, Inc.
Administrator: Attention: Delories Duncan
 50 North Front Street
 17th Floor
 Memphis, TN 38103
 delories.duncan@morgankeegan.com

The addresses may be changed by the City and the Program Administrator by written notice.

Section 9.16. Disputes. All disputes between the City and Program Administrator regarding this Administration Agreement shall be resolved by administrative hearing pursuant to the procedure established by D.R.M.C. § 56-106(b), *et seq.* For the purposes of that procedure, the City official rendering a final determination shall be the City Attorney.

Section 9.17. Governing Law; Venue. This Administration Agreement shall be construed and enforced in accordance with the laws of the State of Colorado, the Charter and

Revised Municipal Code of the City and County of Denver ("Municipal Code"), and the ordinances, regulations and Executive Orders enacted or promulgated pursuant to the Charter and Municipal Code, including any amendments. The Charter and Municipal Code, as amended, are hereby expressly incorporated into this Administration Agreement. Venue for any legal action relating to this Administration Agreement shall lie in the District Court in and for the City and County of Denver.

Section 9.18. No Discrimination in Employment. In connection with the performance of services under this Administration Agreement, Program Administrator agrees not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability. Program Administrator agrees to insert the foregoing provision in all subcontracts hereunder.

Section 9.19. Use, Possession or Sale of Alcohol or Drugs. Program Administrator shall cooperate and comply with the provisions of Executive Order 94 concerning the use, possession or sale of alcohol or drugs. Violation of this provision can result in the City Attorney terminating this Administration Agreement or barring Program Administrator from City facilities or from participating in City operations.

Section 9.20. Legal Authority. Program Administrator represents and warrants that it possesses the legal authority, to enter into this Administration Agreement. Each person signing and executing this Administration Agreement on behalf of Program Administrator represents and warrants that such person has been fully authorized by Program Administrator to execute this Administration Agreement on behalf of Program Administrator and to validly and legally bind Program Administrator to all the terms of this Administration Agreement. The City shall have the right, in its sole discretion, to either temporarily suspend or permanently terminate this Administration Agreement if there is a dispute as to the legal authority of either Program Administrator or the person signing this Administration Agreement to enter into this Administration Agreement.

Section 9.21. Order of Precedence. In the event of any conflicts between the language of this Administration Agreement and the exhibits, the language of this Administration Agreement shall control.

Section 9.22. Survival of Certain Provisions. The City and the Program Administrator agree that all terms and conditions of this Administration Agreement, together with any exhibits and attachments, which by reasonable implication contemplate continued performance or compliance beyond the termination of this Administration Agreement, by expiration of the term or otherwise, shall survive termination and shall continue to be enforceable. Without limiting the generality of this provision, Program Administrator's obligations to provide insurance and to indemnify the City shall survive for a period equal to all relevant statutes of limitation, plus the time necessary to fully resolve any claims, matters, or actions begun within that period.

Section 9.23. Compliance with all Laws. All of the services performed under this Administration Agreement by Program Administrator shall comply with all applicable laws,

rules, regulations and codes of the United States and State of Colorado and with the Charter, Municipal Code, ordinances, rules, regulations and Executive Orders of the City.

Section 9.24. Advertising and Public Disclosure. Program Administrator shall not include any reference to this Administration Agreement or to services performed pursuant to this Administration Agreement in any of its advertising or public relations materials without first obtaining the written approval of the City, which will not be unreasonably withheld. Any oral presentation or written materials related to services performed under this Administration Agreement shall include only services that have been accepted by the City. The City shall be notified in advance of the date and time of any such presentation. Nothing in this provision shall preclude the transmittal of any information to officials of the City, including without limitation the Mayor, the City Attorney, City Council or the Auditor.

Section 9.25. City Execution of Agreement. This Administration Agreement shall not be binding on the City until it has been fully executed by all signatories of the City and County of Denver, and if required by Charter, approved by the City Council.

Section 9.26. Counterparts of this Administration Agreement. This Administration Agreement may be executed in counterparts, each of which shall be deemed to be an original of this Administration Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City and the Program Administrator have executed this Administration Agreement as of the day and year first above written.

ATTEST:

CITY AND COUNTY OF DENVER

By: _____
DEBRA JOHNSON, Clerk and
Recorder, Ex-officio Clerk of the City
and County of Denver

By: _____
Mayor

APPROVED AS TO FORM:
:

REGISTERED AND COUNTERSIGNED

By: _____
DOUGLAS J. FRIEDNASH, Attorney
for the City and County of Denver

By: _____
Manager of Finance

By: _____
Auditor

MORGAN KEEGAN & COMPANY, INC., AS
PROGRAM ADMINISTRATOR

By _____
Name _____
Title _____

[Signature Page for Mortgage Credit Certificate Program Administration Agreement]

EXHIBIT A

KUTAK ROCK LLP
DRAFT 03/07/12

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

INSTRUCTION SHEET FOR APPLICATION AFFIDAVIT

WHERE TO APPLY

This MCC Application Affidavit should be mailed or electronically transmitted to:

(by mail:)

Morgan Keegan & Company, Inc.
Attention: Delories Duncan
50 North Front Street, 17th Floor
Memphis, TN 38103

OR

(electronically:)

delories.duncan@morgankeegan.com

1. **APPLICATION PROCEDURE:**
 - A. You must apply and be approved before you close on your loan.
 - B. Complete the entire Application Affidavit attached hereto.
 - C. Provide signed copies of your last three years Federal Tax Returns, as an example 2011, 2010 and 2009 Federal (1040, 1040A, or 1040 EZ) Tax Returns.
2. **NOTE REGARDING TAX RETURNS:** If you are unable to locate your Federal Tax Returns for the last three years, we must have a Statement of Account from the IRS verifying the filing status of the Applicant. To order a Statement of Account call the IRS at 1-800-829-1040. This process will not postpone your approval as long as Morgan Keegan & Company, Inc. receives a note stating that you have requested the Statement of Account from the IRS. Morgan Keegan & Company, Inc. does not need W-2's or Colorado Income Tax Returns.
3. **APPLICATION FEE:** A non-refundable application fee of \$75, payable to Morgan Keegan & Company, Inc. must accompany the Application Affidavit.
4. **ISSUANCE FEE:** A program fee based on your total mortgage loan amount must be paid prior to Morgan Keegan & Company, Inc.'s sending you the Mortgage Credit Certificate. Payment is not due with this application. The fee is 0.15% of the loan amount.
5. **LEGAL DOCUMENTS:** All of the Program Administrator's documents are legal and "white out" products are not permitted. If you make an error, simply draw a line through the error and write the correct answer and initial.

CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM

APPLICATION AFFIDAVIT

**NOTE: ALL BLANKS ON THIS FORM MUST BE COMPLETED
THERE ARE IMPORTANT LEGAL CONSEQUENCES TO THIS AFFIDAVIT:
READ IT CAREFULLY BEFORE SIGNING**

1. I (We) the undersigned, as part of my (our) application for a Mortgage Credit Certificate ("MCC") from the City and County of Denver ("City"), issuer of such MCCs under the City Mortgage Credit Certificate Program (the "Program"), and as a material inducement to the City to issue such certificate to the undersigned, in connection with the financing, with a mortgage loan (the "Mortgage Loan") from lender of the undersigned's choosing (the "Lender"), of the undersigned's purchase of a single-family home ("Residence"), state the following:

I (We) certify that the following are applicants as mortgagors of the Residence (use an additional sheet if there are more than three co-mortgagors):

Applicant Name	Social Security No.	Current Residence: Street, City, State, ZIP	Work Telephone	Will Reside in Residence? (Y/N)

Name, Age and Relationship of all persons other than named Applicants who will occupy the Residence:

Name	Age	Relationship to applicants	Dependent for tax purposes? (Y/N)

2. The Residence being purchased is a single-family home located in the City and County of Denver, Colorado at the following address:

_____ Denver, Colorado _____ Census Tract # _____
Address Zip

3. I (We) certify that the Residence will be occupied and used as my (our) principal place of residence within sixty (60) days after the date the MCC is issued (except where occupancy of the

Residence is delayed due to rehabilitation). I (We) certify that the Residence will not be used as an investment property, vacation home, or recreational home and that not more than 15% of the area of the Residence will be used in a trade or business. I (We) certify that I (We) will notify the City in writing if the residence ceases to be my (our) principal Residence.

4. I (we) certify that a portion of the residence ____ will ____ will not be occupied by a person or persons other than the Applicants and their legal dependents for federal income tax purposes.

(If "will" is checked, complete the following:)

I/we certify that the rent to be charged to all occupants other than the Applicants and their dependents is \$_____ per month (if none, write "none").

5. I/we certify that the Residence or the Land adjoining thereto will not provide a source of income to me (us).
6. If the loan application is for a loan on a newly constructed home, I (we) certify that the Residence has not and will not be occupied prior to loan commitment.
7. If the Residence is newly constructed, I (we) certify that proceeds of the Mortgage Loan will not be used to replace an existing mortgage unless the existing mortgage is for: (a) a construction period loan of not greater than 24 months, or (b) a bridge loan or similar temporary initial financing of 24 months or less. If the Residence is a previously occupied existing home, I (we) certify that the proceeds of the Mortgage Loan will not be used to replace my (our) existing Mortgage.
8. I (we) understand that unless I (we) are purchasing a home in a Target Area, I (we) understand that I (we) am (are) not eligible for an MCC from the City, under this program, if I (we) individually or together had a present ownership interest in a principal residence within three years prior to _____ (date on which this Application Affidavit was signed). I (We) also understand that I (we) cannot have an ownership interest in a principal residence between the date hereof and closing on the Mortgage Loan. For this purpose, a principal residence includes a single-family residence, condominium, two unit property where the owner will occupy one unit (a duplex), share in a housing cooperative, and manufactured home or mobile home (as defined under federal and state law), or occupancy in a multifamily residence owned by me (us). For this purpose, present ownership interest means ownership by any means, whether outright or partial, including property subject to mortgage or other security interest. An ownership interest also means a fee simple ownership interest, a joint ownership interest by joint tenancy in common, a tenancy by the entirety, or a life estate interest. I (We) certify that I (we) have listed below all places of residence, whether owned or not, for a three-year period prior to _____ (date on which this Application Affidavit was signed).

9. Previous Residences (Must show a full three (3) year history prior to application date)

<i>Address of Residence</i>	<i>Indicate whether residence was owned, rented or "other"*</i>	<i>Beginning /Ending Date of Residency</i>	
		<i>From:</i>	<i>To:</i>

--	--	--	--

All answers of "Other" must be fully explained; use additional paper if necessary.

Name, address and telephone number of the owner or landlord who can verify each residence listed above which was not owned by the applicant:

<i>Residence Address</i>	<i>Landlord Name</i>	<i>Landlord Address</i>	<i>Landlord Telephone</i>

10. I (We) certify that I (we) am (are) required to and will submit true and complete copies of my (our) actual signed federal tax returns as filed for the preceding three (3) tax years or such other written verification that is acceptable under the MCC Program.

11. I (We) certify that the total purchase price of the residence and land as a completed residence, including all construction items, all commissions, all builder's fees, hook-up and tap-in fees, permits, architectural fees, all site improvements, discount points paid by the seller, work credit, subcontracted items, or construction loan interest, but excluding any closing costs and other permanent financing charges, if the Residence is newly purchased, will be \$_____ and will not exceed the purchase price limitation applicable to the Residence appearing in the following schedule:

New and Existing Homes

Outside Target Area	\$361,054
Inside Target Area	\$441,289

12. I (we) certify that the Certified Indebtedness (first mortgage) amount is \$_____.

13. I (We) certify that no side deal or agreement, either verbal or written, is in place or contemplated for the completion of or the addition to the Residence unless the estimated cost of the completion or addition is included in the purchase price stated above. In addition, no side deal or agreement, either verbal or written, is in place or contemplated for the purchase by or on behalf of me (us) of any appliances from the seller at a price in excess of the fair market value of the appliance unless the excess of the price above the fair market value is included in the purchase price stated above.

14. I (We) certify that no person related to me (us) (for federal tax purposes) has or is expected to have, an interest as a creditor in, or will be paid interest on, the Mortgage Loan.

15. I (We) further certify that no other agreement, either verbal or written is presently contemplated for the completion of this Residence unless the estimated cost of the completion and/or addition is included in the purchase price.
16. I (We) certify that no portion of the financing of the acquisition of the Residence is or will be provided from the proceeds of a qualified mortgage bond or a qualified veteran's mortgage bond. No person related to me (as defined in applicable federal or state laws and regulations) has or is expected to have an interest as a creditor in the Mortgage Loan being acquired for the Residence.
17. I (We) certify that to the best of my (our) knowledge any points, origination fees, servicing fees, credit report fees, insurance fees and other fees paid to the Lender, or upon the Lender's request, are reasonable and not in excess of amounts customarily charged.
18. I (We) understand and agree that if an MCC is issued to me (us), it may not be transferred.
19. I (We) understand and agree that I (we) may seek financing from any Lender of my (our) choosing and that I (we) am (are) in no way prohibited from seeking financing from any potential lender, so long as the Lender executes and complies with the terms of the Lender Participation Agreement.
20. I (We) understand that I (we) am (are) not eligible for an MCC if my (our) gross annual household income (as defined in the MCC Program Manual) for non-Target Area exceeds \$79,300 (for 1 or 2 person households) or \$91,195 (for 3 or more person households), and if I (we) live in a Target Area, if my (our) gross income exceeds \$95,160 (1 or 2 person household) or \$111,020 (3 or more person households).
21. I (We) certify that my (our) current gross annual household income as defined below including income of all persons intending to occupy the Residence who will be primarily or secondarily liable on the mortgage, is \$ _____. The number of persons to reside in my (our) household is: _____.
22. I (We) understand that the MCC, if issued, will entitle me (us) to an annual federal tax credit equal to thirty percent (30%) of the annual interest paid on the underlying mortgage loan. My (our) ability to take full advantage of the annual federal tax credit is directly related to my (our) annual tax liability.
23. I (We) understand that the decision to make a mortgage loan is completely within the discretion of the lender to whom I (we) apply for a loan. The City plays no role in the decision to make a mortgage loan nor the amount of that loan.
24. I (We) cannot close my (our) loan prior to receiving an MCC Commitment. Furthermore, the certificate will be issued only after the loan closes and the City has received the necessary closing documents.
25. I (We) agree to pay a non-refundable Application Fee of \$75 payable to the Program Administrator and the Issuance Fee as described above.
26. I (We) acknowledge and understand that this Application Affidavit will be relied upon for purposes of determining my (our) eligibility for a Certificate. I (We) acknowledge that a material misstatement negligently made in this Application Affidavit or in any other statement made by me (us) in connection with an application for a Certificate will constitute a federal violation punishable by a fine; and a material misstatement fraudulently made in this Application Affidavit

or application for a Certificate, will constitute a federal violation punishable by up to a **\$10,000** fine and revocation of the Certificate which may be in addition to any criminal penalty imposed by law. In addition, any material misstatement or false statement which affects my (our) eligibility for a Certificate will result in a denial of my (our) application for a Certificate, or, if a Certificate has been issued prior to discovery of the false statement, immediate revocation of the Certificate issued. In addition, I (we) hereby acknowledge and understand that any false pretense, including any false statement or representation; or the fraudulent use of any instrument, facility, article or other valuable thing or service pursuant to my (our) participation in the Program, may be punishable by imprisonment or by a fine.

Date: _____

Signature of Applicant(s):

Signature

Signature

Signature

INCOME DETERMINATION

The gross income of a mortgagor (or mortgagors) (as defined by Revenue Ruling 86-124) promulgated by the Internal Revenue Service is the mortgagor's annualized gross income. Annualized gross income is gross monthly income multiplied by 12. Gross monthly income is the sum of monthly gross pay: any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Administration (VA) compensation, net rental income, etc: and other income (such as alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments). Information with respect to gross monthly income may be obtained from available loan documents executed during the 4-month period ending on the date of the closing of the mortgage, provided that any gross monthly income not included on the loan documents must be included in determining gross monthly income. The income to be taken into account in determining gross income is income of the mortgagor (or mortgagors) and any other person who is expected to both (1) live in the residence being financed and (2) to be secondarily liable on the mortgage. Income includes the income of both spouses.

EXHIBIT B

CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM

BORROWER CLOSING AFFIDAVIT

**THERE ARE IMPORTANT LEGAL CONSEQUENCES TO THIS AFFIDAVIT:
READ IT CAREFULLY BEFORE SIGNING**

1. I (We) the undersigned, as part of my (our) application for a Mortgage Credit Certificate ("MCC") from the City and County of Denver, Colorado (the "City"), issuer of such certificate under the City's Mortgage Credit Certificate Program (the "Program"), and as a material inducement to the City to issue an MCC to the undersigned in connection with the financing, with a mortgage loan (the "Mortgage Loan") from the lender of the undersigned's choosing (the "Lender") of the undersigned's purchase of a single-family home (the "Residence"), being first duly sworn, state the following:

2. I (We) executed the Application Affidavit as part of my (our) application for a Mortgage Credit Certificate on _____, 201__ (Date Application Affidavit was signed).

3. (Check and complete Section (a) or (b), whichever applies.)

____ (a) I (We) have reviewed the Application Affidavit and declare that there has been no change in the statements therein and said statements remain true and accurate.

____ (b) I (We) have reviewed the Application Affidavit and declare that the following material changes have occurred from the statements therein.

4. (Check the applicable statement) I (We) further state that I (We) ____ have ____ have not had an ownership interest in a principal residence or occupied and owned a single-family home, a manufactured home (including mobile home) which is customarily used in a fixed location, a condominium, a two unit property where the owner will occupy one unit (a duplex), or a unit within a housing cooperative within the last three years.

5. I (We) acknowledge and understand that this Application Affidavit will be relied upon for purposes of determining my (our) eligibility for a Certificate. I (We) acknowledge that a material misstatement negligently made in this Application Affidavit or in any other statement made by me (us) in connection with an application for a Certificate will constitute a federal violation punishable by a fine; and a material misstatement fraudulently made in this Application Affidavit or application for a Certificate, will constitute a federal violation punishable by up to a **\$10,000** fine and revocation of the Certificate which may be in addition to any criminal penalty imposed by law. In addition, any material misstatement or false statement which affects my (our) eligibility for a Certificate will result in a denial of my (our) application for a Certificate, or, if a Certificate has been issued prior to discovery of the false statement, immediate revocation of the

Certificate issued. In addition, I (we) hereby acknowledge and understand that any false pretense, including any false statement or representation; or the fraudulent use of any instrument, facility, article or other valuable thing or service pursuant to my (our) participation in the Program, may be punishable by imprisonment or by a fine.

Signature of Applicant(s): _____

Subscribed and sworn to before me this ____ day of _____, 200 ____

Notary Public in and for the City and County of Denver,
State of Colorado

My Commission Expires: _____

Notary Seal

Note: This form must be completed and signed by the applicant at closing. All blanks must be completed in order for the form to be valid.

EXHIBIT C

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

INCOME TAX AFFIDAVIT

1. I (We) the undersigned state the following:
(Complete Paragraph 2 only if you were not required by law to file Federal Income Tax returns for any year during the preceding three years. Disregard if inapplicable.)
2. _____ I (We) hereby certify that I (we) was (were) not required by law to file a Federal Income Tax Return for the following year(s) _____ for the reason(s) below:

Please supply documentation supporting the above explanation.

(Check Paragraph 3 only if the closing for the financing in connection with which you are seeking a Mortgage Credit Certificate ("MCC") will occur between January 1 and February 15 and you have not filed your Federal Income Tax return for the immediately preceding year. Disregard if inapplicable)

3. _____ I (We) hereby certify that the closing in connection with which I (we) am (are) seeking an MCC is occurring between January 1 and February 15, and that I (we) have not yet filed our Federal Income Tax Return for the prior tax year. The income I (We) have for _____ (prior tax year) was \$ _____ and do not exceed the income limits for the MCC program.
4. I (We) acknowledge and understand that this Application Affidavit will be relied upon for purposes of determining my (our) eligibility for a Certificate. I (We) acknowledge that a material misstatement negligently made in this Application Affidavit or in any other statement made by me (us) in connection with an application for a Certificate will constitute a federal violation punishable by a fine; and a material misstatement fraudulently made in this Application Affidavit or application for a Certificate, will constitute a federal violation punishable by up to a **\$10,000** fine and revocation of the Certificate which may be in addition to any criminal penalty imposed by law. In addition, any material misstatement or false statement which affects my (our) eligibility for a Certificate will result in a denial of my (our) application for a Certificate, or, if a Certificate has been issued prior to discovery of the false statement, immediate revocation of the Certificate issued. In addition, I (we) hereby acknowledge and understand that any false pretense, including any false statement or representation; or the fraudulent use of any instrument, facility, article or other valuable thing or service pursuant to my (our) participation in the Program, may be punishable by imprisonment or by a fine.

Dated: _____ Signature of Applicant(s): _____

Affidavit must be accompanied with documented proof that the Applicant was a renter during the

specified period, i.e. notarized letter from the landlord or manager, canceled checks, rent receipts. If the Applicant was a student, affidavit must be accompanied by (we need a copy of) the transcripts or diploma to support the status of the Applicant for that period of time. If an Applicant was out of the country, Affidavit must be accompanied by proof of entrance into the country.

EXHIBIT D

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

LENDER'S CERTIFICATION OF APPLICANT ELIGIBILITY

Lender's Name: _____ Address: _____

Lender's Telephone No.: _____ Fax: _____

We are processing a mortgage loan application for the household described below. Based on our review, this household meets the eligibility requirements under the MCC Program as set forth in the Program Manual. We have collected the appropriate MCC Application Fee from the Borrower. Please reserve an MCC for this household.

Name of Borrower(s): _____

Current Mailing Address: _____

Address of Residence to be purchased: _____

The residence being purchased is a: Single-family detached house
 Condominium/Townhouse

\$ _____ \$ _____ \$ _____
 Purchase Price Mortgage Amount Gross Annual Household Income

Census Tract No. _____ Residence in Target Area? ___ Yes ___ No

Type: ___ Newly Constructed ___ Existing Unit

Status of Prior Homeownership: ___ Never before Owned a Residence
 ___ Last Date of Ownership: _____

Was the tax benefit from the MCC used to qualify Borrower for the Loan? _____ Yes _____ No

APPLICANT INFORMATION (For Statistical Purposes Only)

Occupation of Head of Household: _____

Age of Primary Applicant _____ Marital Status _____ Married _____ Single _____ No. of wage-earners In Household _____ Family Size _____ Number of Bedrooms _____

HEAD OF HOUSEHOLD ETHNICITY (Optional - Collected for Statistical Purposes Only) _____
Female _____ White _____ Black _____ American Indian _____
Male _____ Hispanic _____ Asian / Pacific Islander _____ Other _____

Thank you for completing this important statistical section.

The Lender has obtained the Applicant's Application Affidavit, true, complete, signed copies of Applicant's federal tax returns for the three-year period prior to _____ (date of application) or an Income Tax Affidavit, whichever is appropriate. After reasonable investigation, the Lender hereby certifies that the Residence is a newly constructed/existing (circle appropriate response) single-family home located in the City and County of Denver and is reasonably expected to become the Applicant's principal residence within sixty (60) days after an MCC is issued (except where occupancy of the Residence is delayed due to rehabilitation).

Based upon reasonable investigation, the Lender has no reason to believe that either the Applicant or the Seller of the Residence has made any negligent, or fraudulent, material misstatements in connection with the Applicant's application for an MCC.

Date: _____

X _____
Signature Of Lender's Authorized Representative

Title: _____

CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM
FUNDING LENDER'S CLOSING CERTIFICATE

_____ (“Funding Lender”) hereby states the following:

1. The Lender has accepted and reviewed the Mortgage Credit Certificate (“MCC”) application for:

(Names of Holder)
(who shall be referred to as the “Applicant”)

(Social Security Number)

(Residence to be purchased)
2. (complete if a purchase of a new Residence): The Acquisition Cost (purchase price) for the Residence is \$ _____.
3. The Lender has provided financing (the “Mortgage Loan”) in the amount of \$ _____. The Mortgage Loan closing occurred on _____ (to be completed by the Lender or Title Company).
4. The Lender has received and examined true, complete signed copies of the Applicant's Federal Income Tax Returns for the three-year period prior to _____ (loan closing date) or such other verification as is acceptable pursuant to the MCC Program. Said tax returns or other verification have been submitted previously.
5. The Lender has obtained and examined the Seller's Affidavit. After reasonable investigation, the Lender hereby certifies that the total purchase price of the Residence acquired with the proceeds of the Mortgage Loan is in compliance with the MCC Program requirements.
6. Section (a), (b) or (c) is true (check appropriate paragraph):
____ (a) The Applicant has had no present ownership interest in a principal residence at any time during the three (3) years prior to _____ (date of closing).
____ (b) The Applicant is purchasing a home in a Target Area.
7. Statement (a) or (b) is true (check appropriate paragraph):
____ (a) Based upon reasonable investigation, the Lender is aware of no material change in the circumstances upon which it relied in executing the initial Lender Certification. All statements and certifications contained in the Initial Certification remain valid and true.
____ (b) The following material changes have occurred in the circumstances upon which the Lender relied in executing the initial Lender Certification:

-
-
8. The Lender hereby certifies that the above noted changes in circumstances do not affect the Applicant's eligibility for a MCC.
 9. Based upon reasonable investigation, the Lender has no reason to believe that either the Applicant or the Seller of the Residence has made any negligent or fraudulent, material misstatements in connection with the Applicant's application for an MCC.
 10. The Lender hereby certifies the following:
 - a. The term of mortgage is _____ months.
 - b. The mortgage interest rate is _____ %, and is fixed.
 - c. Type of mortgage is ___ FHA, ___ VA, or ___ Conventional.
 - d. The monthly PITI (without MCC) is \$ _____.

The Lender hereby agrees that it will immediately forward to the Program Administrator and to the City all information which it or any of its successors may receive during the life of the mortgage loan which tends to indicate that the applicant may have made a misrepresentation in applying for an MCC, or that may affect the Applicant's Eligibility for an MCC. The Lender hereby acknowledges that its failure to comply with Program Requirements will result in revocation of its participation in the MCC Program and all other City Programs.

 (Print Name of Authorized Lender Representative) (Title)

 (Signature of Authorized Lender Representative) (Date)

 (Lender's Address)

 Telephone # Fax # Email Address

EXHIBIT E

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

SELLER AFFIDAVIT

**THERE ARE IMPORTANT LEGAL CONSEQUENCES TO THIS AFFIDAVIT:
READ IT CAREFULLY BEFORE SIGNING**

1. I (We), the undersigned, seller of a the home to an applicant for a Mortgage Credit Certificate and essential participant in the application for a Mortgage Credit Certificate ("MCC") to be issued by the City and County of Denver, Colorado (the "City") pursuant to the City's Mortgage Credit Certificate Program (the "Program"), being submitted by _____ (the "Buyer"), in connection with the Buyer's purchase from the undersigned of a single-family home (the "Residence"), being first duly sworn, hereby state the following:
2. I (We) certify that I (We) am (are) the Seller of the Residence.
3. I (We) certify that the total amount paid to me (us) (or to anyone related to me (us), or acting on my (our) behalf), in connection with the purchase of the Residence and any other property being acquired contemporaneously with the Residence, including all money to be paid to me and the full value of the goods or services to be provided to me (us), is \$_____, (sales price), excluding all usual and reasonable settlement or financing costs, including title and transfer costs, title insurance, survey fees, credit reference fee, legal fees, appraisal expenses and "points" which are paid by the Buyer.
4. The Residence is located in the City and County of Denver, at the following address:

Complete each of the following statements as applicable.

If a statement is not applicable, state "not applicable" in the blank therein.

5. (We) certify that:
 - a. The total amount of payments made to date to me (or to anyone related to me (us) or acting on my (our) behalf) for the purchase of the Residence by the Buyer is \$_____, (amount deposited in escrow).
 - b. As of the date of the Affidavit, the Residence has not been completely constructed, and my estimate of the reasonable cost of the Residence is \$_____ (for new construction).
6. I (We) have not entered into a contract or agreement, either expressed or implied, with the Buyer of the Residence to perform additional construction on the Residence or to transfer any additional property for additional cost, other than personal property contained in the Sales Agreement submitted with the Initial Commitment Request and made a part of this Affidavit.

7. The Residence is _____ a single-family home defined as a Housing Unit (including a condominium unit) intended to be used for occupancy by one household.
8. I (We) acknowledge and understand that this Affidavit will be relied upon for purposes of determining the Buyer's eligibility for an MCC. I (We) acknowledge that a material misstatement fraudulently or negligently made in this affidavit or in any other statement made by me (us) in connection with an application for an MCC may constitute a federal violation punishable by a fine and/or denial of the Buyer's application for an MCC, or, if an MCC has been issued prior to discovery of the false statement, immediate cancellation of the MCC issued, which may be in addition to any criminal penalty imposed by law.

Signature of Seller(s):

Print or

Type Name: _____

Subscribed and sworn to me before this _____ day of _____, 20__

Notary Public in and for the City and County of Denver,
State of Colorado

My Commission Expires: _____

Notary Seal

EXHIBIT F

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

**CERTIFICATE OF INITIAL RECEIPT
OF RECAPTURE NOTICE
(To be provided to Mortgagor at time
of initial contact with Lender)**

The attached Recapture Notice and Computation Worksheet attached as Exhibit G to the Administration Agreement provides information about a potential federal income tax liability you may incur if you purchase and later sell or transfer a residence financed by a mortgage loan with respect to which you have received a mortgage credit certificate.

Read the entire Recapture Notice and Computation Worksheet carefully to familiarize yourself with the circumstances under which recapture liability may arise. As you do, note, among other things, that if you sell the residence more than nine years after the close of escrow, no recapture liability arises. Also, if you sell the residence during the first nine years after closing but your income does not increase more than 5% per year during that period, you will likely not incur recapture liability. Finally, in no case will recapture liability exceed 50% of your gain from the sale of the residence.

Please sign below to indicate that you have received your copy of the Recapture Notice and Computation Worksheet.

_____	_____
Applicant	Date
_____	_____
Applicant	Date

EXHIBIT G

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

**RECAPTURE NOTICE AND
COMPUTATION WORKSHEET**

(To be delivered to Mortgagor at close of escrow; for all loan closings)

Because you are receiving a mortgage credit certificate with your mortgage loan, you are receiving the benefit of a credit against your federal income taxes. If you sell or otherwise dispose of your home during the next nine years, this benefit may be "recaptured." The recapture is accomplished by an increase in your federal income tax for the year in which you sell your home. You may be subject to recapture even if you cease to claim the mortgage credit prior to the end of the nine-year period (for example, if you refinance the property). The recapture only applies, however, if you sell your home at a gain and if your income increases above specified levels. You may wish to consult a tax advisor or the local office or the Internal Revenue Service at the time you sell or otherwise dispose of your home to determine the amount, if any, of your actual recapture tax. (See Section 143(m) of the Internal Revenue Code generally.) The following information will assist you in determining the amount, if any, of "recapture tax":

1. Name of Mortgagor(s): _____

2. Date of Home Mortgage Closing: _____
3. Location of Home (address): _____
4. Principal amount of Home Mortgage on date of Mortgage Closing: \$ _____
5. Is the Home in an IRS Target Area? Yes No

A. ARE YOU SUBJECT TO RECAPTURE?

You will be subject to a special recapture tax for the tax year in which you sell or transfer your home only if you meet all three of the following conditions.

1. You sell or transfer the home on or before _____ (the date which is 9 years from the date of Mortgage Closing listed above), and
2. You sell or transfer the home at a gain (determined by the IRS form on gain from sale of a single-family residence, whether or not you decide to rollover the gain), and
3. The Home is not:
 - a. Transferred as a result of your death, or
 - b. Transferred to your spouse or to your former spouse as a result of divorce and you have no gain or loss included in your income under Section 1041 of the Internal Revenue Code (in which case the spouse or former spouse is treated as if he or she had been the owner from the date of Mortgage Closing), or

- c. Replaced as your principal residence on the site of the home financed with your original subsidized mortgage loan within two years of its destruction by fire, storm, or other casualty; and Your modified adjusted gross income for the taxable year in which you sell your home exceeds the Adjusted Qualifying Income in Table 1 below.

Your Home _____ is not _____ is located in a Target Area. If it is in a Target Area, you may use the higher limits listed in Table IA below.

Your Modified Adjusted Gross Income means your “adjusted gross income” shown on your federal tax return for the taxable year in which you sell your home increased by any tax exempt bond interest income you receive or accrue in such taxable year that is excluded from your gross income (under Section 103 of the Internal Revenue Code) and decreased by the amount of any gain included in your gross income by reason of the sale of your home.

**TABLE I: NON-TARGET AREA
ADJUSTED QUALIFYING INCOME**

	Number of Family Members Living in your Home at the Time of Sale:	
	2 or less* Median x 100%	3 or more* Median x 115%
<u>Date that you sell your home:</u>		
Less than 1 year after Mortgage Closing:		
1 or more years, but less than 2 years after Mortgage Closing:		
2 or more years, but less than 3 years after Mortgage Closing:		
3 or more years, but less than 4 years after Mortgage Closing:		
4 or more years, but less than 5 years after Mortgage Closing:		
5 or more years, but less than 6 years after Mortgage Closing:		
6 or more years, but less than 7 years after Mortgage Closing:		
7 or more years, but less than 8 years after Mortgage Closing:		
8 or more years, but less than 9 years after Mortgage Closing:		

**TABLE IA: TARGET AREA
ADJUSTED QUALIFYING INCOME**

	Number of Family Members Living in your Home at the Time of Sale:	
	2 or less* Median x 120%	3 or more* Median x 140%
<u>Date that you sell your home:</u>		
Less than 1 year after Mortgage Closing:		
1 or more years, but less than 2 years after Mortgage Closing:		
2 or more years, but less than 3 years after Mortgage Closing:		
3 or more years, but less than 4 years after Mortgage Closing:		
4 or more years, but less than 5 years after Mortgage Closing:		
5 or more years, but less than 6 years after Mortgage Closing:		
6 or more years, but less than 7 years after Mortgage Closing:		
7 or more years, but less than 8 years after Mortgage Closing:		
8 or more years, but less than 9 years after Mortgage Closing:		

* Or high housing cost adjustment, if applicable. The entries in the first row are the highest qualifying incomes as of the date of loan closing. The entries in each subsequent row equal the entries in the immediately preceding row times 1.05.

B. HOW MUCH RECAPTURE TAX WOULD YOU OWE?

If you meet all three of the above conditions, then you will be subject to the recapture tax.

The maximum potential recapture tax that you may be required to pay as an addition to your federal income tax is \$ _____. This amount is 6.25% of the highest principal amount of your mortgage loan and is your federally subsidized amount with respect to the loan. The actual recapture tax, if any, can only be determined when you sell your home, and is the lesser of (i) 50% of your gain on the sale of the home, regardless of whether you have to include that gain in your income for federal income tax purposes, or (ii) your recapture amount, determined in Steps 1 and 2 below.

1. Calculation of Recapture Amount

Step A: Calculate the maximum potential recapture tax in the year of sale shown below:

TABLE II MAXIMUM POTENTIAL RECAPTURE TAX

Date of Sale or Transfer of Home: (or Prepayment of Mortgage if Earlier)	Percentage of Original Mortgage	Dollar Amount Based on Original Mortgage of \$ _____
Before 1 year after Mortgage Closing:	1.25%	\$ _____
1 or more years, but less than 2 years after Mortgage Closing:	2.50%	\$ _____
2 or more years, but less than 3 years after Mortgage Closing:	3.75%	\$ _____
3 or more years, but less than 4 years after Mortgage Closing:	5.00%	\$ _____
4 or more years, but less than 5 years after Mortgage Closing:	6.25%	\$ _____
5 or more years, but less than 6 years after Mortgage Closing:	5.00%	\$ _____
6 or more years, but less than 7 years after Mortgage Closing:	3.75%	\$ _____
7 or more years, but less than 8 years after Mortgage Closing:	2.50%	\$ _____
8 or more years, but less than 9 years after Mortgage Closing:	1.25%	\$ _____

Example: If the home was sold between 1 and 2 years after Mortgage Closing, use 2.5% of original mortgage. Thus if original mortgage was \$100,000, the maximum potential recapture tax would be \$2,500 ($\$100,000 \times 2.5\%$).

Step B: Possible Reduction Determine whether your Modified Adjusted Gross Income, in the taxable year in which you sell the home, exceeds the Adjusted Qualifying Income shown in Table I or Table IA, as applicable, and if it does whether such excess is more or less than \$5,000 above the Adjusted Qualifying Income shown in Table I or Table IA, as applicable.

Example: If you have a 2 person household and your Modified Adjusted Gross Income is \$53,000, and the Adjusted Qualifying Income in Table I or Table IA, as applicable, for that year is \$50,000, your "excess income" is \$3,000:

Actual Household Income	\$53,000
- Income Limit (From Table I or Table IA)	\$50,000
= Excess Income above Adjusted Qualifying Income	\$3,000

You will be in one of three situations:

- (i) Your Modified Adjusted Gross Income does not exceed the Adjusted Qualifying Income: You are not subject to any recapture tax at all.

(ii) Your Modified Adjusted Gross Income is greater than \$5,000 above the Adjusted Qualifying Income: There is no reduction in the maximum potential recapture tax calculated in Step 1.

(iii) Your Modified Adjusted Gross Income is less than \$5,000 above the Adjusted Qualifying Income. Your maximum potential recapture tax will be reduced pro rata, as shown below:

If your excess Modified Adjusted Gross Income is less than \$5,000 above the Adjusted Qualifying Income, the revised maximum potential recapture tax would be:

$$\text{Revised Maximum Potential Recapture Tax} = \frac{\text{Excess Income (from Step 2)}}{\$5,000} \times \text{Maximum Potential Recapture Tax (from Table II)}$$

Example:

$$\frac{\text{Actual Income} - \text{Adjusted Qualifying Income}}{\$5,000} = \frac{\$3,000}{\$5,000} = 60\%$$

$$60\% \times \$2,500 \text{ Maximum Potential Recapture Tax (from Table II)} = \$1,500 \text{ Revised Maximum Potential Recapture Tax}$$

Thus, the maximum potential recapture tax of \$2,500 determined in Step 1 would be reduced to \$1,500 due to the calculation in Step 2.

2. Gain on Sale of Home:

Finally, compare the revised maximum potential recapture tax (from Step 2) to one-half of your actual gain from the sale of the home. (Your "Gain" is generally defined by the IRS to be the resale price less (i) sale costs, (ii) your original purchase price, and (iii) your cost of capital improvements. This is true whether or not you rollover the gain.) Whichever is less is the amount of recapture tax liability.

Example: Revised Maximum Potential Recapture Tax = \$1,500

Gain from Sale of Home:

Sale Price	\$150,000
- Closing Costs	\$ 8,000
	\$142,000

- Basis in Home \$140,000 (\$130,000 initial price plus \$10,000 cost of improvements)

$$\begin{array}{r} \text{Gain} \\ \times 1/2 \\ \hline \end{array} \begin{array}{r} \$ 2,000 \\ \\ \\ \end{array} = \begin{array}{r} \$ 1,000 \end{array}$$

Lesser of \$1,500 and \$1,000 is \$1,000; so \$1,000 is the recapture tax liability.

C. Other Factors Affecting the Recapture Tax

All references to the "sale" or "transfer" of the home include any change in your interest in the Home, whether by sale, exchange, gift or some other disposition.

If you give away your home (other than to your spouse or ex-spouse incident to divorce), you must determine your actual recapture tax as if you had sold your home for its fair market value.

If any person other than you or your spouse is also a mortgagor, each person's Recapture Tax will be determined separately in accordance with his or her interest in the home.

The Recapture Tax may also be somewhat reduced if you repay your loan in full (e.g., refinance) during the nine-year recapture period and you sell your home during this period under a special rule in Section 143(m)(4)(C)(ii) of the Internal Revenue Code.

Other special rules may apply in particular circumstances.

This Recapture Notice is provided by the City and County of Denver, Colorado pursuant to Section 143(m)(7) of the Internal Revenue Code. Please acknowledge that you have received and have read this Recapture Notice by signing in the space(s) provided below.

CITY AND COUNTY OF DENVER, COLORADO, Issuer

ACKNOWLEDGED:

Mortgagor

Date

Mortgagor

Date

EXHIBIT H-1

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

MCC CERTIFICATE

THIS MORTGAGE CREDIT CERTIFICATE ENTITLES the hereinafter named Holder to the federal income tax credit authorized by Section 25 of the Internal Revenue Code of 1986, as amended (the "Code"), in an amount equal to the Certificate Credit Rate multiplied by the interest paid or accrued by the Holder on the indebtedness incurred in connection with this Certificate during the taxable year. If the federal income tax credit permitted by this Certificate exceeds the Holder's tax liability (after proper adjustment for other tax credits) then the Holder may carry forward the unused credit for up to 3 years as provided in Section 25(e)(1) of the Code. This Certificate and the issue of which it forms a part, constitute City and County of Denver, Colorado (the "City") Mortgage Credit Certificate Program (the "Program"). Captioned terms used but not defined herein shall have the meanings ascribed to them in the Mortgage Credit Certificate Program Administration Agreement, dated as of March 1, 2012 (the "Administration Agreement"), by and between the City and Morgan Keegan & Company, Inc., a Tennessee corporation, as Program Administrator (the "Program Administrator"). This Certificate shall remain valid and in effect from the date of closing of the related mortgage loan until such time as (i) the City or its agent revokes the Certificate for any misrepresentation or misstatement of fact by the Holder regarding the Holder's eligibility for the Program, (ii) the Residence financed in connection with this Certificate ceases to be the Holder's principal residence, or (iii) the indebtedness incurred in connection with this Certificate is repaid.

Without the prior written approval of the City and the Program Administrator, this Certificate is not transferable and is automatically revoked if the Residence financed in connection with this Certificate ceases to be the Holder's Principal Residence. The Holder has agreed, and is required by law, to notify the Program Administrator if the Residence financed in connection with this Certificate ceases to be the Holder's Principal Residence.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City has caused this Certificate to be executed in its name and on its behalf with the facsimile or manual signature of the Mayor of the City, to be sealed with a facsimile or manual impression of the seal of the City and attested with the facsimile or manual signature of the Clerk and Recorder, ex officio Clerk of the City, and to be registered and countersigned with the facsimile or manual signature of the Auditor of the City.

CITY AND COUNTY OF DENVER,
COLORADO

By (Facsimile or Manual Signature)
Mayor

(SEAL)

Attest:

(Facsimile or Manual Signature)
Clerk and Recorder, ex officio Clerk of the
City and County of Denver

Countersigned:

By (Facsimile or Manual Signature)
Manager of Finance

By (Facsimile or Manual Signature)
Auditor

Based on its review of the materials submitted by the Holder, and such independent investigation as it deemed necessary, the PROGRAM ADMINISTRATOR has deemed that:

1. This Certificate meets the residence requirements of Section 1.25-3T(d) of the United States Treasury Regulations (the "Treas. Regs."), because the Holder has indicated an intention to occupy the Residence as a principal residence and the Residence is located in the Program Area.
2. This Certificate meets the first-time homebuyer requirements of Treas. Reg. Section 1.25-3T(e) because the Holder has provided evidence and made assurances that the Holder had no present ownership interest in a principal residence at any time during the preceding three years or the Residence financed in connection with this Certificate is located in a Targeted Area.
3. This Certificate meets the new mortgage requirements of Treas. Reg. Section 1.25-3T(g) because the Holder has made assurances that the Certified Indebtedness Amount represents a new mortgage and not the acquisition or replacement of an existing mortgage.
4. This Certificate meets the prohibited mortgage requirements of Treas. Reg. Section 1.25-3T(i) because the Holder and the Lender of the Certified Indebtedness Amount have made assurances that none of the financing of indebtedness was provided from the proceeds of a tax-exempt bond issue.
5. This Certificate meets the particular lender requirements of Treas. Reg. Section 1.25-3T(j) because the Program is not limited to particular lenders and the Holder has made assurances to that effect.
6. This Certificate meets the requirements regarding allocations to particular developers contained in Treas. Reg. Section 1.25-3T(k) because if the Residence financed in connection with this Certificate is located in a particular development where proceeds of the Program were allocated to a developer, the developer has provided the Holder and the City with a certificate stating that the Purchase Price of the Residence was not higher than it would have been had the City not allocated mortgage credit certificates to the development and the Holder has provided the Program Administrator an affidavit acknowledging receipt of such certificate from the developer.
7. This Certificate meets the requirements regarding payment of interest to related persons of the Holder contained in Treas. Reg. Section 1.25-3T(n) because the Holder and the Lender of the Certified Indebtedness Amount have both provided assurances that interest on the Indebtedness will not be paid to a related person to the Holder.
8. The Residence financed in connection with this Certificate (is)(is not) in a Targeted Area (select one).
9. Holder has paid the applicable Application Fee and Issuance Fee as described in the Administrative Agreement.

I, the undersigned, an officer of the Program Administrator with authority to execute this Certificate, hereby certify, under penalty of perjury, that I made each of the determinations specified in items number 1 through 9 above and each of the determinations required to complete the reverse of this Certificate and each requirement necessary for issuance of this Certificate to the Holder has to the best of my knowledge and belief been fulfilled.

MORGAN KEEGAN & COMPANY, INC.,
as Program Administrator

By: _____
Authorized Agent

CITY AND COUNTY OF DENVER, COLORADO
C/O DEPUTY DIRECTOR
OFFICE OF ECONOMIC DEVELOPMENT
201 W. COLFAX AVE., SECOND FLOOR
DENVER, CO 80202

TIN: 84-6000580

CERTIFICATE HOLDER

CERTIFICATE CO-HOLDER (if necessary)

Name: _____

Name: _____

Residence: _____

Residence: _____

Social Security Number: _____

Social Security Number: _____

DATE OF ISSUER'S ELECTION:

March __, 2012

PROGRAM EXPIRATION DATE:

December 31, 2014

MORTGAGE LOAN CLOSING DATE:

_____, ____

CERTIFIED INDEBTEDNESS AMOUNT:

\$ _____

PURCHASE PRICE OF RESIDENCE:

\$ _____

APPLICABLE MAXIMUM PURCHASE PRICE:

\$ _____

BORROWER'S ANNUAL INCOME:

\$ _____

APPLICABLE MAXIMUM ANNUAL INCOME:

\$ _____

BORROWER _____ IS _____ IS NOT A FIRST TIME HOMEBUYER

CERTIFICATE CREDIT RATE: 30%

CENSUS TRACT NO.: _____

EXHIBIT H-II

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

FORM OF REISSUED MCC

CERTIFICATE NUMBER _____

THIS REISSUED MORTGAGE CREDIT CERTIFICATE ENTITLES the hereinafter named Holder to the federal income tax credit authorized by Section 25 of the Internal Revenue Code of 1986, as amended (the "Code"), in an amount equal to the lesser of (i) the Certificate Credit Rate multiplied by the interest paid or accrued by the Holder on the mortgage loan incurred in connection with this Certificate during the taxable year multiplied by the Applicable Percentage (as defined below), or (ii) the federal income tax credit to which the Holder would have been entitled under the Original MCC (as defined below). If the federal income tax credit permitted by this Certificate exceeds the Holder's tax liability (after proper adjustment for other tax credits) then the Holder may carry forward the unused credit for up to three years as provided in Section 25(e)(1) of the Code. This Certificate and the issue of which it forms a part, constitute City and County of Denver, Colorado (the "City") Mortgage Credit Certificate Program (the "Program"). The City previously issued a mortgage credit certificate (the "Original MCC") to the Holder which has been surrendered pursuant to Section 1.25-3(p) of the United States Treasury Regulations (the "Regulations"). The mortgage loan incurred in connection with this Certificate refinanced the mortgage loan related to the Original MCC, directly or through a series of refinancings. Captioned terms used but not defined herein shall have the meanings ascribed to them in the Mortgage Credit Certificate Program Administration Agreement, dated as of March 1, 2012, by and between the City and Morgan Keegan & Company, Inc., a duly organized and validly existing Tennessee corporation, as Program Administrator (the "Program Administrator").

THE HOLDER HEREOF IS RESPONSIBLE FOR CALCULATING THE AMOUNT OF FEDERAL INCOME TAX CREDIT TO WHICH SUCH HOLDER WOULD HAVE BEEN ENTITLED UNDER THE ORIGINAL MCC. TO MAKE THIS CALCULATION, THE HOLDER MUST DETERMINE THE AMOUNT OF INTEREST THAT WOULD HAVE BEEN PAID OR ACCRUED BY THE HOLDER ON THE MORTGAGE LOAN RELATING TO THE ORIGINAL MCC DURING THE TAXABLE YEAR (USING EITHER THE SCHEDULED INTEREST METHOD OR THE HYPOTHETICAL INTEREST METHOD, WHICHEVER IS APPLICABLE, AS PROVIDED IN SECTION 1.25-3(p)(3)(v) OF THE REGULATIONS) AND MULTIPLY SUCH AMOUNT BY THE CERTIFICATE CREDIT RATE.

This Certificate shall remain valid and in effect from the date of closing of the related mortgage loan until such time as (i) the City or its agent revokes the Certificate for any misrepresentation or misstatement of fact by the Holder regarding the Holder's eligibility for the Program, (ii) the Residence refinanced in connection with this Certificate ceases to be the Holder's principal residence, (iii) the indebtedness incurred in connection with this Certificate is repaid, or (iv) this Certificate expires pursuant to its own terms on the date indicated on the reverse side of this Certificate.

Without the prior written approval of the City and the Program Administrator, this Certificate is not transferable and is automatically revoked if the Residence refinanced in connection with this Certificate ceases to be the Holder's principal residence. The Holder has agreed, and is required by law,

to notify the Program Administrator if the Residence refinanced in connection with this Certificate ceases to be the Holder's principal residence.

IN WITNESS WHEREOF, the City has caused this Certificate to be executed in its name and on its behalf with the facsimile or manual signature of the Mayor of the City, to be sealed with a facsimile or manual impression of the seal of the City and attested with the facsimile or manual signature of the Clerk and Recorder, ex officio Clerk of the City, and to be registered and countersigned with the facsimile or manual signature of the Auditor of the City.

CITY AND COUNTY OF DENVER,
COLORADO

By (Facsimile or Manual Signature)
Mayor

(SEAL)

Attest:

(Facsimile or Manual Signature)
Clerk and Recorder, ex officio Clerk of the
City and County of Denver

Countersigned:

By (Facsimile or Manual Signature)
Manager of Finance

By (Facsimile or Manual Signature)
Auditor

Based on its review of the material submitted by the Holder, and such independent investigation as it deemed necessary, the Program Administrator has deemed that:

1. This Certificate meets the residence requirements of Section 1.25-3T(d) of the Regulations, because the Holder has indicated an intention to occupy the Residence as a principal residence and the Residence is located in the Program Area.

2. This Certificate meets the first-time homebuyer requirements of Section 1.25-3T(e) of the Regulations because the Holder has provided evidence and made assurances that the Holder had no present ownership interest in a principal residence at any time during the three years preceding issuance of the Original MCC or the requirements of Section 1.25-3T(e) of the Regulations do not apply because the mortgage loan related to the Original MCC represented that the Residence financed in connection with this Certificate is located in a Targeted Area.

3. This Certificate meets the new mortgage requirements of Section 1.25-3T(g) of the Regulations because the Holder has made assurances that the mortgage loan related to the Original MCC represented a new mortgage and not the acquisition or replacement of an existing mortgage.

4. This Certificate meets the prohibited mortgage requirements of Section 1.25-3T(i) of the Regulations because the Holder and the lender of the Certified Indebtedness Amount have made assurances that none of the financing of indebtedness was provided from the proceeds of a tax-exempt bond issue.

5. This Certificate meets the particular lender requirements of Section 1.25-3T(j) of the Regulations because the Program is not limited to particular lenders and the Holder has made assurances to that effect.

6. This Certificate meets the requirements regarding allocations to particular developers contained in Section 1.25-3T(k) of the Regulations because if the Residence financed in connection with this Certificate is located in a particular development where proceeds of the Program were allocated to a developer, the developer has provided the Holder and the City with a certificate stating that the Purchase Price of the Residence was not higher than it would have been had the City not allocated mortgage credit certificates to the development and the Holder has provided the Program Administrator an affidavit acknowledging receipt of such certificate from the developer.

7. This Certificate meets the requirements regarding payment of interest to related persons of the Holder contained in Section 1.25-3T(n) of the Regulations because the Holder and the lender of the Certified Indebtedness Amount have provided assurances that interest on the Certified Indebtedness Amount will not be paid to a related person to the Holder.

8. The Residence financed in connection with this Certificate is/is not in a Targeted Area.

9. This Certificate relates to the same Residence to which the Original MCC related.

10. The Holder has surrendered the Original MCC and all Certificates related to any prior refinancings of the mortgage loan related to the Original MCC, if any

11. The Certified Indebtedness Amount does not exceed (a) if the mortgage loan related to this Certificate is the first refinancing of the mortgage loan related to the Original MCC, the outstanding principal amount of the mortgage loan related to the Original MCC on the date that the mortgage loan related to this Certificate was incurred or (b) if the mortgage loan related to this Certificate is not the first refinancing of the mortgage loan related to the Original MCC, the outstanding principal amount of the mortgage loan refinanced by the mortgage loan related to this Certificate on the date that the mortgage loan related to this Certificate was incurred.

12. The Certificate Credit Rate of this Certificate is not greater than the Certificate Credit Rate of the Original MCC.

I, the undersigned, an officer of the Program Administrator with authority to execute this Certificate, hereby certify, under penalty of perjury, that I made each of the determinations specified in items under 1 through 12 above and each of the determinations required to complete the reverse of this Certificate and each requirement necessary for issuance of this Certificate to the Holder has to the best of my knowledge and belief been fulfilled.

MORGAN KEEGAN & COMPANY, INC.,
as Program Administrator

By: _____
Authorized Agent

**CITY AND COUNTY OF DENVER, COLORADO
ATTN: DEPUTY DIRECTOR
OFFICE OF ECONOMIC DEVELOPMENT
201 WEST COLFAX AVENUE, SECOND FLOOR
DENVER, COLORADO 80202
TIN: 84-6000580**

CERTIFICATE HOLDER

CERTIFICATE CO-HOLDER (if necessary)

Name: _____

Name: _____

Address: _____

Address: _____

Social Security Number: _____

Social Security Number: _____

DATE OF ISSUER'S ELECTION:

March __, 2012

PROGRAM EXPIRATION DATE:

December 31, 2014

MORTGAGE LOAN CLOSING DATE:

_____, ____

CERTIFIED INDEBTEDNESS AMOUNT:

\$ _____

PURCHASE PRICE OF RESIDENCE:

\$ _____

APPLICABLE MAXIMUM PURCHASE PRICE:

\$ _____

HOLDER'S ORIGINAL ANNUAL INCOME:

\$ _____

APPLICABLE ORIGINAL MAXIMUM ANNUAL INCOME:

\$ _____

CERTIFICATE CREDIT RATE:

ORIGINAL CERTIFICATE ISSUANCE DATE:

_____, ____

CERTIFICATE EXPIRATION DATE:

_____, ____

CERTIFICATE REISSUANCE DATE:

_____, ____

EXHIBIT I

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

TARGETED AREAS

Section A. Qualified Census Tracts

City and County of Denver: 000600, 000702, 000800, 001101, 001600, 001900, 002403, 002701, 003602, 004101, 004404, 004502, 005103, and 008313.

Section B. Areas of Chronic Economic Distress

<u>City/County</u>	<u>Enumeration District</u>	<u>Census Tract</u>	<u>Block Group</u>
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			
Denver			

EXHIBIT J

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

**DEMOGRAPHIC REPORT
(to be completed by the Program Administrator each quarter)**

Borrower Name	[name]	[name]	[name]	[name]	[name]
Certificate Number					
Certificate Issuance Date					
Address					
ZIP					
Census Tract					
Previous Street Address					
Previous City, State					
Head of Household Occupation					
Family Size					
Head of Household Sex (M/F)					
Head of Household Ethnicity ¹					
First Time Homeowner? (Y/N)					
Borrower Income					
Purchase Price					
Home Style (SF home/Condo)					
Property Type (New/Existing)					
Originating Lender					
MCC Used to Qualify? (Y/N)					
Loan Type (FHA/VA/Conv/other)					

¹ W = White, B = Black, AI = American Indian, API = Asian/Pacific Islander, H = Hispanic, O = Other

Note: The above information shall be reported for each Mortgage Credit Certificate issued by the Program Administrator on a quarterly basis to the City. The Demographic Report shall be delivered to the City at the addresses listed in Section 9.15 of the Administration Agreement.

EXHIBIT K

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

MCC COMMITMENT

(Name) (Lender)

(Lender Address)

(Lender Telephone)

(Lender Fax)

1. Upon completion of the review of the application for a Mortgage Credit Certificate ("MCC"), I hereby state, subject to the "Terms and Conditions" listed below; an MCC will be issued to:

Who shall be known as "Applicant" (Names)

(Current Address)

TERMS AND CONDITIONS

2. An MCC will be issued for thirty percent (30%) of the annual interest paid upon the Certified Indebtedness Amount of \$ _____ which consists of Financing from the above mentioned Lender.
3. The Certified Indebtedness Amount is to be used in connection with the acquisition of a _____ new, never occupied or _____ existing, previously occupied (check appropriate response) of single-family home located at:

_____, Denver, Colorado _____
(Street Address of Residence to be purchased) Zip Code

The purchase price of the Residence is \$ _____.

4. The Program Administrator has been furnished with true, complete signed copies of the Applicant's Federal Income Tax Returns, or such other I.R.S. verification as is acceptable pursuant to the MCC Program requirements, indicating that Applicant took no deduction for taxes or interest for a principal residence for the three (3) years preceding application for an MCC.
5. This Commitment has been issued in reliance upon the Application Affidavit and Lender's Certification that the requirements necessary for issuance of a qualified Mortgage Credit Certificate have been met. If the Program Administrator becomes aware of any change in the circumstances under which the Commitment was issued, or any material misstatement made in the application for an MCC, this Commitment shall be revoked. Further, if any such material misstatement shall be due to

fraud, this Commitment or any MCC issued shall be automatically null and void without any need for further action on the part of the City or the Program Administrator.

6. The MCC will be issued upon the Program Administrator's verification of the closing of aforesaid financing, receipt of the Lender's Closing Certification, and Seller Affidavit, but not before

(Date of commitment).

This commitment will expire on _____ . (90 days following the date hereof)

By: _____
Authorized Representative, Program Administrator

Date: _____

EXHIBIT L

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

REFINANCING AFFIDAVIT FOR REISSUED CERTIFICATE

INSTRUCTIONS

This Refinancing Affidavit should be mailed or electronically transmitted to the Program Administrator at the following address:

(by mail:)
Morgan Keegan & Company, Inc.
Attention: Delories Duncan
50 North Front Street, 17th Floor
Memphis, TN 38103

OR

(electronically:)
delories.duncan@morgankeegan.com

1. APPLICATION PROCEDURE. YOU MUST HAVE CLOSED ON YOUR REFINANCING LOAN BEFORE YOU APPLY TO BE APPROVED FOR A REISSUED MCC. PLEASE FOLLOW THE INSTRUCTIONS BELOW.

- A. Complete Affidavit enclosed.
- B. Make a copy of the Settlement Statement and the Promissory Note relating to the refinancing mortgage loan as well as the initial Promissory Note and attach them to your completed Affidavit.
- C. Attach your original MCC to your completed Affidavit.
- D. Attach the original Certificate of Refinancing Lender to your completed Affidavit.

2. LEGAL DOCUMENTS. All of the Program Administrator's documents are legal and "white out" products are not permissible. If you make an error, simply draw a line through the error and write the correct answer and initial.

Legal Name(s): _____ (Last) _____ (First) _____ (Middle)
 Borrower Name: _____
 Borrower SS No.: _____
 Co-Borrower Name: _____
 Co-Borrower SS No.: _____
 Residence: _____
 City: _____ County: _____ Zip: _____
 Census Tract: _____
 Refinancing Lender: _____
 Lender's Address: _____
 Loan Officer: _____ Telephone: _____
 Loan No.: _____
 Mortgage Loan Amount: \$ _____

On behalf of the City, Morgan Keegan & Company, Inc. (the "Program Administrator") previously issued Mortgage Credit Certificate Number _____ (the "Original MCC") to me (us) from the Program in connection with my (our) purchase of the New Residence, which is a single-family home located in the City, at the address shown above. I (We) have enclosed the Original MCC with this Refinancing Affidavit. We understand that the Original MCC will be canceled upon issuance of the Reissued MCC.

3. I (We) have enclosed copies of the Settlement Statement and the promissory note relating to the Mortgage Loan with this Refinancing Affidavit.
4. The closing date of the Mortgage Loan was _____, 20__.
5. At the time I (we) received the Mortgage Loan, the outstanding principal balance of the mortgage loan related to the Original MCC was \$ _____.
6. If the mortgage loan originally incurred by me (us) to purchase or improve the Residence had not been refinanced, its final maturity date would have been _____.
7. The Residence is and will continue to be used as my (our) principal residence. The Residence is not and will not be used as an investment property, vacation home, or recreational home, and not more than 15% of the area of the Residence is or will be used on a regular basis in a trade or business qualifying it for deductions under Section 280A of the Internal Revenue Code of 1986, as amended. I (We) understand the Reissued MCC will be automatically revoked if the Residence ceases to be my (our) principal residence and I (we) agree to notify the Program Administrator and the City in writing within 60 days after the Residence ceases to be my (our) principal residence.
8. No portion of the Mortgage Loan is or will be provided from the proceeds of a tax-exempt bond issue.

9. No person related to me (us) (for federal tax purposes) has or is expected to have, an interest as a creditor in, or will be paid interest on, the Mortgage Loan.

10. I (We) understand and agree that if a Reissued MCC is issued to me (us), it may not be transferred without the prior written approval of the Program Administrator.

11. I (We) understand and agree that I (we) was (were) able to seek refinancing from any lender of my (our) choosing and that I (we) was (were) in no way prohibited from seeking refinancing from any potential lender provided the lender agreed to execute and comply with the Certificate of Refinancing Lender.

12. To the best of my (our) knowledge any points, origination fees, servicing fees, credit report fees, insurance fees and other fees paid to the Lender, or upon the Lender's request, were reasonable and not in excess of amounts customarily charged.

13. I (We) acknowledge and understand that this Refinancing Affidavit will be relied upon for purposes of determining my (our) eligibility for a Reissued MCC. I (We) acknowledge that a material misstatement negligently made in this affidavit or in any other statement made by me (us) in connection with an application for a Reissued MCC will constitute a federal violation punishable by a fine, and a material misstatement fraudulently made in this affidavit or application for a Reissued MCC, will constitute a federal violation punishable by up to a \$10,000 fine and revocation of the Reissued MCC which may be in addition to any criminal penalty imposed by law. In addition, any material misstatement or false statement which affects my (our) eligibility for a Reissued MCC will result in a denial of my (our) application for a Reissued MCC, or, if a Reissued MCC has been issued prior to discovery of the false statement, immediate revocation of the Reissued MCC issued.

14. In addition, I (we) hereby acknowledge and understand that any false pretense, including any false statement or representation, or the fraudulent use of any instrument, facility, article or other valuable thing or service pursuant to my (our) participation in the Program, may be punishable by imprisonment or by a fine.

Dated: _____

Signature(s) of Applicant(s):

State of _____)

County of _____) ss.

Subscribed to and sworn to before me this _____ day of _____, 20__.

Notary Public

My Commission Expires:

State of _____)

County of _____) ss.

Subscribed to and sworn to before me this _____ day of _____, 20__.

Notary Public

My Commission Expires:

EXHIBIT M

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

CERTIFICATE OF REFINANCING LENDER

Legal Name(s): (Last) (First) (Middle)
Borrower Name: _____
Borrower SS No.: _____
Co-Borrower Name: _____
Co-Borrower SS No.: _____
Residence: _____
City: _____ County: _____ Zip: _____
Census Tract: _____
Refinancing Lender: _____
Lender's Address: _____
Loan Officer: _____ Telephone: _____
Loan No.: _____
Mortgage Loan Amount: \$ _____

I (We) the undersigned, an authorized officer of the Lender located at the address set forth above, hereby certify, represent and warrant to City and County of Denver, Colorado (the "City") and to Morgan Keegan & Company, Inc., a duly organized and validly existing Tennessee corporation, as the Program Administrator for the City (the "Program Administrator") that:

1. **Authorized Representative.** An authorized representative of the Lender has read the Refinancing Affidavit executed in connection with participation in the City's Mortgage Credit Certificate Program by the Borrower(s).

2. **No Untrue Facts.** No facts have come to my attention which would cause me to disbelieve or doubt the trustworthiness of the Refinancing Affidavit or any portion thereof.

3. **Mortgage Lender Fees and Charges.** The points, origination fees, servicing fees, application fees, survey fees, credit report fees, insurance fees or similar financing costs charged by or on behalf of the Lender in connection with the Borrower's indebtedness are (a) reasonable and (b) **DO NOT EXCEED** the amounts customarily charged by the Lender with respect to loans not provided in connection with a mortgage credit certificate program.

4. **No Tax-Exempts Bonds from the Mortgage Loan.** No portion of the Mortgage Loan is or will be provided, directly or indirectly, from the proceeds of a tax-exempt bond issue.

5. **Unrelated Mortgage Lender.** Neither I nor the Lender, if it is not an individual, nor any other person expected to receive interest on the Mortgage Loan, is a related person to the Borrower.

6. **Income Tax Regulations.** The Lender has been advised by the Program Administrator [that it must comply/need not comply] with the requirement imposed by Section 1.25-8T(a) of the Income Tax Regulations with respect to annual reports by the Lender on Form 8329 due to be filed with the Internal Revenue Service by January 31 of years following those in which the Lender finances (or refinances) indebtedness in connection with the City's Mortgage Credit Certificate Program. [Delete if not applicable] The Lender has also been advised by the Program Administrator that there are penalties imposed by the Internal Revenue Service for non-compliance with the reporting requirements.

7. **Recordkeeping Requirements.** The Lender is aware of the recordkeeping requirements imposed by Section 1.25-8T(a) of the Income Tax Regulations.

8. **No Misstatements; Penalties.** The Lender acknowledges and understands that this Certificate of Refinancing Lender will be relied upon for purposes of determining the Borrower's eligibility for a Reissued MCC. The Lender acknowledges that a material misstatement negligently made in this certificate or in any other statement made by the Lender in connection with an application for a Reissued MCC will constitute a federal violation punishable by a fine, and a material misstatement fraudulently made in this certificate, will constitute a federal violation punishable by up to a \$10,000 fine and revocation of the Reissued MCC which may be in addition to any criminal penalty imposed by law.

9. **Closing Date.** The Mortgage Loan was closed on _____, _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____, 2012.

Name of Lender

By: _____

Name: _____

Title: _____

EXHIBIT N

CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM

FORM OF ANNUAL INFORMATION REPORT

CITY: CITY AND COUNTY OF DENVER, COLORADO
ATTN: DEPUTY DIRECTOR
OFFICE OF ECONOMIC DEVELOPMENT
201 WEST COLFAX AVENUE, SECOND FLOOR
DENVER, COLORADO 80202

TIN: 84-6000580

Reporting Period: _____

3-Year Requirement	Satisfied		Not Satisfied		Totals	Fees
	Nontargeted Area	Targeted Area	Nontargeted Area	Targeted Area		
Annualized Gross Monthly Income of Borrowers						
\$ 0-\$ 9,999						
\$10,000-\$19,999						
\$20,000-\$29,999						
\$30,000-\$39,999						
\$40,000-\$49,999						
\$50,000-\$74,999						
\$75,000 or more						
Total						

3-Year Requirement	3-Year Requirement	3-Year Requirement	3-Year Requirement	3-Year Requirement	3-Year Requirement	3-Year Requirement	3-Year Requirement
Acquisition Cost							
\$ 0 - \$19,999							
\$20,000-\$39,999							
\$40,000-\$59,999							
\$60,000-\$79,999							
\$80,000-\$99,999							
\$100,000-\$119,999							
\$120,000-\$149,999							
\$150,000-\$199,999							
\$200,000 or more							
Total							

VOLUME OF MORTGAGE CREDIT CERTIFICATES BY INCOME AND ACQUISITION COST

HOLDERS SATISFYING THE 3-YEAR REQUIREMENT

Annualized Gross Monthly Income of Holders	Nontargeted Areas		Targeted Areas	
	Total of the Certified Indebtedness Amounts	Sum of Products of Certified Indebtedness Amounts and Credit Rates	Total of the Certified Indebtedness Amounts	Sum of Products of Certified Indebtedness Amounts and Credit Rates
\$ 0-\$ 9,999				
\$10,000-\$19,999				
\$20,000-\$29,999				
\$30,000-\$39,999				
\$40,000-\$49,999				
\$50,000-\$74,999				
\$75,000 or more				
Total				
Acquisition Cost				
\$ 0 - \$19,999				
\$20,000-\$39,999				
\$40,000-\$59,999				
\$60,000-\$79,999				
\$80,000-\$99,999				
\$100,000-\$119,999				
\$120,000-\$149,999				
\$150,000-\$199,999				
\$200,000 or more				
Total				

EXHIBIT O

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE PROGRAM**

HOMEBUYER EDUCATION PROVIDER

[See Attached]

**CITY AND COUNTY OF DENVER, COLORADO
MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM**

12-140-A

PROGRAM SUMMARY AND GUIDELINES

March [28], 2012

PURPOSE

The purposes of the program are to:

- Provide a first-time homebuyer mortgage program that is always attractive compared to conventional home lending programs.
- Provide a relatively simple ongoing mechanism for mortgage origination and delivery of a tax benefit to the homebuyer.
- Deliver mortgage benefit to support other programs and low/mod first-time homebuyer housing and economic development in Denver communities.

BASIC APPROACH

What is an MCC?

A Mortgage Credit Certificate (MCC) reduces the amount of federal income tax a homeowner pays by providing a tax credit that is in effect for the life of a mortgage loan, as long as the homeowner occupies the home as a principal residence. The value of the MCC is applied directly to the homeowner's tax liability. The amount of the credit may not exceed a homeowner's total tax liability for a given year. Excess credit may be carried forward for up to three subsequent tax years. Using an MCC reduces the amount of home mortgage interest that may be taken as a deduction on the homeowner's tax return.

The value of the MCC equals the total amount of interest paid on the homeowner's loan in a specified year, multiplied by the MCC rate. The MCC rate for this program will be 30%, and there will be a credit limit amount of \$2,000. For example, if a homeowner's annual interest expense is \$8,000, the tax credit amount is \$1,800 for that year, or, if a homeowner's annual interest expense is \$10,000, the tax credit amount is \$2,000.

Program

The City and County of Denver, Colorado, has tax-exempt bond authority for the MCC Program from its 2011 "carryforward" private activity single family bond volume cap allocation and 2012 new allocation.

In the current tax-exempt bond market, the City cannot create a cost-effective mortgage revenue bond program. By converting volume cap allocation to MCC authority, the City can use that allocation to provide tax benefits to first time homebuyers through MCCs. The MCC will give the homeowner an annual credit against their federal income tax, adding to their income available for making mortgage payments. Lenders may take this additional income into account in qualifying the household for a mortgage.

Basic Mechanism

To initiate the program, the City will engage a third party entity to act as the MCC Program Administrator. The MCC Program Administrator will enter into participation agreements with lenders who agree to the terms of the program. The City, MCC Program Administrator and lenders will then publicize availability of the program.

Homebuyers seeking an MCC would apply to a participating lender for a first mortgage loan. The lender will:

- Determine whether the borrower is eligible for the MCC program.
- Underwrite the borrower's loan application, taking the benefit of the MCC into account.
- Assist the borrower to prepare an MCC application and assemble documentation required to verify eligibility (purchase contract, tax returns, current income documentation, etc.)
- Submit the borrower's MCC application and application fee to the MCC Program Administrator.

The MCC Program Administrator will:

- Review the application and supporting documentation to verify that the borrower, property, and proposed loan meet MCC program requirements.
- Issue a reservation of MCC authority in the proposed mortgage amount for the borrower, valid for 90days.

After receiving the reservation:

- The lender completes the underwriting process and closes the mortgage loan in the usual manner.
- At closing, the borrower certifies that the information provided in the application continues to be accurate.
- The lender forwards documentation of the loan closing, including the final mortgage amount, to the MCC Program Administrator.
- The origination fee (0.15% of the original mortgage loan amount) is forwarded from the closing escrow.
- The MCC Program Administrator issues the Mortgage Credit Certificate to the borrower.

Ongoing Administration

In addition to the tasks listed above, the MCC Program Administrator is responsible for:

- Responding to lender requests for information about the program, eligibility, etc.
- Maintaining a database showing the status of MCC reservations and certificates issued, with information about the borrowers and properties required to meet MCC compliance requirements and any other information the City requires to be collected.
- Providing the City with monthly reports on MCC reservations and certificates, geographic distribution of MCCs, and any other information requested by the City.
- Preparing and filing annual reports of certificates issued with the Department of the Treasury, including all information required by the Department of the Treasury (income levels, etc.), with a copy to the City.

MCC PROGRAM GUIDELINES

MCC Allocation

Non-Issued Bond Amount:	\$30,000,000
Sources of Allocation:	City 2011 Allocation: \$25,000,000 City 2012 Allocation: \$ 5,000,000
Credit Rate:	30%
Maximum Amount of Mortgages:	\$25,000,000
Federally Required Set-Aside:	\$5,000,000 for federal bond/MCC target area census tracts, for 12 months.
Expiration of Origination Period:	December 31, 2014, unless all available credit amounts are utilized prior thereto.

Eligibility Requirements for New Mortgages

Eligible Area:	City and County of Denver, Colorado	
Eligible Homebuyers (generally):	First time homebuyer – defined as not having owned a home used as its principal residence within the past 3 years (except with respect to mortgage loans in target areas, and for loans to Qualified Veterans).	
Maximum Income (generally):	Household of 1 or 2 persons:	\$79,300
	Household of 3 or more persons:	\$91,195
Maximum Purchase Price of Home:	\$361,054	
Other Requirements:	Mortgage must be a new mortgage. Borrower must intend to occupy residence within 60 days.	

Special Requirements for Federal Target Areas:

Target Area Set-Aside: 20% of total maximum program mortgage amount (\$5,000,000).

Term of Set-Aside: After 12 months, set-aside amount released for use throughout the City.

Target Areas: Census Tracts 000600, 000702, 000800, 001101, 001600, 001900, 002403, 002701, 003602, 004101, 004404, 004502, 005103, and 008313 within the City and County of Denver. Colorado.

Eligible Target Area Homebuyers: Need not be first-time homebuyers.

Maximum Target Area Income: Household of 1 or 2 persons: \$ 95,160
Household of 3 or more persons: \$111,020

Maximum Purchase Price in Target Area: \$441,289

Lender Requirements:

Eligible Lenders: Banks, savings and loan associations, mortgage companies, mortgage brokers and other financing institutions.

Participation Requirements: Enter into participation agreement with MCC Program Administrator.
Attend lender training.
Pay one-time participation fee of \$400.

Eligible Mortgages: Maximum 40-year term, fixed rate, level payment fully amortizing. Mortgage loans may not be financed by the proceeds of any tax-exempt bond.

Fees:

- The MCC applicant is charged fees as follows:
 - A non-refundable application fee of \$75, collected by the lender from the borrower at the time of application, and
 - A balance of 0.15% of the mortgage amount, due at loan closing from borrower or loan funds.
- Other than these fees, lender's fees and charges to borrowers may not exceed reasonable and customary fees charged to non-MCC borrowers.

Underwriting:

Take MCC tax savings into account in underwriting per Fannie/Freddie/FHA/VA/RHS guidelines.

Recapture:

Lender will provide borrower with notice of federal recapture requirements applicable to the MCC program.