

**AMENDED AND RESTATED
LOAN AGREEMENT
(AFFORDABLE HOUSING PROPERTY TAX FUND)**

THIS AMENDED AND RESTATED LOAN AGREEMENT (“Amendment” or “Amended Loan Agreement”) is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation organized pursuant to the Constitution of the State of Colorado (“City”), and **ECLT MORRISON CONDOS, LLC**, a Colorado limited liability company, whose address is 1114 W. 7th Ave, #101, Denver, Colorado 80204 (“Borrower”), each individually a “Party” and collectively the “Parties”.

WITNESSETH:

WHEREAS, the Parties entered into that certain Loan Agreement dated September 13, 2022 (the “Original Loan Agreement”);

WHEREAS, the purpose of the Original Loan Agreement was for the City to provide funds to Borrower for the acquisition of the Property (as defined in Section 2) so that the Property can be used for affordable housing (the “Project”);

WHEREAS, the Original Loan Agreement contemplated that that the source of funds for the loan to the Borrower would be federal funds under the Community Development Block Grant Program (“CDBG Program”); however, the City must change the source of funds which necessitates an amendment to the Original Loan Agreement to, among other things, remove certain obligations and requirements imposed pursuant to the CDBG Program;

WHEREAS, the Parties desire to amend and restate the Original Loan Agreement as set forth herein to memorialize the change to the source of funds for the loan and amend other terms as necessitated by the change in the source of funds;

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

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

1. LOAN TO BORROWER; LOAN MATURITY:

A. Subject to the terms of this Amended Loan Agreement, the City agrees to lend Borrower the sum of One Million Eight Hundred Thousand Dollars and No/100 (\$1,800,000.00) (the “Loan”). In addition to this Amended Loan Agreement, the Borrower must execute a

promissory note in a form satisfactory to the City evidencing this Loan (the “Promissory Note”). Simple interest at a rate of zero percent (0%) per annum shall commence accruing on the outstanding principal balance of the Promissory Note on the date on which the first draw on the Loan is made.

B. Borrower shall not be required to make any regular installment payments on the Loan. The Loan shall mature and be due and payable on the fourth (4th) anniversary of the Promissory Note (the “Maturity Date”); provided that Borrower may request in writing a one (1) year extension of the Maturity Date. The Executive Director, or the Executive Director’s designee (the “Executive Director”), of the City’s Department of Housing Stability (“HOST”) may, in their sole and absolute discretion, extend the Maturity Date by one (1) year with written notice to the Borrower.

C. Notwithstanding the foregoing, the Maturity Date may be further extended to the ninety-ninth (99th) anniversary of the Promissory Note (the “Performance Maturity Date”) upon the written request to HOST and a showing that the Borrower will (i) undertake redevelopment of the Property; and (ii) comply with the affordable housing requirements of Section 6.B. Borrower may also request that the Loan convert to a performance-based, forgivable Loan. As part of the request to extend the maturity date of the Loan and to convert the Loan to a performance-based Loan, Borrower must submit the following documentation and information to HOST for review and approval:

- i. Construction budget for redevelopment;
- ii. Construction contract for redevelopment;
- iii. Sources and uses of funds for redevelopment;
- iv. Site plan for redevelopment;
- v. Architectural drawings for redevelopment;
- vi. Dwelling unit mix;
- vii. Sale proforma;
- viii. Form land lease; and
- ix. Building permit approval.

The written request shall be underwritten as if it were a new loan request made by the Borrower. HOST reserves the right to request additional information from Borrower to underwrite the redevelopment. The Executive Director, in their sole and absolute discretion, may approve the extension of the Maturity Date to the Performance Maturity Date and conversion of the Loan from a repayable Loan to a performance-based, forgivable Loan. Upon written approval by the Executive

Director, repayment of the Loan shall be deferred so long as Borrower is in compliance with the terms and conditions of this Amended Loan Agreement and all documents executed pursuant to this Amended Loan Agreement and repayment shall be forgiven by the City on the Performance Maturity Date.

2. SECURITY:

A. Repayment of the Promissory Note shall be secured by a Deed of Trust (the “Deed of Trust”), in form satisfactory to City, granted by Borrower and encumbering the real property generally located at the intersection of Morrison Road & S. Perry Street and legally described as set forth in Exhibit D (the “Property”).

B. Borrower intends to condominiumize the Property and sell or otherwise convey a commercial unit or units to another party. Upon the recordation of the requisite documents to create condominium units, the Executive Director may execute a partial release(s) of the Deed of Trust to release any commercial units created or established on the Property. If requested by the City, Borrower agrees to execute an Amended and Restated Deed of Trust to restate the legal description of the City’s security based on the condominiumization of the Property.

C. The Executive Director is authorized to execute documents necessary to allow Borrower to condominiumize the Property so long as such documents are in a form satisfactory to the City Attorney, such documents impose no financial obligation on the City, and Borrower is not in default of its obligations under this Amended Loan Agreement.

3. SUBORDINATION: INTENTIONALLY OMITTED.

4. USE AND DISBURSEMENT OF FUNDS:

A. Loan proceeds will be used for the acquisition of the Property to be used as housing for low- to moderate income households. No funds will be disbursed until Borrower has complied with all federal environmental and historic preservation clearances as certified by HOST in writing. Acquisition funds will be disbursed at a scheduled closing, and in a manner acceptable to HOST. Funds will be used for acquisition costs in accordance with the following budget:

Land	\$400,000.00
Improvements	\$1,300,000.00
Closing Costs	\$52,500.00
Due Diligence	\$25,000.00
Fees	\$22,500.00

Costs may be allocated between the closing costs, due diligence, and fees line items based on actual costs incurred.

B. The Borrower shall submit to the City requisitions with documentation of incurred costs on HOST approved forms, and otherwise comply with the financial administration requirements set forth in **Exhibit B** attached hereto and incorporated herein. Borrower may not request disbursement of funds until the funds are needed for payment of eligible costs.

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

5. DEADLINE FOR DISBURSEMENT OF FUNDS; REQUIRED DOCUMENTATION:

A. Borrower must satisfy all conditions set forth in this Amended Loan Agreement on or before June 22, 2023 (the “Closing Deadline”). Failure to meet this deadline may result in the termination of this Amended Loan Agreement at the Executive Director’s sole discretion. No funds shall be disbursed under this Amended Loan Agreement until such time as (i) all conditions of this Amended Loan Agreement have been met and (ii) Borrower has closed on all financing necessary to complete the Project.

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

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

6. RESTRICTIONS ON USE OF PROPERTY:

A. Initial Restrictions.

i. At least fifty-one percent (51%) of the dwelling units on the Property shall be occupied by low- to moderate-income households (“City Units”). “Low- to moderate-income households” means a household with an annual income at or below eighty percent (80%) of area median income (“AMI”), as determined by the U.S. Department of Housing and Urban Development (“HUD”). The City Units shall have rents not exceeding the lesser of (i) fair market

rent for comparable units in the area as established by HUD, under 24 C.F.R. 888.113, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 80% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit. The City shall determine maximum monthly allowances for utilities and services annually in accordance with 24 C.F.R. 92.252(d)(1) or another method acceptable to the City. Rents shall not exceed the maximum rents as determined above minus the monthly allowance for utilities and services. The City shall review rents for compliance within ninety (90) days after HOST requests rent information from the Borrower.

ii. The City acknowledges that the six (6) existing dwelling units on the Property are currently occupied with tenants whose incomes have not been verified. Borrower shall use reasonable efforts to verify the income of the existing tenants. Upon the expiration or earlier termination of the existing leases, Borrower shall verify the income of current tenants or secure leases with new tenants to ensure the rental and occupancy limitations described in this subsection are complied with.

iii. At Loan closing, Borrower shall execute a covenant in form satisfactory to the City (“Covenant”), setting forth the rental and occupancy limitations described in this subsection, which shall be recorded in the real estate records of the City and County of Denver and constitute a covenant running with the land. The Covenant shall encumber the Property for sixty (60) years from the date of recording. Violation of said Covenant shall be enforceable as an event of default pursuant hereto.

B. Redevelopment of Property.

i. Prior to the Maturity Date, Borrower may redevelop the Property to construct new dwelling units. If the Property is redeveloped, the Property must contain a mix of affordable dwelling units that contain at least thirty-six (36) bedrooms (each affordable dwelling unit is referred to herein as an “Affordable Unit”). None of the Affordable Units may be studios. If the redevelopment of the Property results in less than thirty-six (36) bedrooms, Borrower shall repay a pro rata amount of the Loan for each bedroom required by not provided. It will not be considered a default of this Amended Loan Agreement if Borrower provides less than thirty-six (36) bedrooms but repays a pro rata amount of the Loan.

ii. To ensure that the Affordable Units remain affordable for the term of the Amended Loan Agreement, Borrower must record in the real property records a land lease substantially in the form of Exhibit F (the “Land Lease”). A Land Lease must be approved by

HOST prior to the Land Lease being recorded in the real property records. The Land Lease must have a minimum term of ninety-nine (99) years (the “Performance Term”). Borrower agrees that during the Performance Term each of the Affordable Units shall be sold and resold to low- to moderate-income households. The initial sale and all subsequent sales of an Affordable Unit may not exceed a price that is affordable to a household making 80% of AMI. The initial sales price must not exceed HOST’s published maximum sales price for the year in which an Affordable Unit is sold. The Borrower shall be responsible enforcing and complying with all terms of the Land Lease, including, but not limited to, income qualification of purchasers, calculation of maximum resale price of Affordable Units, and ensuring Affordable Units are not transferred in violation of the Land lease or this Amended Loan Agreement. If the initial sale of an Affordable Unit exceeds the maximum permitted sales price or the terms of the Land Lease are not enforced, the City has the right to void a non-compliant sale or force the sale of a non-compliant unit to a low- to moderate income household or exercise any other remedy the City may have.

iii. In the event the Property is redeveloped, the Executive Director is authorized to partially release the Covenant to release Affordable Units from the Covenant so long as a Land Lease encumbers the Affordable Unit being released.

iv. Upon completion of construction at the Property, the Borrower and the City shall execute an Amended and Restated Deed of Trust to release and exclude from the City’s security all improvements (and exclude all rents, issues, and profits associated therewith) located on the Property. Upon redevelopment of the Property, the City’s security shall be the underlying land but not the improvements constructed thereon.

7. **TENANT SELECTION**: The owner of the Project must adopt tenant selection policies which must, at a minimum, contain criteria that:

A. Are consistent with the purpose of providing housing for low-income and moderate-income families;

B. Are reasonably related to program eligibility and the applicant’s ability to perform the obligations of the lease;

C. Give reasonable consideration to the housing needs of families that would have a preference under federal selection preferences for admission to public housing;

D. Do not exclude an applicant with a certificate or voucher under the Section 8 Tenant-Based Assistance Housing Choice Voucher Program or an applicant participating in a HOME tenant-based rental assistance program because of the status of the applicant as a holder of

such certificate, voucher, or comparable HOME tenant-based assistance document;

E. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable, with prompt written notification to any rejected applicant of the grounds for any rejection; and

F. Comply with the Violence Against Women Act requirements prescribed in 24 CFR § 92.359.

8. AFFIRMATIVE MARKETING: The owner of the Project shall comply with the procedures outlined in the affirmative marketing program, attached hereto as **Exhibit C** and incorporated herein (the “Affirmative Marketing Program”), to provide information and otherwise attract eligible tenants from all racial, ethnic, and gender groups in the Property’s housing market area in accordance with 24 CFR 92.351. Except Borrower may limit eligibility or give preference to a particular segment of the population in accordance with 24 CFR 92.253(d). Prior to making any disbursement, Borrower must provide the plan required by the Affirmative Marketing Program (the “Affirmative Marketing Plan”) to HOST. The Affirmative Marketing Plan must be approved by HOST prior to Borrower adopting it or engaging in any affirmative marketing of the Project.

9. LEASES: There must be a written lease between the tenants of City Units and the owner of the Project for a period of not less than one year, unless by mutual agreement between the tenant and the Owner of the Project a shorter period is specified.

10. PROHIBITED LEASE TERMS: Leases pursuant to which City Units are occupied may not contain any of the following provisions:

A. Agreement to Be Sued. Agreement by the tenant to be sued, admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.

B. Treatment of Property. Agreement by the tenant that the owner may take, hold or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. However, the owner may dispose of personal property remaining in the unit after the tenant has moved out in accordance with Colorado law.

C. Excusing Owner from Responsibility. Agreement by the tenant not to hold the owner or the owner’s agents legally responsible for actions or failure to act, whether intentional or negligent.

D. Waiver of Notice. Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.

E. Waiver of Legal Proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

F. Waiver of Jury Trial. Agreement by the tenant to waive any right to a trial by jury.

G. Waiver of Right to Appeal. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge a court decision in connection with the lease.

H. Tenant Chargeable with Cost of Legal Actions Regardless of Outcome. Agreement by tenant to pay attorney fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant.

I. Mandatory Supportive Services. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

11. PROHIBITION OF CERTAIN FEES: A tenant may not be charged fees that are not customarily charged in rental housing (e.g. laundry room access fees), except that a tenant may be charged the following: reasonable application fees to prospective tenants; parking fees to tenants only if such fees are customary for rental housing projects in the neighborhood; and fees for services such as bus transportation or meals, as long as the services are voluntary and fees are charged for services provided.

12. TERMINATION OF TENANCY:

A. The owner of the Project may not terminate the tenancy or refuse to renew the lease of a tenant of any of the City Units except for serious or repeated violations of the terms and conditions of the lease; for violation of applicable Federal, State, or local laws; for completion of the tenancy period for transitional housing or failure to follow any required transitional supportive services plan; or for other good cause. Any termination or refusal to renew must be preceded by service of written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy.

B. Notwithstanding the foregoing, Borrower may (i) refuse to renew the lease of an existing tenant if they refuse to provide information and documentation to verify their income; and (ii) refuse to renew a lease agreement in order to vacate the Property to begin redevelopment.

13. MANAGEMENT OF PROPERTY: Borrower shall provide and maintain good

and efficient management of the Property satisfactory to the City. Borrower must execute and maintain in effect a management agreement for the Project with a qualified manager that has experience with affordable housing. Borrower shall notify the City of any (i) changes to the manager of the Property and (ii) of any significant changes staffing changes to the manager.

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

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

B. Required Information and Reports. Borrower shall submit to the City the following information and reports on HOST approved forms or online system: (1) annual compliance statement; (2) report on rents and occupancy of City Units to verify compliance with affordability requirements in Section 6 and other requirements of this Amended Loan Agreement; (3) data on evictions, terminations of tenancies, or tenancies not renewed for individuals residing in City Units; (4) reports (including financial reports) that enable the City to determine the financial condition and continued financial viability of the rental project; (5) for floating units, reports on unit substitution and filling vacancies to ensure that the Property maintains the required unit mix; and (6) template lease agreements for City Units. The report required by subsection (2) of this Section shall include, but not be limited to, information related to monthly rent amount, lease term, household size, total annual household income, and race and other demographic information to the extent that it is available for units occupied at property acquisition, and for all units leased subsequent to property acquisition. Once the Property is redeveloped, Borrower shall submit to the City an annual report on the Affordable Units which shall include, but not be limited to, (i) the number of Affordable Units sold in a calendar year; (ii) the income of

each household purchasing an Affordable Unit; (iii) records evidencing the income of each household purchasing an Affordable Unit; and (iv) the purchase price of each Affordable Unit sold. The reports and information required by this Section shall be due within thirty (30) days of the City making a request for such reports and information. The failure to submit the reports and information requested by the City within thirty (30) days of the City's request shall be considered a default of this Amended Loan Agreement.

C. Access and Inspections. For the purposes of assuring compliance with the Amended Loan Agreement, the City shall have the reasonable right of access to the Property, without charges or fees, (i) during the period of construction and (ii) during the period of affordability set forth in Section 6. During the period of affordability, the City shall be entitled to conduct annual physical inspections of the Property. City shall provide Borrower 48 (forty-eight) hours' notice prior to conducting an inspection. Borrower shall fully cooperate with the City in an annual monitoring of Borrower's performance and site inspection to verify compliance with the requirements of this Amended Loan Agreement.

15. FINANCIAL STATEMENTS: Borrower must furnish to the City annually, within ninety (90) days following the end of each calendar year, financial statements of the Borrower audited by an independent certified public accountant, which must include an annual balance sheet and profit and loss statement of the Borrower, in a form reasonably required by the City.

16. TRANSFERS: Borrower acknowledges that the City has examined and relied on the experience of Borrower and its general partners, directors, and members in owning and operating affordable housing projects, such as the Project, in agreeing to make the Loan, and the City will continue to rely on Borrower's ownership and control of the Property and Project as a means of maintaining the affordability requirements and the value of the Property as security for repayment of the Loan. Without the prior written consent of the City, which may not be unreasonably withheld, the Borrower shall not: (i) sell, convey, assign, or otherwise transfer or dispose of the Property or any part thereof (other than leases to tenants), or (ii) sell, convey, assign, or otherwise transfer any interest in the Borrower; or (iii) change the control or management of the Borrower.

17. CAPITAL NEEDS ASSESSMENT: During the term of the Covenant, the Borrower must provide the City with any capital needs assessment or physical needs assessment performed on or related to the Property or any improvements on the Property every ten (10) years or, if performed earlier, whenever such assessments are performed.

18. MAINTENANCE; REPLACEMENT; AND PROPERTY STANDARDS:

The owner of the Project shall maintain the Property in compliance with all applicable housing quality standards and local code requirements. Newly constructed or substantially rehabilitated housing must meet applicable requirements referenced at 24 C.F.R. 92.251. Borrower shall ensure that the property standards set forth in 24 C.F.R. § 92.251 are complied with.

19. LEAD-BASED PAINT HAZARDS: Housing funded, in part, by funds provided through this Amended Loan Agreement shall be subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 *et seq.*), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4852 *et seq.*), and is therefore subject to 24 C.F.R. Part 35; the owner of the Project shall comply with these provisions in the construction of the Project.

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

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

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

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

D. **Organizational Documents**. Borrower must provide the City with (i) evidence that it is a Colorado limited liability company in good standing and authorized to transact business in the State of Colorado; (ii) evidence in a form satisfactory to the City that the person executing this Amended Loan Agreement and any other documents related to the Loan has the full power and authority to bind Borrower; and (iii) all organizational documents related to Borrower, which must be acceptable to the City. Organization documents include, but are not limited to, Articles of Organization, an operating agreement, and a certificate of good standing.

E. **Management Agreement**. Borrower must provide the City with a certified copy of the management agreement for the Property, which must be satisfactory in form and

substance to the City. The management agreement must contain a provision that the City has the right to release the management company in the event of a foreclosure.

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

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

H. **Evidence of Financing**. Borrower must provide such information and documentation sufficient to satisfy the City, in the City's sole discretion, that the Borrower has secured all financing necessary to complete the Project. Documentation sufficient to satisfy the City may include, but not be limited to, commitment letters for all other financing or funding.

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

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

22. CONDITIONS:

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

B. INTENTIONALLY OMITTED

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

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

A. Commercial General Liability Insurance covering all operations by or on

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

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

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

D. Borrower shall maintain Automobile Liability with minimum limits of \$1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Agreement.

E. Certificates of Insurance evidencing the above shall be submitted prior to the Closing Deadline. Policies shall include a waiver of subrogation and rights of recovery against the City. Insurance companies providing the above referenced coverage must be authorized and licensed to issue insurance in Colorado and be otherwise acceptable to the Risk Management Office.

24. DEFENSE & INDEMNIFICATION:

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

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

C. Borrower will defend any and all Claims which may be brought or threatened

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

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

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

25. DEFAULT AND ACCELERATION:

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

1. Any breach of this Amended Loan Agreement, the Promissory Note, the Deed of Trust, or, as applicable, the Covenant or Land Lease;

2. The City determines that any warranty, representation, or statement made or furnished to the City by or on behalf of Borrower in connection with this Amended Loan Agreement proves to have been false in any material respect when made or furnished;

3. Borrower becomes delinquent to the City Loan or on any other contractual or tax obligations as due;

4. Borrower fails to comply with any rule, regulation or provision referred to in the Amended Loan Agreement;

5. Borrower fails to maintain a cash balance that is sufficient to cover sixty (60) days of Borrower's operating expenses; and

6. Borrower is generally unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors; or the Borrower applies for or consents to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such a receiver, trustee or similar officer is appointed without the application or consent of the Borrower, and such appointment continues undischarged for a period of ninety (90) days; or the Borrower institutes (by petition, application, answer or otherwise) any bankruptcy, insolvency,

reorganization, readjustment of debt, dissolution, liquidation or similar proceedings under the laws of any jurisdiction; or any such proceeding shall be instituted against the Borrower; or the Borrower terminates or dissolves.

B. Cure Period. Upon a default, the City shall give written notice of the default to Borrower and other persons entitled to notice of a default pursuant to this Amended Loan Agreement. After Borrower's receipt of the written notice, Borrower or a person on behalf of Borrower shall have ten (10) calendar days to cure any monetary default and thirty (30) calendar days to cure any nonmonetary default (collectively, the "Cure Period"). If a nonmonetary default is not a type which can be cured within the Cure Period, the City, at its reasonable discretion, may extend the cure period if the Borrower provides the City with a reasonably detailed written plan of how the Borrower will cure the nonmonetary default and the Borrower, at all times within such additional time period, actively and diligently pursues such plan. For purposes of this Amended Loan Agreement, the term "monetary default" means a failure by Borrower to make any payment required of it pursuant to the applicable Promissory Note or any other Loan document, and the term "nonmonetary default" means a failure by Borrower or any other person to perform any obligation contained in the Amended Loan Agreement, Covenant, Deed of Trust, or Promissory Note, other than the obligation to make payments provided for in the Promissory note or Loan documents.

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

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

26. NOTICES: All notices required by the terms of this Amended Loan Agreement must

be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to Borrower at the address:

ECLT Morrison Road Condos, LLC
Attn: Stefka Fanchi
1114 W. 7th Ave, Suite 101
Denver, CO 80204

and if to the City at:

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

With a copy to:

Denver City Attorney's Office
1437 Bannock St., Room 353
Denver, Colorado 80202

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

27. INTENTIONALLY OMITTED

28. INTENTIONALLY OMITTED

29. INTENTIONALLY OMITTED

30. INTENTIONALLY OMITTED

31. USE, POSSESSION, OR SALE OF ALCOHOL OR DRUGS: The Borrower 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 terminating the Agreement or barring the Borrower from City facilities or from participating in City operations. The Contractor shall cooperate and comply with the provisions of 2 CFR Part 2429 regarding a Drug-Free Workplace.

32. ASSIGNMENT AND SUBCONTRACTING: The City is not obligated or liable

under this Amended Loan Agreement to any party other than the Borrower. The Borrower shall not assign, sublet or subcontract with respect to any of the rights, benefits, obligations or duties under this Amended Loan Agreement except upon prior written consent of the City.

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

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

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

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

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

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

39. NO DISCRIMINATION IN EMPLOYMENT: In connection with the
ECLT Morrison Condos LLC
Contract No. HOST-202264231-01

performance of work under this Amended Loan Agreement, the Borrower may not refuse to hire, discharge, promote, demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, ethnicity, citizenship, immigration status, gender, age, sexual orientation, gender identity, gender expression, marital status, source of income, military status, protective hairstyle, or disability. The Borrower shall insert the foregoing provision in all subcontracts.

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

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

42. POST CLOSING CONDITIONS: Borrower agrees to work with the City to resolve concerns regarding soil gas levels, which may require retesting the soil. As directed by the City, Borrower will perform a remediation plan to address any concerns of the City.

43. EFFECT OF AMENDMENT: This Amendment amends, restates in its entirety, and replaces the Original Loan Agreement.

List of Exhibits to Amended Loan Agreement

Exhibit A – INTENTIONALLY OMITTED

Exhibit B – Disbursement Terms and Conditions

Exhibit C – Affirmative Marketing Program

Exhibit D – Legal Description of Property

Exhibit E – INTENTIONALLY OMITTED

Exhibit F – Form of Land Lease

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Contract Control Number:
Contractor Name:

HOST-202264231-01
ECLT MORRISON CONDOS, LLC

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

SEAL

CITY AND COUNTY OF DENVER:

ATTEST:

By:

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

Attorney for the City and County of Denver

By:

By:

By:

Contract Control Number:
Contractor Name:

HOST-202264231-01
ECLT MORRISON CONDOS, LLC

By: See attached signature page

Name: See attached signature page
(please print)

Title: _____
(please print)

ATTEST: [if required]

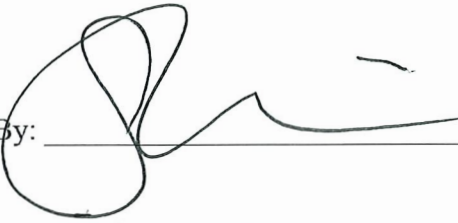
By: _____

Name: _____
(please print)

Title: _____
(please print)

Contract Control Number:
Contractor Name:

HOST-202264231-01
ECLT MORRISON CONDOS, LLC

By:  _____

Name: Beska Fonchi
(please print)

Title: President & CEO
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

Exhibit A
INTENTIONALLY OMITTED

EXHIBIT B

DISBURSEMENT TERMS AND CONDITIONS

I. **Disbursement Request Procedures**

- a. Disbursements shall be processed through the Department of Housing Stability (“HOST”) and the Department of Finance (“DOF”).
- b. HOST will disburse Loan funds to the Borrower for “hard” and “soft” expenses (“Disbursement”) upon the Borrower’s written request delivered to HOST (the “Disbursement Request”). The Disbursement Request shall be in the form approved or required by HOST and DOF and may be submitted no more frequently than once every month. Disbursement Requests must be submitted by Borrower electronically to the assigned HOST staff member who will review the submission for completeness and accuracy.
- c. Prior to the first Disbursement Request, Borrower must provide to the City for review and approval, if necessary, the following items:
 - i. A completed ACH form with a voided check or deposit slip.
 - ii. A partnership agreement, operating agreement, corporate resolution, or other corporate documentation to demonstrate who has authority for the Borrower to submit Disbursement Requests.
 - iii. The affirmative marketing plan.
 - iv. The tenant selection plan.
 - v. The form lease agreement for dwelling units at the Project, which contains no prohibited provisions as described in the Loan Agreement.
- d. All Disbursements will be via ACH, unless a physical check or other method of disbursement is requested.
- e. Disbursements involving federal funds must have satisfied all environmental review requirements under 24 C.F.R. Part 58.
- f. The Borrower may not make a Disbursement Request until such funds are needed to pay costs of the Project. The amount of each Disbursement Request must be limited to the amount needed to pay costs actually incurred by the Borrower at the time of the Disbursement Request. The Disbursement Request may not include items previously submitted to and reimbursed by other lenders, amounts for prospective or future needs, funds to be placed into escrow accounts, or advances in lump sums to the Borrower.
- g. Each Disbursement Request must be accompanied by documentation acceptable to HOST and DOF that evidence payments for which a disbursement request has been made. HOST and DOF will review documentation for incurred costs that match the Disbursement Request. Documentation to be submitted with a Disbursement Request shall include, but not be limited to:

EXHIBIT B

- i. A completed HOST expense certification form.
 - ii. For hard cost draws, a completed standard AIA Form G702 and Form G703 certified by the architect and signed and notarized by the general contractor. If the Disbursement Request includes costs for minor construction not shown on the G702 and G703, the scope of work and contractor invoices must be submitted.
 - iii. Invoices and other evidence satisfactory to HOST and DOF for “hard” or direct costs provided to the Project with respect to the Disbursement Request. All invoices must show the Project name and address.
 - iv. Invoices and other evidence satisfactory to the City for “soft” or indirect costs provided to the Project with respect to the Disbursement Requests. All invoices must show the Project name and address.
 - v. Evidence satisfactory to HOST and DOF to demonstrate proof of payment of any cost or expense contained on a Disbursement Request. Evidence of proof of payment may include, but not be limited to: cancelled checks; copies of checks; documentation of cost or expense in a general ledger; credit or debit card statements; final signed settlement statements, wire transfer records, or bank statements.
 - vi. An updated itemized budget.
 - vii. Updated certificates of insurance at least 30 days prior to expiration.
 - viii. Project update summarizing construction progress, delays, timeframe to completion, and if remaining funding is sufficient to finish the project.
 - ix. Lien waivers from all applicable contractors, subcontractors, and suppliers.
 - x. Updated title policy with date down endorsement or copy of date down endorsement for senior lender dated within 15 days of draw request.
 - xi. Copy of construction inspection report (if available)
 - xii. For loan agreements receiving federal funding and to which the Davis-Bacon Act applies, Borrower must be current in submissions of all paperwork and documentation requested by the City to demonstrate compliance with the requirements of the Davis-Bacon Act.
 - xiii. For Disbursement Requests being funded at loan closing, the following items will be required: a) Preliminary closing statement; b) wire instructions on bank letterhead including date wire is required; and c) final settlement statement and recorded documents after closing.
- h. The Borrower must cooperate with HOST in obtaining or providing any additional documentation that may be required by HOST, DOF, or any other agency of the City.
 - i. The City will retain the first \$10,000.00 of Disbursements for the purposes of the Compliance Retainer as set forth in the Loan Agreement. The \$10,000.00 that is retained pursuant to this provision will be released under the terms described in Section II.

EXHIBIT B

- j. The City will disburse to the Borrower 90% of hard expenses for each Disbursement and all of the soft expenses. The retained 10% of hard expense (the “Retainage”) shall be disbursed as all or part of the final Disbursement under the terms described in Section II.
- k. At all times during the construction of the Project, the City shall have the right, but not the obligation, to enter and inspect all work done, and all materials, equipment, and other matters relating to the Project.
- l. HOST reserves the right, in its sole and absolute discretion, to revise or modify the processes, procedures, and requirements related to the disbursement procedures. HOST will notify Borrower of any such changes to the disbursement procedures.
- m. The City will not make any Disbursements of Loan proceeds to the Borrower for costs or expenses that:
 - i. Are prohibited by Federal or City regulations related to the funding source.
 - ii. Are not requested or otherwise not in accordance with Loan Agreement or the procedures for a Disbursement Request set forth herein.
 - iii. Were requested or incurred, or both, after the termination of the Loan Agreement or outside the time periods set forth in the Loan Agreement.
 - iv. Were requested during the occurrence and continuation of an event of default specified in the Loan Agreement.

II. **Disbursement of Compliance Retainer and Retainage**

- a. *Compliance Retainer.* For the City to release the Compliance Retainer, a Disbursement Request must be submitted along with the following information:
 - i. A completed HOST expense certification form.
 - ii. For loans funded with federal funds, an Integrated Disbursement and Information System (“IDIS”) set up form. The City must review and approve any completed IDIS set up form for any federally funded loan agreement.
 - iii. All documents or items required to be submitted to the City pursuant to the Loan Agreement not previously provided.
 - iv. A certificate of occupancy or a temporary certificate of occupancy.
 - v. Updated certificates of insurance at least 30 days prior to expiration
 - vi. Updated title policy with date down endorsement or copy of date down endorsement for senior lender dated within 15 days of draw request.
 - vii. The Project must pass a Housing Quality Standards (“HQS”) inspection performed by the City. In the event the City cannot perform the inspection, the Borrower will provide a signed authorization providing the City with the right to inspect the Project and a sample of the fully constructed dwelling units in the future.

EXHIBIT B

- viii. Lease-up information on the City Units or HOME Units, as applicable. The information must include number of bedrooms in the unit, household size, tenant household incomes, date of income certification, tenant paid portion of rent, total lease rent, voucher amounts, voucher type (project based or tenant based), utility allowance amount, lease start and end dates, and demographic data. HOST will review this information to confirm the Project's lease-up is in compliance with the affordability restrictions contained in the Loan Agreement and Rental & Occupancy Covenant.

- b. *Retainage*. For the City to release the Retainage, a Disbursement Request must be submitted along with the following information:
 - i. A completed HOST expense certification form.
 - ii. Final lien waivers or proof of release of liens in form and substance satisfactory to the City from all applicable contractors, subcontractors, and suppliers, as applicable.
 - iii. A copy of the completed AIA G704 Form for the senior lender, signed by the architect, general contractor, and Borrower that shows -\$0.00- as the cost estimate of work that is incomplete or defective.
 - iv. A copy of the completed AIA G706 Form for the senior lender, signed by the general contractor and notarized, verifying that all debts and claims have been settled.
 - v. A copy of the completed AIA G706A Form for the senior lender, signed by the general contractor and notarized, stating that all releases or waivers of liens have been received.
 - vi. All documents or items required to be submitted to the City pursuant to the Loan Agreement not previously provided.
 - vii. A certificate of occupancy or a temporary certificate of occupancy.
 - viii. Updated certificates of insurance at least 30 days prior to expiration
 - ix. Updated title policy with date down endorsement or copy of date down endorsement for senior lender dated within 15 days of draw request.
 - x. The Project must also pass a Housing Quality Standards ("HQS") inspection performed by the City. In the event the City cannot perform the inspection, the Borrower will provide a signed authorization providing the City with the right to inspect the Project and a sample of the fully constructed dwelling units in the future.
 - xi. Uniform Relocation Assistance and Real Property Acquisition Policies Act ("URA") Determination, as applicable.
 - xii. Final approved OPMR, as applicable.
 - xiii. Environmental mitigation memorandum of understanding, as applicable.
 - xiv. Any other documents required by HOST.

III. **Conditions Precedent to All Disbursements**

- a. The making of each Disbursement shall be subject to the satisfaction of each of the following additional conditions precedent, and a waiver of any condition to any Disbursement shall not constitute a waiver as to any subsequent

EXHIBIT B

Disbursement. The City may, in its sole discretion, withhold all or a portion of a Disbursement if any of the following conditions have not been satisfied or if the Borrower has not submitted the required documentation and information required by the Loan Agreement, including the documentation and information required by these terms and conditions.

- i. *No Default.* The Borrower must be in full compliance with, and must not be in default under the Promissory Note, the Deed of Trust, or the Covenant or any other document executed by the Borrower in connection with the Loan.
- ii. *Time to Complete the Project.* In the sole opinion of the City, there must be sufficient time remaining to complete the construction of the Project in accordance with Exhibit A, and in conformance with federal regulations and requirements for federally funded loans.
- iii. *Sufficient Funds Available to Complete the Project.* If requested by the City, the Borrower shall furnish evidence satisfactory to the City, in its sole discretion, that the amount of the Loan yet to be disbursed, together with any other sources of funds available to the Borrower and not yet disbursed, will be sufficient to complete the Project in compliance with the Loan Agreement and to pay all costs therefore, and all other direct or indirect costs relating to the Loan and the Project.
- iv. *Lien waivers.* If requested by the City, the Borrower shall furnish data in a form satisfactory to the City with respect to prior Disbursements and expenditures relating to the Project, and shall furnish lien waivers from the contractor and all subcontractors for work done and materials supplied to the Project to the date of the Disbursement Request.
- v. *Use of Funds.* Subject to the terms of the Loan Agreement, the Borrower shall use the proceeds of the Loan exclusively for the costs of the Project.
- vi. *Compliance with Federal Requirements.* As applicable, Borrower must be compliant with all federal requirements, including, but not limited to, compliance with the Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968, and all reporting obligations under any such federal requirements.
- vii. *Pass-Through Loans.* If the Loan Agreement is structured as a “pass-through” loan, Borrower must demonstrate that Borrower has the authority to submit disbursement requests on behalf of the Project owner, which may be done by providing HOST with an operating agreement or partnership agreement establishing such authority. A “pass-through” loan is defined as a loan made by the City to the Borrower where Loan proceeds will be granted or loaned by the Borrower to the developer or owner of the Project for construction and development costs.

IV. Financial Management Systems

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

EXHIBIT B

- a. Financial reporting must be accurate, current, and provide a complete disclosure of the financial results of financially assisted activities and be made in accordance with federal financial reporting requirements.
- b. Accounting records must be maintained which adequately identify the source and application of the funds provided for financially assisted activities. The records must contain information pertaining to contracts and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. Accounting records shall provide accurate, separate, and complete disclosure of fund status.
- c. Effective internal controls and accountability must be maintained for all contract cash, real and personal property, and other assets. Adequate safeguards must be provided on all property and it must be assured that it is used solely for authorized purposes.
- d. Actual expenditures or outlays must be compared with budgeted amounts and financial information must be related to performance or productivity data, including the development of cost information whenever appropriate or specifically required.
- e. For contracts subject to Federal Agreements, applicable 2 C.F.R. Part 200 cost principles, agency program regulations, and the terms of the agreement will be followed in determining the reasonableness, allowability and allocability of costs.
- f. Source documents such as cancelled checks, paid bills, payrolls, time and attendance records, contract documents, etc., shall be provided for all disbursements. The Borrower will maintain auditable records, i.e., records must be current and traceable to the source documentation of transactions.
- g. For contracts subject to Federal Agreements, the Borrower shall maintain separate accountability for HOST funds as referenced in 2 C.F.R. Part 200.
- h. The Borrower must properly report to Federal, State, and local taxing authorities for the collection, payment, and depositing of taxes withheld. At a minimum, this includes Federal and State withholding, State Unemployment, Worker's Compensation (staff only), City Occupational Privilege Tax, and FICA.
- i. A proper filing of unemployment and worker's compensation (for staff only) insurance shall be made to appropriate organizational units.
- j. The Borrower shall participate, when applicable, in HOST provided staff training sessions in the following financial areas including, but not limited to (1) Budgeting and Cost Allocation Plans; (2) Vouchering Process.

V. Audit Requirements

EXHIBIT B

- a. For contracts subject to Federal Agreements, if the Borrower expends seven hundred and fifty thousand dollars (\$750,000) or more of federal awards in the Borrower's fiscal year, the Borrower shall ensure that it, and its sub recipients(s), if any, comply with all provisions of the 2 C.F.R. Part 200.
- b. A copy of the final audit report must be submitted to the HOST Financial Manager within the earliest of thirty (30) calendar days after receipt of the auditor's report; or nine (9) months after the end of the period audited.
- c. A management letter, if issued, shall be submitted to HOST along with the reporting package prepared in accordance with the Single Audit Act Amendments and the 2 C.F.R. Part 200. If the management letter is not received by the subrecipient at the same time as the Reporting Package, the Management Letter is also due to HOST within thirty (30) days after receipt of the Management Letter, or nine (9) months after the end of the audit period, whichever is earlier. If the Management Letter has matters related to HOST funding, the Contactor shall prepare and submit a Corrective Action Plan to HOST in accordance with the Single Audit Act Amendments and the 2 C.F.R. Part 200, as set forth in 2 C.F.R. 200.511(c) for each applicable management letter matter.
- d. All audit related material and information, including reports, packages, management letters, correspondence, etc., shall be submitted to **HOST Financial Services Team**.
- e. The Borrower will be responsible for all Questioned and Disallowed Costs.
- f. The Borrower may be required to engage an audit committee to determine the services to be performed, review the progress of the audit and the final audit findings, and intervene in any disputes between management and the independent auditors. The Borrower shall also institute policy and procedures for its sub recipients that comply with these audit provisions, if applicable.

VI. Procurement

- a. The Borrower shall follow the City Procurement Policy to the extent that it requires that at least three (3) documented quotations be secured for all purchases or services (including insurance) supplies, or other property that costs more than ten thousand dollars (\$10,000) in the aggregate.
- b. The Borrower will maintain records sufficient to detail the significant history of procurement. These records will include, but are not limited to the following: rationale for the method of procurement, selection of contract type, Borrower selection or rejection, and the basis for the contract price.
- c. If there is a residual inventory of unused supplies exceeding five thousand dollars (\$5,000) in total aggregate upon termination or completion of award, and if the

EXHIBIT B

supplies are not needed for any other federally sponsored programs or projects the Borrower will compensate the awarding agency for its share.

VII. Bonding

- a. HOST may require adequate fidelity bond coverage, in accordance with 2 C.F.R. 200.304(b), where the subrecipient lacks sufficient coverage to protect the Federal Government's interest.
- b. The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access, upon reasonable notice, to any pertinent books, documents, papers, or other records which are pertinent to the contract, in order to make audits, examinations, excerpts, and transcripts.

VIII. Collection of amounts due

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

EXHIBIT C
(Affirmative Marketing)

City and County of Denver
Affirmative Marketing Program

The City and County of Denver is committed to the goal of adequate housing for all its citizens and to affirmatively furthering fair housing opportunities. The City has developed written material explaining the City's Housing Programs for dissemination and will inform the public, owners, and potential tenants about Federal fair housing laws. These materials will display the "equal housing opportunity" slogan and logo. The City will also publicize its Housing programs through press releases, solicitations to property owners and written communications to fair housing groups and local lenders. The City will display the "equal housing opportunity" slogan on all such communications.

All contracts, grant agreements and/or loan agreements between the City or its agents and property owners executed in connection with the Housing Programs will:

- (1) prohibit discrimination in the rental of housing rehabilitated through the City's Housing programs on the basis of race, color, religion, sex, national origin, age, handicap, or household composition;
- (2) require compliance with all applicable fair housing and equal opportunity laws, and
- (3) include a copy of our Affirmative Marketing Program and require compliance with all procedures contained herein for the period of affordability of the term of the loan, whichever is greater.

In the City's Housing Loan Program, the objective of the Affirmative Marketing Program and a project's Affirmative Marketing Plan will be to increase the racial/ethnic diversity of the project's tenant population so that the tenant population is not made up exclusively of persons of one race/ethnicity.

In order to accomplish this, owners will be required to adopt a plan that will inform and solicit applications from persons in the housing market who are least likely to apply for the housing without special outreach. In general, persons who are not of the race/ethnicity of the majority of the residents of the neighborhood in which the property is located will be considered as persons least likely to apply.

The City will work with the project owner to identify which racial/ethnic groups in the population are least likely to apply for housing in each project without special outreach. The City will assist the owner in developing a project specific Affirmative Marketing Plan which includes special outreach efforts and the City will approve the Plan. The property manager or rental agent will be required to maintain records enabling the City to assess the results of the owner's actions to affirmatively market units. These records will include rental applications, all vacancy notices, and rental receipts. The City or its agent will review the owner's records and these records must be made available to

the City. Additionally, the City will require the owner to submit annual tenant reports that will include tenant characteristics including race/ethnicity. The project's Plan will identify specific actions the owner must take when becoming aware of an impending vacancy. In some cases the owner will also be required to advertise the vacancy in a general circulation newspaper.

Owners who rent exclusively to one segment of the population to the exclusion of applicants from other segments will be notified of potential noncompliance. The City will provide technical assistance to the owners in expanding outreach efforts. If necessary, specific corrective actions will be required.

Owners who discriminate or who fail to comply with the requirements of this Affirmative Marketing Program may be found in breach of contract or in default on their grant or loan agreement, and the City may take action to recover all funds made available to the owner by the City plus applicable penalties.

The City has adopted a policy to aggressively encourage landlords to rehabilitate units that are accessible to persons with physical disabilities.

Exhibit D

LEGAL DESCRIPTION

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

PARCEL 1

LOTS 12 AND 13,
BLOCK 31,
BELMONT PARK,
CITY AND COUNTY OF DENVER, STATE OF COLORADO.

PARCEL 1 CONTAINS 5377 SQUARE FEET (0.12 ACRES), MORE OR LESS.

Purported address (for information only): 548 South Perry Street

PARCEL 2

ALL OF LOTS SIXTEEN (16) AND SEVENTEEN (17), BLOCK THIRTY-ONE (31), BELMONT PARK, AND THAT PART OF LOT FIFTEEN (15) IN SAID BLOCK 31, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE EAST LINE OF SAID LOT, 46.35 FEET SOUTH OF THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH ALONG THE EAST LINE OF SAID LOT, 109.51 FEET TO THE SOUTHEAST CORNER OF SAID LOT;
THENCE SOUTH 47 DEGREES 57 MINUTES WEST, ALONG THE SOUTHEASTERLY LINE OF SAID LOT, 3.41 FEET;
THENCE NORTH 01 DEGREES 07 MINUTES WEST ALONG THE WESTERLY WALL OF BUILDING, 42.45 FEET TO ANGLE IN SAID SOUTH WALL;
THENCE SOUTH 88 DEGREES 53 MINUTES WEST ALONG THE SOUTHERLY WALL OF SAID BUILDING, 4.0 FEET;
THENCE NORTH 01 DEGREES 07 MINUTES WEST ALONG THE WESTERLY WALL OF SAID BUILDING, 14.4 FEET;
THENCE NORTH 88 DEGREES 53 MINUTES EAST, ALONG THE NORTHERLY WALL OF SAID BUILDING, 4.0 FEET;
THENCE NORTH 01 DEGREES 07 MINUTES WEST, ALONG THE WESTERLY WALL OF SAID BUILDING, 54.95 FEET, MORE OR LESS, TO THE NORTHWESTERLY CORNER OF SAID BUILDING;
THENCE NORTH 88 DEGREES 53 MINUTES EAST ALONG THE NORTHERLY WALL OF SAID BUILDING 4.70 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

CITY AND COUNTY OF DENVER, STATE OF COLORADO.

PARCEL 2 CONTAINS 6931 SQUARE FEET (0.17 ACRES), MORE OR LESS

Purported address (for information only): 3925 Morrison Road

PARCEL 3

LOT 18,
BLOCK 31,
BELMONT PARK.
CITY AND COUNTY OF DENVER,
STATE OF COLORADO.

PARCEL 3 CONTAINS 5466 SQUARE FEET (0.12 ACRES), MORE OR LESS.

Purported address (for information only): 3915 Morrison Road

PARCEL 4

LOTS 14 AND 15,
BLOCK 31,
BELMONT PARK,
CITY AND COUNTY OF DENVER.

SAVE AND EXCEPTING THAT PART OF LOT 15 DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE EAST LINE OF SAID LOT 15 WHICH IS 46.35 FEET SOUTH OF THE NORTHEAST CORNER OF SAID LOT 15, THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 15, A DISTANCE OF 109.51 FEET TO THE SOUTHEAST CORNER OF SAID LOT 15, THENCE SOUTH 47 DEGREES 17' WEST ALONG THE SOUTHEASTERLY LINE OF LOT 15 A DISTANCE OF 3.41 FEET, THENCE NORTH 01 DEGREES 07' WEST ALONG THE WESTERLY WALL OF BUILDING AS NOW CONSTRUCTED, A DISTANCE OF 42.45 FEET TO AN ANGLE IN SAID SOUTH WALL, THENCE SOUTH 88 DEGREES 53' WEST ALONG THE SOUTHERLY WALL OF SAID BUILDING A DISTANCE OF 4.0 FEET; THENCE NORTH 01 DEGREES 07' WEST ALONG THE WESTERLY WALL OF SAID BUILDING A DISTANCE OF 14.4 FEET, THENCE NORTH 88 DEGREES 53' EAST ALONG THE NORTHERLY WALL OF SAID BUILDING A DISTANCE OF 4.0 FEET; THENCE NORTH 01 DEGREES 07' ALONG THE WESTERLY WALL OF SAID BUILDING A DISTANCE OF 54.95 FEET, MORE OR LESS TO THE NORTHWESTERLY CORNER OF SAID BUILDING; THENCE NORTH 88 DEGREES 53' EAST ALONG THE NORTHERLY WALL OF SAID BUILDING A DISTANCE OF 4.70 FEET, MORE OR LESS, TO THE POINT OF BEGINNING,
CITY AND COUNTY OF DENVER,
STATE OF COLORADO.

PARCEL 4 CONTAINS 8367 SQUARE FEET (0.19 ACRES), MORE OR LESS.

Purported address (for information only): 3939 Morrison Road

Exhibit E
INTENTIONALLY OMITTED

Exhibit F – Form Master Land Lease

NOTICE TO LENDERS, BUYERS AND OTHERS:

******THE PROPERTY DESCRIBED HEREIN IS OWNED BY ECLT COMMONS, LLC. THE HOMEOWNER IS THE OWNER OF THE IMPROVEMENTS LOCATED ON THE PROPERTY. THE USE OF THE PROPERTY AND IMPROVEMENTS IS CONTROLLED BY THIS LAND LEASE. AMONG OTHER THINGS THE LAND LEASE PROHIBITS SALE OR ENCUMBRANCE OF THE PROPERTY WITHOUT THE PRIOR APPROVAL OF ECLT COMMONS, LLC, AND REQUIRES COMPLIANCE WITH THE HOMEOWNER, LENDER, RESALE AND OTHER PROVISIONS OF THE LAND LEASE. ANY TRANSACTION WHICH VIOLATES THE TERMS OF THE LAND LEASE MAY BE NULL AND VOID.******

ECLT _____ COMMONS THE MASTER LAND LEASE

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- Exhibit ZONING
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APPENDIX: Alternative versions of Article 10

Exhibit F – Form Master Land Lease

ECLT _____ COMMONS THE [ENTITY] MASTER LAND LEASE

THIS LEASE (“this Lease” or “the Lease”) entered into this _____ day of _____, 20____, between _____ ECLT _____ COMMONS, LLC, a Colorado limited liability company (“CLT”) and _____, LLC, a Colorado limited liability company, and its individual assignees (“Homeowner”). The ECLT Lease encumbers real property upon which a condominium community has been formed (“Project”). The Project consists of condominium units and associated common elements (each, a “Unit” and collectively, the “Units”), which are further described in that certain Declaration of Condominium for _____ recorded in the real estate records of Denver, Colorado on _____, 202_ at Reception No. _____ (“Declaration”) and the Condominium Map for [entity] recorded in the real estate records of Denver, Colorado on _____, 202_ at Reception No. _____ (“Map”) (the Declaration and Map are collectively referred to herein as the “Condominium Documents”). As described in the Condominium Documents _____ Unit is a “Commercial Unit” while the remaining Units are “Residential Units.” The term “Home” as used in the ECLT Lease shall mean each “Unit” including its undivided ownership interest in the common elements of the Project

RECITALS

- A. The CLT is organized exclusively for charitable purposes, including the purpose of providing homeownership opportunities for low and moderate income people who would otherwise be unable to afford homeownership.
- B. A goal of the CLT is to preserve affordable homeownership opportunities through the long-term leasing of land under owner-occupied homes.
- C. The Leased Land described in this Lease has been acquired and is being leased by the CLT in furtherance of this goal.
- D. The Homeowner shares the purposes of the CLT and has agreed to enter into this Lease not only to obtain the benefits of homeownership, **but also to further the charitable purposes of the CLT.**
- E. **Homeowner and CLT recognize the special nature of the terms of this Lease, and each of them accepts these terms, including those terms that affect the mortgaging, marketing and resale price of the property now being purchased by the Homeowner.**
- F. Homeowner and CLT agree that the terms of this Lease further their shared goals over an extended period of time and through a succession of owners.

NOW THEREFORE, Homeowner and CLT agree on all of the terms and conditions of this Lease as set forth below.

DEFINITIONS: Homeowner and CLT agree on the following definitions of key terms used in this Lease.

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Leased Land: the parcel of land, described in Exhibit: LEASED LAND, that is leased to the Homeowner.

Home: shall mean each “Unit” including its undivided ownership interest in the common elements of the Project

Base Price: The total price that is paid for the Home by the Homeowner.

Purchase Option Price: The maximum price the Homeowner is allowed to receive for the sale of the Home and the Homeowner’s right to possess, occupy and use the Leased Land, as defined in Article 10 of this Lease.

Lease Fee: The monthly fee that the Homeowner pays to the CLT for the continuing use of the Leased Land and any additional amounts that the CLT charges to the Homeowner for reasons permitted by this Lease.

Permitted Mortgage: A mortgage or deed of trust on the Home and the Homeowner’s right to possess, occupy and use the Leased Land granted to a lender by the Homeowner with the CLT’s Permission. **The Homeowner may not mortgage the CLT’s interest in the Leased Land, and may not grant any mortgage or deed of trust encumbering the Home without CLT’s Permission.** The maximum Permitted Mortgage is equal to the amount of the Purchase Option Price.

Event of Default: Any violation of the terms of the Lease unless it has been corrected (“cured”) by Homeowner or the holder of a Permitted Mortgage in the specified period of time after a written Notice of Default has been given by CLT.

ARTICLE 1: Homeowner’s Letter of Agreement and Attorney’s Letter of Acknowledgment are Attached as Exhibits.

Attached as Exhibit HOMEOWNER’S LETTER OF AGREEMENT AND ATTORNEY’S LETTER OF ACKNOWLEDGMENT and made part of this Lease by reference are a Letter of Agreement from the Homeowner, describing the Homeowner’s understanding and acceptance of this Lease (including the parts of the Lease that affect the resale of the Home), and a Letter of Acknowledgment from the Homeowner’s attorney, describing the attorney’s review of the Lease with the Homeowner.

ARTICLE 2: Leasing of Rights to the Land

2.1 CLT LEASES THE LAND TO HOMEOWNER: The CLT hereby leases to the Homeowner, and Homeowner hereby accepts, the right to possess, occupy and use the Leased Land (described in the attached Exhibit LEASED LAND) in accordance with the terms of this Lease. CLT has furnished to Homeowner a copy of the most current title report, if any, obtained by CLT for the Leased Land, and Homeowner accepts title to the Leased Land in its condition “as is” as of the signing of this Lease.

2.2 MINERAL RIGHTS NOT LEASED TO HOMEOWNER: CLT does not lease to Homeowner the right to remove from the Leased Land any minerals lying beneath the Leased Land’s surface. Ownership of such minerals remains with the CLT, but the CLT shall not remove any such minerals from the Leased Land without the Homeowner’s written permission.

Exhibit F – Form Master Land Lease

ARTICLE 3: Term of Lease, Change of Land Owner

3.1 TERM OF LEASE IS 99 YEARS; This Lease shall remain in effect for 99 years, beginning on the ___ day of _____, 20___, and ending on the _____ day of _____, 20____, provided that, the Term shall automatically extend for a new 99-year period upon every recordation of deed transferring title to any “Unit” as defined in the Declaration.

3.2 HOMEOWNER CAN RENEW LEASE FOR ANOTHER 99 YEARS: Homeowner may renew this Lease for one additional period of 99 years. The CLT may change the terms of the Lease for the renewal period prior to the beginning of the renewal period but only if these changes do not materially and adversely interfere with the rights possessed by Homeowner under the Lease. Not more than 365 nor less than 180 days before the last day of the first 99-year period, CLT shall give Homeowner a written notice that states the date of the expiration of the first 99-year period and the conditions for renewal as set forth in the following paragraph (“the Expiration Notice”). The Expiration Notice shall also describe any changes that CLT intends to make in the Lease for the renewal period as permitted above.

The Homeowner shall then have the right to renew the Lease only if the following conditions are met: (a) within 60 days of receipt of the Expiration Notice, the Homeowner shall give CLT written notice stating the Homeowner’s desire to renew (“the Renewal Notice”); (b) this Lease shall be in effect on the last day of the original 99-year term, and (c) the Homeowner shall not be in default under this Lease or under any Permitted Mortgage on the last day of the original 99-year term.

When Homeowner has exercised the option to renew, Homeowner and CLT shall sign a memorandum stating that the option has been exercised. The memorandum shall comply with the requirements for a notice of lease as stated in Section 14.12 below. The CLT shall record this memorandum in accordance with the requirements of law promptly after the beginning of the renewal period.

3.3 WHAT HAPPENS IF CLT DECIDES TO SELL THE LEASED LAND: If ownership of the Leased Land is ever transferred by CLT (whether voluntarily or involuntarily) to any other person or entity, this Lease shall not cease, but shall remain binding on the new land-owner as well as the Homeowner. (a) If CLT proposes to transfer the Leased Land to a non-profit corporation, charitable trust, government agency or other similar institution sharing the goals described in the Recitals above, the City and County of Denver (the “City”) shall have a right of first refusal to purchase the Leased Land. (b) If the City does not exercise its right of first refusal described in subparagraph 3.3(a), then if CLT proposes to transfer the Leased Land to any person or entity other than a non-profit corporation, charitable trust, government agency or other similar institution sharing the goals described in the Recitals above, the Association, as defined in the Declaration shall have a right of first refusal to purchase the Leased Land as a “General Common Element” as defined in the Declaration. The details of the rights of first refusal described in this Section 3.3 shall be as stated in the attached Exhibit FIRST REFUSAL. Any sale or other transfer contrary to this Section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Land

4.1 HOMEOWNER MAY USE THE HOME ONLY FOR RESIDENTIAL AND RELATED PURPOSES: Homeowner shall use, and allow others to use, the Home and Leased Land *only*

Exhibit F – Form Master Land Lease

for residential purposes and any activities related to residential use that are permitted herein and that are permitted by local zoning law. The local zoning law in effect when the Lease was signed is indicated in the attached Exhibit ZONING.

[*To be added when needed:* Use of the Leased Land shall be further limited by the restrictions described in the attached Exhibit RESTRICTIONS.]

4.2 HOMEOWNER MUST USE THE HOME AND LEASED LAND RESPONSIBLY AND IN COMPLIANCE WITH THE LAW: Homeowner shall use the Home and Leased Land in a way that will not cause harm to others or create any public nuisance. Homeowner shall dispose of all waste in a safe and sanitary manner. Homeowner shall maintain all parts of the Home and Leased Land in safe, sound and habitable condition, in full compliance with all laws and regulations, and in the condition that is required to maintain the insurance coverage required by Section 9.4 of this Lease.

Homeowner is subject to the terms of the Declaration for _____ recorded in the real estate records of _____, Colorado on ____20__ at Reception No. _____ (“Declaration”), which obligates the Association to undertake certain Common Element and other maintenance responsibilities.

4.3 HOMEOWNER IS RESPONSIBLE FOR USE BY OTHERS: Homeowner shall be responsible for the use of the Home and Leased Land by all residents and visitors and anyone else using the Leased Land with Homeowner’s permission and shall make all such people aware of the restrictions on use set forth in this Lease.

4.4 HOMEOWNER MUST OCCUPY THE HOME FOR AT LEAST 9 MONTHS EACH YEAR: Homeowner shall occupy the Home for at least 9 months of each year of this Lease, unless otherwise agreed by CLT. Occupancy by Homeowner’s child, spouse, domestic partner, or other persons approved by CLT shall be considered occupancy by Homeowner. Neither compliance with the occupancy requirement nor CLT’s permission for an extended period of non-occupancy constitutes permission to sublease the Leased Land and Home, which is addressed in Section 4.5 below.

4.5 LEASED LAND MAY NOT BE SUBLEASED WITHOUT CLT’S PERMISSION. Except as otherwise provided in Article 8 and Article 10, Homeowner shall not sublease, sell or otherwise convey any of Homeowner’s rights under this Lease, for any period of time, without the written permission of CLT.

Homeowner shall obtain written CLT approval of any sublease agreement at 90 days prior to third-party occupancy.

1. Homeowner agrees that CLT shall have the right to withhold such consent in CLT’s discretion in order to further the purposes of this Lease.

If permission for subleasing is granted, the sublease shall be subject to the following conditions.

- a) Any sublease shall be subject to all of the terms of this Lease.
- b) Any sublease shall be in writing.
- c) The rental or occupancy fee charged to roommate(s) or co-tenants shall not be more than 50% of the Homeowner’s costs in owning the Home, including but not limited to the cost of taxes, insurance, mortgage principal, CLT lease fee and mortgage interest. The rental or occupancy fee charged to renters who rent the entire Home shall not be more

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than 100% of Homeowner's costs in owning the Home, including but not limited to the cost of taxes, insurance, mortgage principal, CLT lease fee and mortgage interest. Rentals of the entire Home are limited to a maximum of three (3) months and may only occur a maximum of one (1) time per calendar year.

4.6 CLT HAS A RIGHT TO INSPECT THE LEASED LAND: The CLT may inspect any part of the Leased Land except the interiors of fully enclosed buildings, at any reasonable time, after notifying the Homeowner at least 24 hours before the planned inspection. No more than 2 regular inspections may be carried out in a single year, except in the case of an emergency. In an emergency, the CLT may inspect any part of the Leased Land except the interiors of fully enclosed buildings, after making reasonable efforts to inform the Homeowner before the inspection.

If the CLT has received an Intent-To-Sell Notice (as described in Section 10.4 below), then the CLT has the right to inspect the interiors of all fully enclosed buildings to determine their condition prior to the sale. The CLT must notify the Homeowner at least 24 hours before carrying out such inspection.

4.6 HOMEOWNER HAS A RIGHT TO QUIET ENJOYMENT: Homeowner has the right to quiet enjoyment of the Leased Land. The CLT has no desire or intention to interfere with the personal lives, associations, expressions, or actions of the Homeowner in any way not permitted by this Lease.

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ARTICLE 5: Lease Fee

5.1 AMOUNT OF LEASE FEE: The Homeowner shall pay a monthly Lease Fee in an amount equal to: a Land Use Fee of \$____[See **individual Acceptance/Notice for Land Use Fee**] to be paid in return for the continuing right to possess, occupy and use the Leased Land,

5.2 WHEN THE LEASE FEE IS TO BE PAID: The Lease Fee shall be payable to CLT on the first day of each month for as long as this Lease remains in effect.

5.3 HOW THE AMOUNT OF THE LAND USE FEE HAS BEEN DETERMINED: The amount of the Land Use Fee stated in Section 5.1 above has been determined as follows. First, the approximate monthly fair rental value of the Leased Land has been established, as of the beginning of the Lease term, recognizing that the fair rental value is reduced by certain restrictions imposed by the Lease on the use of the Land. Then the affordability of this monthly amount for the Homeowner has been analyzed and, if necessary, the Land Use has been reduced to an amount considered to be affordable for Homeowner.

5.4 CLT MAY REDUCE OR SUSPEND THE LEASE FEE TO IMPROVE AFFORDABILITY: In its sole discretion, CLT may reduce or suspend the total amount of the Lease Fee for a period of time for the purpose of improving the affordability of the Homeowner's monthly housing costs. Any such reduction or suspension of the Lease Fee must be in writing and signed by CLT. Any such reduction or suspension of the Lease Fee is in the sole discretion of CLT and shall not require any other reduction or suspension.

5.5 FEES MAY BE INCREASED FROM TIME TO TIME: The CLT may increase the amount of the Land Use Fee from time to time, but not more often than once every 2 years. Each time such amounts are increased, the total percentage of increase since the date this Lease was signed shall not be greater than the percentage of increase, over the same period of time, in the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Land is located.

5.6 LAND USE FEE WILL BE INCREASED IF RESTRICTIONS ARE REMOVED: If, for any reason, the provisions of Article 10 regarding transfers of the Home or Sections 4.4 and 4.5 regarding occupancy and subleasing are suspended or invalidated for any period of time, then during that time the Land Use Fee shall be increased to an amount calculated by CLT to equal the fair rental value of the Leased Land for use not restricted by the suspended provisions, but initially an amount not exceeding \$600 (calculated as of 10/18/18) dollars. Such increase shall become effective upon CLT's written notice to Homeowner. Thereafter, for so long as these restrictions are not reinstated in the Lease, the CLT may, from time to time, further increase the amount of such Land Use Fee, provided that the amount of the Land Use Fee does not exceed the fair rental value of the property, and provided that such increases do not occur more often than once in every two (2) years.

5.7 IF PAYMENT IS LATE, INTEREST CAN BE CHARGED: If the CLT has not received any monthly installment of the Lease Fee on or before the date on which the such installment first becomes payable under this Lease (the "Due Date"), the CLT may require Homeowner to pay a late fee of \$10.00 per month from the Due Date through and including the date such payment or installment is received by CLT. The late fee shall be deemed additional Lease Fee and shall be paid by Homeowner to CLT upon demand; provided, however, that CLT shall waive any such late fee that would otherwise be payable to CLT if such payment of the Lease

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Fee is received by CLT on or before the thirtieth (30th) day after the Due Date.

5.8 CLT CAN COLLECT UNPAID FEES WHEN HOME IS SOLD: In the event that any amount of payable Lease Fee remains unpaid when the Home is sold, the outstanding amount of payable Lease Fee, including any interest as provided above, shall be paid to CLT out of any proceeds from the sale that would otherwise be due to Homeowner. The CLT shall have, and the Homeowner hereby consents to, a lien upon the Home for any unpaid Lease Fee. Such lien shall be prior to all other liens and encumbrances on the Home except (a) liens and encumbrances recorded before the recording of this Lease, (b) Permitted Mortgages as defined in section 8.1 below; and (c) liens for real property taxes and other governmental assessments or charges against the Home.

ARTICLE 6: Taxes and Assessments

6.1 HOMEOWNER IS RESPONSIBLE FOR PAYING TAXES AND ASSESSMENTS:

(A) Homeowner shall pay directly, when due, all taxes and governmental assessments that relate to the Home; and (B) Homeowners shall pay directly, when due, all taxes and governmental assessments that relate to the Leased Land (including any taxes relating to the CLT's interest in the Leased Land) until such time as the County Assessor and Treasurer create a separately assessed tax parcel for the Leased Land and CLT receives a separate assessment and tax bill for the Leased Land, at which time the CLT will be responsible for paying, when due, all taxes and governmental assessments that relate to the Leased Land.

6.2 CLT WILL PASS ON ANY TAX BILLS IT RECEIVES TO HOMEOWNER: In the event that the local taxing authority bills CLT for any portion of the taxes on the Home CLT shall pass the bill to Homeowner and Homeowner shall promptly pay this bill.

6.3 HOMEOWNER HAS A RIGHT TO CONTEST TAXES: Homeowner shall have the right to contest the amount or validity of any taxes relating to the Home and Leased Land. Upon receiving a reasonable request from Homeowner for assistance in this matter, CLT shall join in contesting such taxes. All costs of such proceedings shall be paid by Homeowner.

6.4 IF HOMEOWNER FAILS TO PAY TAXES, CLT MAY INCREASE LEASE FEE: In the event that Homeowner fails to pay the taxes or other charges described in Section 6.1 above, CLT may increase Homeowner's Lease Fee to offset the amount of taxes and other charges owed by Homeowner. Upon collecting any such amount, CLT shall pay the amount collected to the taxing authority in a timely manner. In addition, CLT shall have the right to pay the taxes or other charges described in Section 6.1 above on behalf of Homeowner; any such payment made by CLT shall be deemed an additional Lease Fee and shall be paid by Homeowner to CLT upon demand.

6.5 PARTY THAT PAYS TAXES MUST SHOW PROOF: When either party pays taxes relating to the Home or Leased Land, that party may be asked to furnish satisfactory evidence of the payment to the other party. A photocopy of a receipt shall be the usual method of furnishing such evidence.

ARTICLE 7: The Home

7.1 HOMEOWNER OWNS THE HOUSE AND ALL OTHER IMPROVEMENTS ON THE LEASED LAND SUBJECT TO THE TERMS OF THIS LEASE: All structures, including the house, fixtures, and other improvements purchased, constructed, or installed by the

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Homeowner on any part of the Leased Land at any time during the term of this Lease (collectively, the “Home”) shall be property of the Homeowner. Title to the Home shall be and remain vested in the Homeowner. **However, Homeowner’s rights of ownership are limited by certain provisions of this Lease, including provisions regarding the sale or leasing of the Home by the Homeowner and the CLT’s (or the successor to the CLT) option to purchase the Home. In addition, Homeowner shall not remove any part of the Home from the Leased Land without CLT’s (or the successor to the CLT) prior written consent.**

7.2 HOMEOWNER PURCHASES HOME WHEN SIGNING LEASE: Upon the signing of this Lease, Homeowner is simultaneously purchasing the Home located at that time on the Leased Land, as described in the Deed, a copy of which is attached to this Lease as Exhibit: DEED.

7.3 CONSTRUCTION CARRIED OUT BY HOMEOWNER MUST COMPLY WITH CERTAIN REQUIREMENTS: Any construction in connection with the Home is permitted only if the following requirements are met: (a) all costs shall be paid for by the Homeowner; (b) all construction shall be performed in a professional manner and shall comply with all applicable laws and regulations; (c) all changes in the Home shall be consistent with the permitted uses described in Article 4; (d) the footprint, square-footage, or height of the house shall not be increased and new structures shall not be built or installed on the Leased Land without the prior written consent of CLT.

For any construction requiring CLT’s prior written consent, Homeowner shall submit a written request to the CLT. Such request shall include:

- a) a written statement of the reasons for undertaking the construction;
- b) a set of drawings (floor plan and elevations) showing the dimensions of the proposed construction;
- c) a list of the necessary materials, with quantities needed;
- d) a statement of who will do the work;

If the CLT finds it needs additional information it shall request such information from Homeowner within two weeks of receipt of Homeowner’s request. The CLT then, within two weeks of receiving all necessary information (including any additional information it may have requested) shall give Homeowner either its written consent or a written statement of its reasons for not consenting. Before construction can begin, Homeowner shall provide CLT with copies of all necessary building permits, if not previously provided. The approval of capital improvements is only permission for the construction of the improvement, and nothing herein shall be construed to constitute a representation, warranty or guarantee that such an improvement constitutes a “Qualified Capital Improvement,” as defined in Section 10.10 hereof.

7.4 HOMEOWNER MAY NOT ALLOW STATUTORY LIENS TO REMAIN AGAINST LEASED LAND OR HOME: No lien of any type shall attach to the CLT’s title to the Leased Land. Homeowner shall not permit any statutory or similar lien to be filed against the Leased Land or the Home which remains more than 60 days after it has been filed. Homeowner shall take action to discharge such lien, whether by means of payment, deposit, bond, court order, or other means permitted by law. If Homeowner fails to discharge such lien within the 60-day period, then Homeowner shall immediately notify CLT of such failure. CLT shall have the right to discharge the lien by paying the amount in question. Homeowner may, at

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Homeowner's expense, contest the validity of any such asserted lien, provided Homeowner has furnished a bond or other acceptable surety in an amount sufficient to release the Leased Land from such lien. Any amounts paid by CLT to discharge such liens shall be treated as an additional Lease Fee payable by Homeowner upon demand.

7.5 HOMEOWNER IS RESPONSIBLE FOR SERVICES, MAINTENANCE AND REPAIRS: Homeowner hereby assumes responsibility for furnishing all services or facilities on the Leased Land, including but not limited to heat, electricity, air conditioning and water. CLT shall not be required to furnish any services or facilities or to make any repairs to the Home. Homeowner shall maintain the Home and Leased Land as required by the Declaration per Section 4.2 above and shall see that all necessary repairs and replacements are accomplished when needed.

7.6 WHEN LEASE ENDS, OWNERSHIP REVERTS TO CLT, WHICH SHALL REIMBURSE HOMEOWNER: Upon the expiration or termination of this Lease, ownership of the Home shall revert to CLT. Upon thus assuming title to the Home, CLT shall promptly pay Homeowner and Permitted Mortgagee(s), as follows:

FIRST, CLT shall pay any Permitted Mortgagee(s) the full amount owed to such mortgagee(s) by Homeowner;

SECOND, CLT shall pay the Homeowner the balance of the Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee and any other amounts owed to the CLT under the terms of this Lease. The Homeowner shall be responsible for any costs necessary to clear any additional liens or other charges related to the Home which may be assessed against the Home. If the Homeowner fails to clear such liens or charges, the balance due the Homeowner shall also be reduced by the amount necessary to release such liens or charges, including reasonable attorney fees incurred by the CLT.

ARTICLE 8: Financing

8.1 HOMEOWNER CANNOT MORTGAGE THE HOME WITHOUT CLT'S PERMISSION: **The Homeowner may mortgage the Home and the Homeowner's interest in this Lease only with the prior written and recorded permission of CLT.** Any mortgage or deed of trust permitted in writing by the CLT is defined as a Permitted Mortgage, and the holder of such a mortgage or deed of trust is defined as a Permitted Mortgagee.

8.2 BY SIGNING LEASE, CLT GIVES PERMISSION FOR ORIGINAL MORTGAGE. By signing this Lease, CLT gives written permission for any mortgage or deed of trust signed by the Homeowner effective on the day this Lease is signed, for the purpose of financing Homeowner's purchase of the Home and recorded in conjunction with the recording of this Lease.

8.3 HOMEOWNER MUST GET SPECIFIC WRITTEN PERMISSION FROM CLT FOR REFINANCING OR OTHER SUBSEQUENT MORTGAGES. If, at any time subsequent to the purchase of the Home and signing of the Lease, the Homeowner seeks a loan that is to be secured by a mortgage on the Home (to refinance an existing Permitted Mortgage or to finance home repairs or for any other purpose), Homeowner must inform CLT, in writing, of the proposed terms and conditions of such mortgage loan at least 15 business days prior to the expected closing of the loan. The information to be provided to the CLT must include:

- a. the name of the proposed lender;

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- b. Homeowner’s reason for requesting the loan and the final loan application;
- c. the principal amount of the proposed loan and the total mortgage debt that will result from the combination of the loan and existing mortgage debt, if any;
- d. expected closing costs;
- e. the rate of interest;
- f. the repayment schedule;
- g. a copy of the appraisal commissioned in connection with the loan request.

CLT may also require Homeowner to submit additional information. CLT may not permit such a mortgage loan if the loan increases Homeowner’s total mortgage debt to an amount greater than 100% of the then current Purchase Option Price, calculated in accordance with Article 10 below, or if the terms of the transaction otherwise threaten the interests of either the Homeowner or the CLT as determined by the CLT in its discretion.

8.4 CLT IS REQUIRED TO PERMIT A “STANDARD PERMITTED MORTGAGE.” The CLT shall be required to permit any mortgage for which the mortgagee has signed a “Standard Permitted Mortgage Agreement” as set forth in “Exhibit: Permitted Mortgages, Part C,” and for which the loan secured thereby does not increase Homeowner’s total mortgage debt to an amount greater than 100% of the then current Purchase Option Price, calculated in accordance with Article 10 below.

8.5 A PERMITTED MORTGAGEE HAS CERTAIN OBLIGATIONS UNDER THE LEASE. Any Permitted Mortgagee shall be bound by each of the requirements stated in “Exhibit: Permitted Mortgages, Part A, Obligations of Permitted Mortgagee,” which is made a part of this Lease by reference, unless the particular requirement is removed, contradicted or modified by a Rider to this Lease signed by the Homeowner and the CLT to modify the terms of the Lease during the term of the Permitted Mortgage.

8.6 A PERMITTED MORTGAGEE HAS CERTAIN RIGHTS UNDER THE LEASE. Any Permitted Mortgagee shall have all of the rights and protections stated in “Exhibit: Permitted Mortgages, Part B, Rights of Permitted Mortgagee,” which is made a part of this Lease by reference.

8.7 IN THE EVENT OF FORECLOSURE, ANY PROCEEDS IN EXCESS OF THE PURCHASE OPTION PRICE WILL GO TO CLT. Homeowner and CLT recognize that it would be contrary to the purposes of this agreement if Homeowner could receive more than the Purchase Option Price as the result of the foreclosure of a mortgage. Therefore, Homeowner hereby irrevocably assigns to CLT all net proceeds of sale of the Home that would otherwise have been payable to Homeowner and that exceed the amount of net proceeds that Homeowner would have received if the property had been sold for the Purchase Option Price, calculated as described in Section 10.10 below. Homeowner authorizes and instructs the Permitted Mortgagee, or any party conducting any sale, to pay such excess amount directly to CLT. If, for any reason, such excess amount is paid to Homeowner, Homeowner hereby agrees to promptly pay such amount to CLT.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 HOMEOWNER ASSUMES ALL LIABILITY. Homeowner assumes all responsibility and liability related to Homeowner’s possession, occupancy and use of the Home and Leased Land.

9.2 HOMEOWNER MUST DEFEND CLT AND THE CITY AND COUNTY OF DENVER,

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ITS ELECTED OFFICIALS, EMPLOYEES, APPOINTEES AND VOLUNTEERS AGAINST ALL CLAIMS OF LIABILITY. Homeowner shall defend, indemnify and hold CLT and the City harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Home and Leased Land. Homeowner waives all claims against CLT and the City for injury or damage on or about the Home and Leased Land. However, CLT shall remain liable for injury or damage due to the grossly negligent or intentional acts or omissions of CLT or CLT's agents or employees.

9.3 HOMEOWNER MUST REIMBURSE CLT. In the event the CLT shall be required to pay any sum that is the Homeowner's responsibility or liability, the Homeowner shall reimburse the CLT for such payment and for reasonable expenses caused thereby.

9.4 HOMEOWNER MUST INSURE THE HOME AGAINST LOSS AND MUST MAINTAIN LIABILITY INSURANCE ON HOME AND LEASED LAND. Homeowner shall, at Homeowner's expense, keep the Home continuously insured against "all risks" of physical loss, using Insurance Services Office (ISO) Form HO 00 03, or its equivalent, for the full replacement value of the Home, and in any event in an amount that will not incur a coinsurance penalty. The amount of such insured replacement value must be approved by the CLT prior to the commencement of the Lease. Thereafter, the Homeowner shall review replacement value to be insured with home insurance company every two years to determine whether replacement value should be increased, and adjust policy as needed. If Homeowner wishes to decrease the amount of replacement value to be insured, Homeowner shall inform the CLT of the proposed change at least 30 days prior to the time such change would take effect. The change shall not take effect without CLT's approval.

Should the Home lie in a flood hazard zone as defined by the National Flood Insurance Plan, the Homeowner shall keep in full force and effect flood insurance in the maximum amount available.

The Homeowner shall also, at its sole expense, maintain in full force and effect public liability insurance using ISO Form HO 00 03 or its equivalent in the amount of \$500,000 per occurrence and in the aggregate. The CLT shall be named as an additional insured using ISO Form HO 04 41 or its equivalent, and certificates of insurance shall be delivered to the CLT prior to the commencement of the Lease and at each anniversary date thereof.

The dollar amounts of such coverage may be increased from time to time at the CLT's request but not more often than once in any one-year period. CLT shall inform the Homeowner of such required increase in coverage at least 30 days prior to the next date on which the insurance policy is to be renewed, and the Homeowner shall assure that the renewal includes such change. The amount of such increase in coverage shall be based on current trends in homeowner's liability insurance coverage in the area in which the Home is located. Notwithstanding the provisions of Section 9.4 of the ECLT Lease, the insurance to be carried by each Owner and the _____ Condominium Association, Inc. is as described in the Condominium Documents, which shall satisfy the requirements of Section 9.4.

9.5 WHAT HAPPENS IF HOME IS DAMAGED OR DESTROYED. Except as provided below, in the event of fire or other damage to the Home, Homeowner shall take all steps necessary to assure the repair of such damage and the restoration of the Home to its condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Homeowner shall also promptly take all steps necessary to assure that the Leased Land is safe and that the damaged Home does not constitute a danger to persons or

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property.

If Homeowner, based on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than the full cost of necessary repairs and that Homeowner cannot otherwise afford to cover the balance of the cost of repairs, then Homeowner shall notify CLT of this problem, and CLT may then help to resolve the problem. Methods used to resolve the problem may include efforts to increase the available insurance proceeds, efforts to reduce the cost of necessary repairs, efforts to arrange affordable financing covering the costs of repair not covered by insurance proceeds, and any other methods agreed upon by both Homeowner and CLT.

If Homeowner and CLT cannot agree on a way of restoring the Home in the absence of adequate insurance proceeds, then Homeowner may give CLT written notice of intent to terminate the Lease. The date of actual termination shall be no less than 60 days after the date of Homeowner's notice of intent to terminate. Upon termination, any insurance proceeds payable to Homeowner for damage to the Home shall be paid as follows.

FIRST, to the expenses of their collection;

SECOND, to any Permitted Mortgagee(s), to the extent required by the Permitted Mortgage(s);

THIRD, to the expenses of enclosing or razing the remains of the Home and clearing debris;

FOURTH, to the CLT for any amounts owed under this Lease;

FIFTH, to the Homeowner, up to an amount equal to the Purchase Option Price, as of the day prior to the loss, less any amounts paid with respect to the second, third, and fourth clauses above;

SIXTH, the balance, if any, to the CLT.

Notwithstanding the provisions of Section 9.5 of the ECLT Lease, the Condominium Documents shall govern what must occur in the event that the Project is damaged or destroyed.

9.6 WHAT HAPPENS IF SOME OR ALL OF THE LAND IS TAKEN FOR PUBLIC USE.

If all of the Leased Land is taken by eminent domain or otherwise for public purposes, or if so much of the Leased Land is taken that the Home is lost or damaged beyond repair, the Lease shall terminate as of the date when Homeowner is required to give up possession of the Leased Land. Upon such termination, the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

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

In the event of a taking of a portion of the Leased Land that results in damage to the Home only to such an extent that the Home can reasonably be restored to a residential use consistent with this Lease, then the damage shall be treated as damage is treated in Section 9.5 above, and monetary compensation shall be allocated as insurance proceeds are to be allocated under Section 9.5.

9.7 IF PART OF THE LAND IS TAKEN, THE LEASE FEE MAY BE REDUCED. In the event of any taking that reduces the size of the Leased Land but does not result in the termination of the Lease, CLT shall reassess the fair rental value of the remaining Land and

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shall adjust the Lease Fee if necessary to assure that the monthly fee does not exceed the monthly fair rental value of the Land for use as restricted by the Lease.

9.8 IF LEASE IS TERMINATED BY DAMAGE, DESTRUCTION OR TAKING, CLT WILL TRY TO HELP HOMEOWNER BUY ANOTHER CLT HOME. If this Lease is terminated as a result of damage, destruction or taking, CLT shall take reasonable steps to allow Homeowner to purchase another home on another parcel of leased land owned by CLT if such home can reasonably be made available. If Homeowner purchases such a home, Homeowner agrees to apply any proceeds or award received by Homeowner to the purchase of the home. Homeowner understands that there are numerous reasons why it may not be possible to make such a home available, and shall have no claim against CLT if such a home is not made available.

ARTICLE 10: Transfer of the Home

10.1 INTENT OF THIS ARTICLE IS TO PRESERVE AFFORDABILITY: Homeowner and CLT agree that the provisions of this Article 10 are intended to preserve the affordability of the Home for lower income households and expand access to homeownership opportunities for such households.

10.2 HOMEOWNER MAY TRANSFER HOME ONLY TO CLT OR QUALIFIED PERSONS: Homeowner may transfer the Home only to the CLT or an Income-Qualified Person as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers are to be completed only in strict compliance with this Article 10. Any purported transfer that does not follow the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

“Income-Qualified Person” shall mean a person or group of persons whose household income does not exceed eighty percent (**80%**) of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (HUD) or any successor.

10.3 THE HOME MAY BE TRANSFERRED TO CERTAIN HEIRS OF HOMEOWNER: If Homeowner dies (or if the last surviving co-owner of the Home dies), the executor or personal representative of Homeowner’s estate shall notify CLT within ninety (90) days of the date of the death. Upon receiving such notice CLT shall consent to a transfer of the Home and Homeowner’s rights to the Leased Land to one or more of the possible heirs of Homeowner listed below as “a,” “b,” or “c,” provided that a Letter of Agreement and a Letter of Attorney’s Acknowledgment (as described in Article 1 above) are submitted to CLT to be attached to the Lease when it is transferred to the heirs.

- a) the spouse of the Homeowner; or
- b) the child or children of the Homeowner; or
- c) member(s) of the Homeowner’s household who have resided in the Home for at least one year immediately prior to Homeowner’s death.

Any other heirs, legatees or devisees of Homeowner, in addition to submitting Letters of Agreement and Attorney’s Acknowledgment as provided above, must demonstrate to CLT’s

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satisfaction that they are Income-Qualified Persons as defined above. If they cannot demonstrate that they are Income-Qualified Persons, they shall not be entitled to possession of the Home but must transfer the Home in accordance with the provisions of this Article 10.

10.4 HOMEOWNER'S NOTICE OF INTENT TO SELL: In the event that Homeowner wishes to sell Homeowner's Property, Homeowner shall notify CLT and the City in writing of such wish (the Intent-to-Sell Notice). This Notice shall include a statement as to whether Homeowner wishes to recommend a prospective buyer as of the date of the Notice.

10.5 AFTER RECEIVING NOTICE, CLT SHALL COMMISSION AN APPRAISAL: No later than ten (10) days after CLT's receipt of Homeowner's Intent-to-Sell Notice, CLT shall commission a market valuation of the Leased Land and the Home (the Appraisal) to be performed by a duly licensed appraiser who is acceptable to CLT and Homeowner. CLT shall pay the cost of such Appraisal, **and this cost shall be reimbursed to the CLT at the time of closing of the sale of the home.** The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Leased Land and Home were held in fee simple absolute by a single party, disregarding all of the restrictions of this Lease on the use, occupancy and transfer of the property. The Appraisal shall state the values contributed by the Leased Land and by the Home (consisting of improvements only) as separate amounts, and shall be conducted according to the then-current Fannie Mae guidelines for appraising Community Land Trust homes, or, if these are no longer in use, by whatever appraisal standards are then considered as standard by Grounded Solutions Network (formerly the National Community Land Trust Network) or its replacement organization. Copies of the Appraisal are to be provided to both CLT and Homeowner.

10.6 CLT HAS AN OPTION TO PURCHASE THE HOME. Upon receipt of an Intent-to-Sell Notice from Homeowner, CLT shall have the option to purchase the Home at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Home for succeeding Income-Qualified Persons while taking fair account of the investment by the Homeowner.

If CLT elects to purchase the Home, CLT shall exercise the Purchase Option by notifying Homeowner, in writing, of such election (the Notice of Exercise of Option) within forty-five (45) days of the receipt of the Appraisal, or the Option shall expire. Having given such notice, CLT may either proceed to purchase the Home directly or may assign the Purchase Option to an Income-Qualified Person.

The purchase (by CLT or CLT's assignee) must be completed within sixty (60) days of CLT's Notice of Exercise of Option, or Homeowner may sell the Home and Homeowner's rights to the Leased Land as provided in Section 10.7 below. The time permitted for the completion of the purchase may be extended by mutual agreement of CLT and Homeowner.

Homeowner may recommend to CLT a prospective buyer who is an Income-Qualified Person and is prepared to submit Letters of Agreement and Attorney's Acknowledgement indicating informed acceptance of the terms of this Lease. CLT shall make reasonable efforts to arrange for the assignment of the Purchase Option to such person, unless CLT determines that its charitable mission is better served by retaining the Home for another purpose or transferring the Home to another party.

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10.7 IF PURCHASE OPTION EXPIRES, HOMEOWNER MAY SELL ON CERTAIN TERMS: If the Purchase Option has expired or if CLT has failed to complete the purchase within the sixty-day period allowed by Section 10.6 above, Homeowner may sell the Home to any Income-Qualified Person for not more than the then applicable Purchase Option Price.

10.8 AFTER ONE YEAR CLT SHALL HAVE POWER OF ATTORNEY TO CONDUCT SALE: If CLT does not exercise its option and complete the purchase of Homeowner's Property as described above, and if Homeowner (a) is not then residing in the Home and (b) continues to hold Homeowner's Property out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one year of the date of the Intent to Sell Notice, Homeowner does hereby appoint CLT its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the purposes of this Lease, sell the property, and pay to the Homeowner the proceeds of sale, minus CLT's costs of sale and any other sums owed CLT by Homeowner.

10.9 PURCHASE OPTION PRICE EQUALS LESSER OF APPRAISED VALUE OR FORMULA PRICE: In no event may the Home be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be the lesser of (a) the value of the Home (consisting of improvements only) as determined by the Appraisal commissioned and conducted as provided in 10.5 above or (b) the price calculated in accordance with the formula described below (the Formula Price).

10.10 HOW THE FORMULA PRICE IS CALCULATED: The Formula Price shall be equal to Homeowner's Base Price, as stated below, plus 25% of the increase in market value of the Home, if any, calculated in the way described below.

Homeowner's Base Price: The parties agree that the Homeowner's Base Price for Homeowner's Property as of the signing of this Lease is \$ _____ [**See individual Acceptance/Notice for the Homeowner's Base Price**]. .

Initial Appraised Value: The parties agree that the appraised value of the Home at the time of Homeowner's purchase (the Initial Appraised Value) is \$ _____, [**See individual Acceptance/Notice for the Initial Appraised Value**] as documented by the appraiser's report attached to this Lease as Exhibit INITIAL APPRAISAL.

Increase in Market Value: The increase in market value of the Home equals the appraised value of the Home at time of sale, calculated according to Section 10.5 above, minus the Initial Appraised Value.

Homeowner's share of Increase in Market Value: Homeowner's share of the increase in the market value of the Home equals twenty-five percent (25%) of the increase in market value as calculated above.

Summary of Formula Price: The Formula Price equals Homeowner's Base Price plus Homeowner's Share of Increase in Market Value.

Qualified Capital Improvements: Qualified Capital Improvements are improvements made by the Homeowner to the Home which were approved by the CLT in writing in accordance with the CLT's Qualified Capital Improvements Policy, as may be revised from time to time ("QCI Policy"). For purposes of calculating the Formula Price, the value of said Qualified Capital Improvements shall be determined in accordance with the QCI Policy.

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Formula Price = Base Price + [.25 ([Market appraised value less value of Qualified Capital Improvements] – initial appraised value)]+ value of Qualified Capital Improvement(s).

10.11 QUALIFIED PURCHASER SHALL RECEIVE NEW LEASE: The CLT shall issue a new lease to any person who purchases the Home in accordance with the terms of this Article 10. The terms of such lease shall be the same as those of new leases issued to homebuyers at that time for land not previously leased by the CLT. Information on each lease termination and each new lease will be reported annually to the City.

10.12 PURCHASER MAY BE CHARGED A TRANSFER FEE. In the event that Homeowner sells the home to a party other than the CLT (whether directly to such party or as a result of CLT's assignment of its Purchase Option to such party), the price to be paid by such purchaser shall include in addition to the Purchase Option Price, at the discretion of the CLT, a transfer fee to compensate the CLT for carrying out its responsibilities with regard to the transaction. The amount of the transfer fee shall be no more than 3% of the Purchase Option Price.

10.13 HOMEOWNER REQUIRED TO MAKE NECESSARY REPAIRS AT TRANSFER: The Homeowner is required to make necessary repairs when she voluntarily transfers the Home as follows:

- a) The person purchasing the Home ("Buyer") shall, prior to purchasing the Home, hire at her sole expense a building inspector with a current Home Inspector certification from one of the Colorado Home Inspection certification organizations (or a Colorado license, if the State passes such licensing legislation) to assess the condition of the Home and prepare a written report of the condition ("Inspection Report"). The Homeowner shall cooperate fully with the inspection.
- b) The Buyer shall provide a copy of the Inspection Report to Buyer's lender (if any), the Homeowner, and the CLT within 10 days after receiving the Inspection Report.
- c) Homeowner shall repair specific reported defects or conditions necessary to bring the Home into full compliance with Sections 4.2 and 7.5 above prior to transferring the Home.
- d) Homeowner shall bear the full cost of the necessary repairs and replacements. However, upon Homeowner's written request, the CLT may allow the Homeowner to pay all or a portion of the repair costs after transfer, from Homeowner's proceeds of sale, if Homeowner cannot afford to pay such costs prior to the transfer. In such event, either (i) 150% of the unpaid estimated cost of repairs or (ii) 100% of the unpaid cost of completed repairs shall be withheld from Homeowner's proceeds of sale in a CLT-approved escrow account.
- e) Homeowner shall allow CLT, Buyer, and Buyer's building inspector and lender's representative to inspect the repairs prior to closing to determine that the repairs have been satisfactorily completed.
- f) Upon sale or other transfer, Homeowner shall either (i) transfer the Home with all originally purchased appliances or replacements in the Home in good working order or (ii) reduce the Purchase Option Price by the market value of any such appliances that are not left with the Home in good working order.

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ARTICLE 11: RESERVED

ARTICLE 12: DEFAULT

12.1 WHAT HAPPENS IF HOMEOWNER FAILS TO MAKE PAYMENTS TO THE CLT THAT ARE REQUIRED BY THE LEASE: It shall be an event of default if Homeowner fails to pay the Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Homeowner or a Permitted Mortgagee within thirty (30) days after notice of such failure is given by CLT to Homeowner and Permitted Mortgagee. However, if Homeowner makes a good faith partial payment of at least two-thirds (2/3) of the amount owed during the 30-day cure period, then the cure period shall be extended by an additional 30 days.

12.2 WHAT HAPPENS IF HOMEOWNER VIOLATES OTHER (NONMONETARY) TERMS OF THE LEASE: It shall be an event of default if Homeowner fails to abide by any other requirement or restriction stated in this Lease, and such failure is not cured by Homeowner or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by CLT to Homeowner and Permitted Mortgagee. However, if Homeowner or Permitted Mortgagee has begun to cure such default within the 60-day cure period and is continuing such cure with due diligence but cannot complete the cure within the 60-day cure period, the cure period shall be extended for as much additional time as may be reasonably required to complete the cure.

12.3 WHAT HAPPENS IF HOMEOWNER DEFAULTS AS A RESULT OF JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Homeowner is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Homeowner for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of the Home or Homeowner's interest in the Leased Land by a court of competent jurisdiction, or if a petition is filed for the reorganization of Homeowner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Homeowner files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 IN NO EVENT SHALL THE DEFAULT OF A HOMEOWNER UNDER THE LEASE PERMIT CLT TO EXERCISE ANY DEFAULT REMEDIES AGAINST A NON_DEFAULTING HOMEOWNER.

12.5 A DEFAULT (UNCURED VIOLATION) GIVES CLT THE RIGHT TO TERMINATE THE LEASE OR EXERCISE ITS PURCHASE OPTION:

a) TERMINATION: In the case of any of the events of default described above, CLT may terminate this Lease and initiate summary proceedings under applicable law against Homeowner, and CLT shall have all the rights and remedies consistent with such laws and resulting court orders to enter the Leased Land and Home and repossess the entire Leased Land and Home, and expel Homeowner and those claiming rights through Homeowner. In addition, CLT shall have such additional rights and remedies to recover from Homeowner arrears of rent and damages from any preceding breach of any covenant of this Lease. If this Lease is terminated by CLT pursuant to an Event of Default, then, as provided in Section 7.7 above, upon thus assuming title to the Home, CLT shall pay to Homeowner and any Permitted

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Mortgagee an amount equal to the Purchase Option Price calculated in accordance with Section 10.9 above, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee and any other amounts owed to the CLT under the terms of this Lease and all reasonable costs (including reasonable attorneys' fees) incurred by CLT in pursuit of its remedies under this Lease.

If CLT elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above and the attached Exhibit: Permitted Mortgages) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Homeowner's interest in the Home and the Leased Land by foreclosure of its mortgage or otherwise.

b) EXERCISE OF OPTION: In the case of any of the events of default described above, Homeowner hereby grants to the CLT (or its assignee) the option to purchase the Home for the Purchase Option Price as such price is defined in Article 10 above. Within thirty (30) days after the expiration of any applicable cure period as established in Sections 12.1 or 12.2 above or within 30 days after any of the events constituting an Event of Default under Section 12.3 above, CLT shall notify the Homeowner and the Permitted Mortgagee(s) of its decision to exercise its option to purchase under this Section 12.4(b). Not later than ninety (90) days after the CLT gives notice to the Homeowner of the CLT's intent to exercise its option under this Section 12.4(a), the CLT or its assignee shall purchase the Home for the Purchase Option Price.

12.5 WHAT HAPPENS IF CLT DEFAULTS: CLT shall in no event be in default in the performance of any of its obligations under the Lease unless and until CLT has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Homeowner to CLT properly specifying CLT's failure to perform any such obligation.

ARTICLE 13: Mediation and Arbitration

13.1 Nothing in this Lease shall be construed as preventing the parties from utilizing any process of mediation or arbitration in which the parties agree to engage for the purpose of resolving a dispute; however, the City and County of Denver shall not arbitrate or mediate any issue.

13.2 Homeowner and CLT shall each pay one half (50%) of any costs incurred in carrying out mediation or arbitration in which the parties have agreed to engage. The City and County of Denver shall not be bound by any mediation or arbitration.

Exhibit F – Form Master Land Lease

ARTICLE 14: GENERAL PROVISIONS

14.1 HOMEOWNER'S MEMBERSHIP IN CLT: In the event that the CLT becomes a membership organization at some future date, the Homeowner under this Lease may become a regular voting member of the CLT in accordance with and subject to the terms of the Articles of Incorporation and Bylaws of the CLT, as same may be amended from time to time.

14.2 NOTICES: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to CLT: ECLT _____ Commons, LLC 1114 W. 7th Ave, Ste.
101 Denver, CO 80204

with a copy to: Tiana Patterson, Esq. (CLT's attorney)

If to Homeowner: _____ (name of Homeowner) [**See individual Acceptance/Notice for address of Homeowner**]

If to City: Executive Director of the Department of Housing Stability or Designee, City and County of Denver, 201 West Colfax Avenue, Dept. ____, Denver, Colorado 80202

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.3 NO BROKERAGE: Homeowner warrants that it has not dealt with any real estate broker other than _____ [**See individual Acceptance/Notice for name of Broker**] in connection with the purchase of the Home. If any claim is made against CLT regarding dealings with brokers other than _____ [**See individual Acceptance/Notice for name of Broker**], Homeowner shall defend CLT against such claim with counsel of CLT's selection and shall reimburse CLT for any loss, cost or damage which may result from such claim.

14.4 SEVERABILITY AND DURATION OF LEASE: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Homeowner or CLT against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that CLT's option to purchase and all other rights of both parties under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and shall be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercising of such option or right shall be construed to expire ninety-nine and one half (99.5) years after the date of this Lease.

14.5 RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, CLT shall nevertheless have a right of first refusal to purchase the Home at the highest documented bona fide purchase price offer made to Homeowner. Such right shall be as specified in Exhibit FIRST REFUSAL. Any sale or transfer contrary to this Section, when applicable, shall be null and void.

Exhibit F – Form Master Land Lease

14.6 WAIVER: The waiver by CLT at any time of any requirement or restriction in this Lease, or the failure of CLT to take action with respect to any breach of any such requirement or restriction, shall not be deemed to be a waiver of such requirement or restriction with regard to any subsequent breach of such requirement or restriction, or of any other requirement or restriction in the Lease. CLT may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by CLT before being effective.

The subsequent acceptance of Lease Fee payments by CLT shall not be deemed to be a waiver of any preceding breach by Homeowner of any requirement or restriction in this Lease, other than the failure of the Homeowner to pay the particular Lease Fee so accepted, regardless of CLT's knowledge of such preceding breach at the time of acceptance of such Lease Fee payment.

14.7 CLT'S RIGHT TO PROSECUTE OR DEFEND: CLT shall have the right, but shall have no obligation, to prosecute or defend, in its own or the Homeowner's name, any actions or proceedings appropriate to the protection of its own or Homeowner's interest in the Leased Land. Whenever requested by CLT, Homeowner shall give CLT all reasonable aid in any such action or proceeding.

14.8 CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.9 AMENDING THE LEASE: Except for amendments required by agencies of the secondary lending market and except for amendments to correct clerical, typographical or technical errors, all of which may be undertaken by ECLT with the approval of Unit Owners, and amendments to the Lease shall require the written approval of ECLT plus Unit Owners holding a majority of the voices through the _____ Condominium Association, Inc ("Association") ECLT and the Land Lease is not subject to any amendments to the Declaration which are not approved in advance by ECLT, or which adversely affect the rights of ECLT under the Land Lease.

14.10 HEADINGS AND TABLE OF CONTENTS: The headings, subheadings and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.11 PARTIES BOUND: This Lease sets forth the entire agreement between CLT and Homeowner with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by CLT and Homeowner or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

14.12 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of the state of Colorado. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against CLT or

Exhibit F – Form Master Land Lease

Homeowner.

14.13 RECORDING: The parties agree that this Lease shall be recorded.

14.14 REMEDIES CUMULATIVE: The remedies of CLT and Homeowner under this Lease shall be cumulative, and no one of them shall be construed as exclusive of any other or of any remedy provided by law.

14.15 TIME IS OF THE ESSENCE: Time shall be of the essence with respect to all terms of this Lease.

14.16 RIDER: The Community Land Trust Ground Lease rider, if attached hereto, is incorporated by reference and made a part hereof.

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

LESSEE:

, LLC, a Colorado limited liability company

By: _____

Title: _____

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 201__, by _____, as _____, of Development, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: _____.

(SEAL)

Notary Public

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Exhibit B
LEASED LAND

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Exhibit C: PERMITTED MORTGAGES

The rights and provisions set forth in this Exhibit shall be understood to be provisions of Section 8.2 of the Lease. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A. OBLIGATIONS OF PERMITTED MORTGAGEE. Any Permitted Mortgagee shall be bound by each of the following requirements unless the particular requirement is removed, contradicted or modified by a rider to this Lease signed by the Homeowner and the CLT to modify the terms of the Lease during the term of the Permitted Mortgage.

1. If Permitted Mortgagee sends a notice of default to the Homeowner because the Homeowner has failed to comply with the terms of the Permitted Mortgage, the Permitted Mortgagee shall, at the same time, send a copy of that notice to the CLT. Upon receiving a copy of the notice of default and within that period of time in which the Homeowner has a right to cure such default (the “cure period”), the CLT shall have the right to cure the default on the Homeowner’s behalf, provided that all current payments due the Permitted Mortgagee since the notice of default was given are made to the Permitted Mortgagee.
2. If, after the cure period has expired, the Permitted Mortgagee intends to accelerate the note secured by the Permitted Mortgage or begin foreclosure proceedings under the Permitted Mortgage, the Permitted Mortgagee shall first notify CLT of its intention to do so, and CLT shall then have the right, upon notifying the Permitted Mortgagee within thirty (30) days of receipt of such notice, to acquire the Permitted Mortgage by paying off the debt secured by the Permitted Mortgage.
3. If the Permitted Mortgagee acquires title to the Home through foreclosure or acceptance of a deed in lieu of foreclosure, the Permitted Mortgagee shall give CLT written notice of such acquisition and CLT shall then have an option to purchase the Home from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage. To exercise this option to purchase, CLT must give written notice to the Permitted Mortgagee of CLT’s intent to purchase the Home within thirty (30) days following CLT’s receipt of the Permitted Mortgagee’s notice. CLT must then complete the purchase of the Home within sixty (60) days of having given written notice of its intent to purchase. If CLT does not complete the purchase within this 60-day period, the Permitted Mortgagee shall be free to sell the Home to another person.
4. Nothing in the Permitted Mortgage or related documents shall be construed as giving Permitted Mortgagee a claim on CLT’s interest in the Leased Land, or as assigning any form of liability to the CLT with regard to the Leased Land, the Home, or the Permitted Mortgage.
5. Nothing in the Permitted Mortgage or related documents shall be construed as rendering CLT or any subsequent Mortgagee of CLT’s interest in this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt secured by the Permitted Mortgage or any part thereof.
6. The Permitted Mortgagee shall not look to CLT or CLT’s interest in the Leased Land, but will look solely to Homeowner, Homeowner’s interest in the Leased Land, and the Home for the payment of the debt secured thereby or any part thereof. (It is the intention of the parties hereto that CLT’s consent to such the Permitted Mortgage shall be without any liability on the part of CLT for any deficiency judgment.)

Exhibit F – Form Master Land Lease

7. In the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the Permitted Mortgagee in accordance with the provisions of ARTICLE 9 hereof.

8. CLT shall not be obligated to execute an assignment of the Lease Fee or other rent payable by Homeowner under the terms of this Lease.

B. RIGHTS OF PERMITTED MORTGAGEE. The rights of a Permitted Mortgagee as referenced under Section 8.6 of the Lease to which this Exhibit is attached shall be as set forth below.

1. Any Permitted Mortgagee shall, without further consent by CLT, have the right to (a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance being effective as if it had been performed by Homeowner; (b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Homeowner by this Lease or otherwise by law, subject to the provisions, if any, in the Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and (c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.

2. A Permitted Mortgagee shall not be required, as a condition to the exercise of its rights under the Lease, to assume personal liability for the payment and performance of the obligations of the Homeowner under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Home and Leased Land. In the event Permitted Mortgagee does take possession of the Home and Leased Land and thereupon transfers such property, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3. In the event that title to the estates of both CLT and Homeowner are acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage.

4. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, CLT shall enter into a new lease for the Leased Land with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to CLT's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to CLT for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Homeowner thereunder. Any new lease made pursuant to this Section shall have the same priority with respect to other interests

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Stipulated Conditions”).

Now, therefore, the Homeowner/Mortgagor and the Mortgagee hereby agree that the terms and conditions of the Mortgage shall include the Stipulated Conditions stated below.

Stipulated Conditions:

1) *If Mortgagee sends a notice of default to the Homeowner because the Homeowner has failed to comply with the terms of the Mortgage, the Mortgagee shall, at the same time, send a copy of that notice to the CLT. Upon receiving a copy of the notice of default and within that period of time in which the Homeowner has a right to cure such default (the “cure period”), the CLT shall have the right to cure the default on the Homeowner’s behalf, provided that all current payments due the Permitted Mortgagee since the notice of default was given are made to the Mortgagee.*

2) *If, after such cure period, the Mortgagee intends to accelerate the note secured by the Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of the Lease, the Mortgagee shall first notify CLT of its intention to do so and CLT shall have the right, but not the obligation, upon notifying the Mortgagee within thirty (30) days of receipt of said notice, to purchase the Mortgagee loans and to take assignment of the Mortgage.*

3) *If the Mortgagee acquires title to the Home and Homeowner’s interest in the Leased Land through foreclosure or acceptance of a deed in lieu of foreclosure, the Mortgagee shall give the CLT written notice of such acquisition and the CLT shall have an option to purchase the Home and Homeowner’s interest in the Leased Land from the Mortgagee for the full amount owing to the Mortgagee; provided, however, that the CLT notifies the Mortgagee in writing of the CLT’s intent to make such purchase within thirty (30) days following the CLT’s receipt of the Mortgagee’s notice of such acquisition of the Home and Homeowner’s interest in the Leased Land; further provided that CLT shall complete such purchase within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the CLT does not complete the purchase within such period, the Mortgagee shall be free to sell the Home and Homeowner’s interest in the Leased Land to another person;*

4) *Nothing in the Mortgage or related documents shall be construed as giving the Mortgagee a claim on CLT’s interest in the Leased Land, or as assigning any form of liability to the CLT with regard to the Leased Land, the Home, or the Mortgage.*

5) *Nothing in the Mortgage shall be construed as rendering CLT or any subsequent holder of the CLT’s interest in and to the Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.*

6) *The Mortgagee shall not look to CLT or CLT’s interest in the Leased Land, but will look solely to Homeowner and Homeowner’s interest in the Leased Land and the Home for the payment of the debt secured by the Mortgage. (It is the intention of the parties hereto that CLT’s consent to the Mortgage shall be without any liability on the part of CLT for any deficiency judgment.)*

Exhibit F – Form Master Land Lease

7) *In the event that any part of the Leased Land is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the Mortgagee in accordance with the provisions of Article 9 of the Lease.*

8) *Nothing in the Mortgage shall obligate CLT to execute an assignment of the Lease Fee or other rent payable by Homeowner under the terms of this Lease.*

By:

_____ for Mortgagee Date: _____

_____ for Homeowner/Mortgagor Date: _____

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Exhibit F – Form Master Land Lease

Exhibit E: FIRST REFUSAL

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

- a) Offering Party shall give written notice of such offer (“the Notice of Offer”) to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer (“the Election Period”) within which to exercise the right of first refusal by giving notice of intent to purchase the property (“the Notice of Intent to Purchase”) for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.
- b) If Holder exercises the right to purchase the property, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.
- c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to the Holder having a renewed right of first refusal in said property.

Exhibit F – Form Master Land Lease

EXHIBIT F

Attach form of Acceptance and Notice of Land Lease

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Exhibit F – Form Master Land Lease

EXHIBIT A TO
EXHIBIT F

Description of Property

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Exhibit F – Form Master Land Lease

Other Exhibits to be Attached as Appropriate

Exhibit LAND *[Correct legal description of area of Leased Land and appurtenant titlerights and obligations.]*

Exhibit ZONING *[Setting forth applicable zoning restrictions as of the commencement ofthe Lease]*

Exhibit RESTRICTIONS *[To be attached when necessary to stipulate use restrictions notincluded under Zoning]*

Exhibit INITIAL APPRAISAL *[To be attached if Lease contains an “appraisal-based” resale formula]*

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EXHIBIT G

Zoning/ Initial

Appraisal

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COMMERCIAL UNIT ADDENDUM TO ECLT _____ COMMONS

THE (ENTITY) MASTER LAND LEASE

This Addendum to ECLT _____ Commons The [Entity] Master Land Lease ("Addendum") is made a part of that certain ECLT _____ Commons _____ Master Land Lease ("ECLT Lease") made by and between ECLT _____ Commons, LLC, a Colorado limited liability company ("CLT") and _____ Development, LLC, a Colorado limited liability company (" "). In the event of a conflict between the terms of this Addendum and the ECLT Lease, the terms of this Addendum shall control.

1. *Commercial Units.* The Commercial Units shall not be subject to the following provisions of the ECLT Lease:

a. Section 4.1. The Commercial Units may be used for commercial purposes in accordance with applicable governmental regulations and the Condominium Documents.

b. Section 4.4. The owners of the Commercial Units may rent out such Commercial Unit(s) for whatever period permitted by applicable governmental regulations and the Condominium Documents.

c. Section 4.5. Commercial Units may be subleased in accordance with applicable governmental regulations and the Condominium Documents.

d. Article 8.

e. Article 10.

f. Article 14.1.

Exhibit F – Form Master Land Lease

2. *Fees.* Upon the sale of a Unit by _____ (“Developer LLC”) to a third-party purchaser, Developer shall be fully and finally released from all obligations under the ECLT Lease as it applies to said Unit, which obligations shall be deemed fully assumed by the purchaser thereof, as a "Homeowner," as of the date of closing. In addition to the foregoing, the Unit shall be subject to the following provisions of the ECLT Lease as it relates to Units that it owns:

a. The Lease Fee described in Section 5.

b. All subsequent transfers of ownership, after the initial sale, shall be subject to the lease transfer fee of 3% as described in Section 10.12.

Upon the sale of a Unit by _____ (Developer) to a third-party purchaser, (Developer) shall be responsible for ensuring that any deeds of trust executed by (Developer) related to the Project are partially released as to the Unit conveyed.

3. *Insurance.* Notwithstanding the provisions of Section 9.4 of the ECLT Lease, the insurance to be carried by each Owner and the [Entity] Condominium Association, Inc. is as described in the Condominium Documents, which shall satisfy the requirements of Section 9.4.

4. *Casualty.* Notwithstanding the provisions of Section 9.5 of the ECLT Lease, the Condominium Documents shall govern what must occur in the event that the Project is damaged or destroyed.

CLT:

ECLT _____ Commons, LLC, a Colorado limited liability
company

By: _____
Printed Name: _____
Its: _____

The [Entity]:

_____ Development, LLC, a Colorado limited liability
company

By: _____
Printed Name: _____
Its: _____