

WHEN RECORDED MAIL TO:

Office of Economic Development
Attention: Andrea Morgan
201 W. Colfax Ave., Dept. 204
Denver, CO 80202

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

SECOND AMENDMENT AND MODIFICATION AGREEMENT

THIS SECOND AMENDMENT AND MODIFICATION AGREEMENT is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado ("City"), and **HOUSING AUTHORITY FOR THE CITY AND COUNTY OF DENVER**, whose address is 777 Grant Street, Denver, CO 80203 ("Borrower" or "Contractor"), (together, the "Parties").

WITNESSETH:

WHEREAS, the Parties entered into that certain Loan Agreement dated April 3, 2007, as amended by that certain Amendatory Agreement dated September 10, 2012, and recorded on September 19, 2012 under Reception No. 2012127614 of the records of the City and County of Denver, State of Colorado, to lend the Borrower the sum of One Million Two Hundred Thousand Dollars (\$1,200,000.00) of Home Investment Partnership Program ("Home Program") funds to be used to finance the rehabilitation of affordable housing (as amended, the "Loan Agreement"); and

WHEREAS, Borrower executed that certain Deed of Trust (the "Deed of Trust"), for the benefit of the City, dated August 31, 2007, and recorded on September 21, 2007 at Reception No. 2007147354 of the records of the City and County of Denver, State of Colorado, and encumbering fourteen (14) parcels of real property listed on Exhibit A of the April 3, 2007 Loan Agreement (the "Property"); and

WHEREAS, the Deed of Trust secures the repayment of the indebtedness evidenced by that certain Promissory Note dated August 31, 2007 (the "Note"); and

WHEREAS, the Property is also encumbered by a covenant dated August 31, 2007 and recorded on September 21, 2007 at Reception No. 2007147353 of the records of the City and County of Denver, State of Colorado, restricting the use and affordability of the living units at the Property (the "Covenant"); and

WHEREAS, the September 10, 2012 Amendatory Agreement authorized the Director of the City’s Office of Economic Development or his designee to execute releases or partial releases of the Deed of Trust and execute a deed of trust for certain parcels designated on Exhibit A-1 of the September 10, 2012 Amendatory Agreement; and

WHEREAS, the September 10, 2012 Amendatory Agreement also amended restrictions on the use of the Property to remove the requirement that Borrower provide certain units on the Property for persons who were formerly homeless; and

WHEREAS, the Parties wish to amend and modify the Loan Agreement, Promissory Note, and Deed of Trust (the “Loan Documents”) to add parcels to the Deed of Trust and Covenant, to remove parcels from the Deed of Trust, to clarify the types of affordable units provided on the Property, to amend and restate the Covenant in order to extend the term of the Covenant and amend the property encumbered by the Covenant, and to provide additional funds to the Borrower upon the sale of two units subject to affordability restrictions to income-qualified buyers;

NOW, THEREFORE, in consideration of the premises and mutual covenants and obligations herein set forth, the Parties agree as follows:

1. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Loan Documents.

2. Exhibit A-1 is deleted in its entirety and replaced by Exhibit A-2. Exhibit A-2 reflects an amendment to Exhibit A-1 which deletes the descriptions for certain parcels (stricken through) (the “Deleted Parcels”), and replaces the Deleted Parcels with the new descriptions indicated by underlined text in Exhibit A-2, attached hereto and incorporated herein, (the “Replacement Parcels”). All references to Exhibit A-1 in the Loan Agreement shall now be to Exhibit A-2.

3. The Executive Director of the City’s Office of Economic Development (the “Director”) or his designee is authorized to execute a release of Deed of Trust or partial release of Deed of Trust in order to effectuate the release of the Deleted Parcels as listed on Exhibit A-2. The Director or his designee is authorized to execute a Deed of Trust or other documentation to encumber the Replacement Parcels as listed on Exhibit A-2.

4. Section 1, **LOAN TO BORROWER**, is amended to read as follows:

“Subject to the terms of this Agreement, the City agrees to lend Borrower the sum of One Million Two Hundred Thousand Dollars (\$1,200,000) (the “HOME

Funds”). Repayment of the HOME Funds shall be deferred so long as Borrower is in compliance with the terms and conditions of this Loan Agreement and a promissory note in form satisfactory to the City evidencing this loan (the “Promissory Note”). Presuming such compliance, repayment of the HOME Funds shall be forgiven on February 1, 2047. In addition, the City agrees to loan to the Borrower the sum of Sixty Five Thousand Seven Hundred Fifty Two Dollars (\$65,752) (the “General Funds”) to be used by Borrower to supplement the sale price of certain units of the 525 Jackson Condominiums. Repayment of the General Funds shall be deferred so long as Borrower is in compliance with the terms and conditions of this Loan Agreement and a promissory note in form satisfactory to the City evidencing this loan (the “General Funds Promissory Note”). Presuming such compliance, repayment of the General Funds shall be forgiven upon the sale of the certain units at the 525 Jackson Condominiums to income-qualified buyers and subject to affordability restrictions.”

5. Section 6.B, **RESTRICTIONS ON USE OF PROPERTY**: Occupancy/Income Limitations, is deleted in its entirety and amended to read as follows:

“The HOME Units shall be occupied by tenants whose incomes are at or below sixty percent (60%) of the median income for the Denver area as determined by HUD pursuant to section 24 C.F.R. 5.609 or any successor regulation. The Low HOME Units shall be occupied by tenants whose incomes are at or below fifty percent (50%) of the median income for the Denver area as determined by HUD pursuant to section 24 C.F.R. 5.609 or any successor regulation. By executing this Agreement, Borrower acknowledges receipt of HUD’s current income guidelines from OED. It shall be Borrower’s responsibility to obtain updated guidelines from OED or HUD, and comply with the same.”

6. All of the HOME Units and Low HOME units are floating.

7. Borrower shall execute an amended and restated covenant (the “2017 Covenant”) in form satisfactory to the City set forth in Exhibit E, attached hereto and incorporated herein, which shall set forth the rental and occupancy limitations described in subparagraphs A and B of Paragraph 6 of the Agreement, which shall be recorded in the real estate records of the City and County of Denver and which shall constitute a covenant running with the land. The 2017 Covenant

shall encumber the property and parcels contained in Exhibit A-2 for a period up to and including February 1, 2047. Violation of said covenant shall be enforceable as an event of default pursuant hereto.

8. Borrower agrees to sell Unit 104 and Unit 207 at 525 Jackson Condominiums (the “Units”) to income-qualified buyers as defined in the Denver Revised Municipal Code Article IV, Chapter 27 within twelve (12) months of the effective date of this agreement. Upon the closing of this loan, Borrower shall execute a covenant in form satisfactory to the City set forth in Exhibit F, attached hereto and incorporated herein, setting forth affordability limitations, restrictions on acquisition and transfer of the units, and initial and resale price restrictions, which shall be recorded in the real estate records of the City and County of Denver and which shall constitute covenants running with the land (the “IHO Covenant”). The IHO Covenant shall encumber the Units for a period of thirty (30) years from the date of its recording. Borrower shall comply with the financial administration requirements set forth in Exhibit G attached hereto and incorporated herein.

9. Borrower consents to the use of electronic signatures by the City. This Second Amendment and Modification 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 the Second Amendment and Modification 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 the Second Amendment and Modification 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.

10. The Loan Documents are hereby amended to reflect the amended terms of the Loan Agreement.

11. Except as modified herein, the Loan Documents remain unmodified.

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Contract Control Number:

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:

By _____

By _____

By _____



Contract Control Number: OEDEV-GE6A125-02

Contractor Name: Housing Authority of the City and County of
Denver

By: Ismael Guerrero

Name: ISMAEL GUERRERO
(please print)

Title: EXECUTIVE DIRECTOR
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)



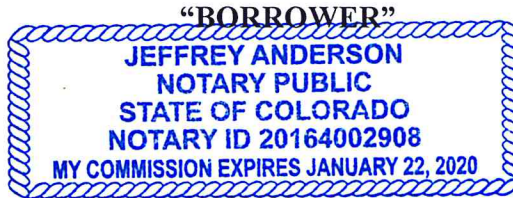
HOUSING AUTHORITY OF THE CITY
AND COUNTY OF DENVER,

IRS No. _____

By: Ismael Guertero

Title: EXECUTIVE DIRECTOR

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



Acknowledged before me this 27th day of
June, 2017, by Ismael Guertero as Executive Director of HOUSING
AUTHORITY OF THE CITY AND COUNTY OF DENVER.

Witness my hand and official seal.

My commission expires: January 22, 2020 Jeffrey Anderson
Notary Public



EXHIBIT A-2

LEGAL DESCRIPTIONS

Parcel A:

Lots A and B, Resubdivision of Lots 17, 18, 19 and 20, Block 1, Clover Park, City and County of Denver, State of Colorado

For information purposes only the address for Parcel A is:
900 - 910 Lipan Street, Denver CO 80204 .

Parcel B:

The East 100 feet of Lots 21 and 22, and The East 100 feet of the South 20 feet Lot 23, Block 1, Clover Park, City and County of Denver, State of Colorado

For Information purposes only the addresses for Parcel B are:
903 - 905 Kalamath Street, Denver CO 80204 and
907 - 911 Kalamath Street, Denver CO 80204

Parcel C:

Lot 12 and the North ½ of Lot 13, Block 17, Smith's Addition to the City of Denver, City and County of Denver, State of Colorado.

For Informational purposes only the address for Parcel C is:
830 Inca Street, Denver CO 80204

Parcel D:

The West 79 feet of Lot 20, and The West 79 feet of the South 17 feet of Lot 19, Block 11, Elmwood Addition to the City of Denver, City and County of Denver, State of Colorado

For Informational purposes only the address for Parcel D is:
700 - 704 Elati Street, Denver CO 80204

Parcel E:

The West 79 feet of Lot 18, and The North 8 feet of the West 79 feet of Lot 19, and The North 8 feet of the East 46 feet of Lot 18, Block 11, Elmwood Addition to the City of Denver, City and County of Denver, State of Colorado

For informational purposes only the address for Parcel E is:
708 - 710 Elati Street, Denver CO 80204

Parcel F:

Lots 37 to 40, inclusive, Block 27, Hallack's Subdivision of Blocks 27, 28, 38, 39 of Witter's First Addition to the City of Denver, City and County of Denver, State of Colorado

For informational purposes only the address for Parcel F is:
802 - 816 West 13th Avenue, Denver CO 80204

Parcel G:

~~Lot 1, Block 23, Hunt's Addition to Denver, City and County of Denver, State of Colorado~~

~~For informational purposes only the address for Parcel G is:
1125 West 10th Avenue, Denver CO 80204~~

Parcel H:

~~The South 90.4 feet of Lots 16 and 17, Block 23, Hunt's Addition to Denver, City and County of Denver, State of Colorado~~

~~For informational purposes only the address for Parcel H is:
1129 - 1135 West 10th Avenue, Denver, CO 80204~~

Parcel I:

Lots 1 and 2, Block 12, Hunt's Addition to Denver, City and County of Denver, State of Colorado,

For informational purposes only the address for Parcel I is:
926 - 934 West 14th Avenue, Denver CO 80204

Parcel J:

Lots 34 and the South ½ of Lot 35, Block 11, Hunt's Addition to Denver, City and County of Denver, State of Colorado

For informational purposes only the address for Parcel J is:
1355 - 1357 ½ Kalamath Street, Denver CO 80204

Parcel K:

Lots 31 and the South ½ of Lot 32, Block 11, Hunt's Addition to Denver, City and County of Denver, State of Colorado

For informational purposes only the address For Parcel K is:

1341 Kalamath Street, Denver CO 80204 -

Parcel L:

Lots 21, 22, and 23, Block 11, Hunt's Addition to Denver, City and County of Denver, State of Colorado

For informational purposes only the addresses for Parcel L are:
1301, 1305, and 1307 Kalamath Street, Denver, CO 80204

Parcel M:

Lots 19 and 20, Block 12, Hunt's Addition to Denver, City and County of Denver, State of Colorado

For informational purposes only the addresses for Parcel M are:
927 - 935 West 13th Avenue, Denver CO 80204 and
1300 - 1300 ½ Kalamath Street, Denver CO 80204 and
1306 Kalamath Street, Denver CO 80204

Parcel N:

The South ½ of Lots 23 and 24, Block 23, Hunt's Addition to Denver, City and County of Denver, State of Colorado

For informational purposes only the addresses for Parcel N are:
1103 West 10th Avenue, Denver CO 80204 and
1003 - 1009 Lipan Street, Denver CO 80204

Replacement Parcels:

PARCEL O:

LOTS 15 AND 16, BLOCK 63, P.T. BARNUM'S SUBDIVISION TO THE CITY OF DENVER, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

For informational purposes only the addresses for Parcel O are:
110-112 Hooker Street, Denver, CO 80219

PARCEL P:

CONDOMINIUM UNIT NO. 108, THE 525* CONDOMINIUMS, CITY AND COUNTY OF DENVER, STATE OF COLORADO, AS SHOWN ON THE CONDOMINIUM MAP RECORDED NOVEMBER 4, 1983 IN BOOK 25, PAGES 41-43 UNDER RECEPTION NO. 1983083148, SUBJECT TO THE CONDOMINIUM DECLARATION FOR THE 525* CONDOMINIUMS, RECORDED JUNE 12, 2000 UNDER RECEPTION NO. 2000081856, CITY AND COUNTY OF DENVER, STATE OF COLORADO RECORDS, TOGETHER WITH THE RIGHT TO THE EXCLUSIVE USE OF PARKING

SPACE NO. 21 AND STORAGE SPACE NO. 5.

PARCEL Q:

CONDOMINIUM UNIT NO. 208, THE 525* CONDOMINIUMS, CITY AND COUNTY OF DENVER, STATE OF COLORADO, AS SHOWN ON THE CONDOMINIUM MAP RECORDED NOVEMBER 4, 1983 IN BOOK 25, PAGES 41-43 UNDER RECEPTION NO. 1983083148, SUBJECT TO THE CONDOMINIUM DECLARATION FOR THE 525* CONDOMINIUMS, RECORDED JUNE 12, UNDER RECEPTION NO. 2000081856, CITY AND COUNTY OF DENVER, STATE OF COLORADO RECORDS.

PARCEL R:

LOT 34 AND THE SOUTH 1/2 OF LOT 35, BLOCK 18, HUNTS ADDITION TO DENVER, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

For informational purposes only the addresses for Parcel R are:
1155-1157 Lipan Street, Denver, CO 80204

EXHIBIT E

WHEN RECORDED MAIL TO:
Office of Economic Development
Attention: Andrea Morgan
201 W. Colfax Ave., Dept. 204
Denver, CO 80202

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

AMENDED AND RESTATED RENTAL AND OCCUPANCY COVENANT

THIS AMENDED AND RESTATED RENTAL AND OCCUPANCY COVENANT is made this ____ day of _____, 20____, by **HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER** ("Owner"), fee simple owner of certain property further described herein.

RECITALS:

WHEREAS, Owner was the recipient of federal funds pursuant to the Home Investment Partnership Program ("HOME Program"), to be used for the rehabilitation of the certain real property consisting of fourteen (14) parcels in the City and County of Denver, State of Colorado (the "Property"); and

WHEREAS, as a condition to the receipt of such federal funds, Owner recorded a Rental and Occupancy Covenant, dated August 31, 2007, and recorded on September 21, 2007 at Reception No. 2007147353 of the records of the City and County of Denver, State of Colorado; and

WHEREAS, the Owner desires to amend and restate this Covenant to release certain parcels, and add certain parcels to the Property so that the Property subject to this amended and restated covenant consists of the real property described in Exhibit A attached hereto and incorporated herein by this reference;

NOW, THEREFORE, the following is established as a covenant running with the Property:

1. **Rent Limitations.** Twelve (12) of the units at the Property (the "HOME Units") shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as established by the U.S. Department of Housing and Urban Development ("HUD"), under 24 C.F.R. 888.11, or (ii) a rent that does not exceed thirty percent (30%) of the adjusted income of a family whose annual income equals sixty-five percent (65%) of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.

Three (3) of the units at the Property (the “Low HOME Units”) shall have rents not exceeding the lesser of (i) thirty percent (30%) of the annual income of a family whose income equals fifty percent (50%) of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, or (ii) the HOME Unit rent as calculated above.

2. **Occupancy/Income Limitations.** The HOME Units shall be occupied by tenants whose incomes are at or below sixty percent (60%) of the median income for the Denver area as determined by HUD pursuant to 24 C.F.R. 5.609 or any successor regulation. The Low HOME Units shall be occupied by tenants whose incomes are at or below fifty percent (50%) of the median income for the Denver area as determined by HUD pursuant to section 24 C.F.R 5.609 or any successor regulation.

3. **Term.** This Covenant shall encumber the Property from the date of recording hereof until February 1, 2047 and shall not be amended or modified without the express written consent of the City and County of Denver.

4. **Enforcement.** This Covenant may be enforced by the City and County of Denver and/or HUD, or appropriate representatives thereof.

[Signature Page Follows.]

EXHIBIT A

LEGAL DESCRIPTIONS

Parcel A:

Lots A and B, Resubdivision of Lots 17, 18, 19 and 20, Block 1, Clover Park, City and County of Denver, State of Colorado

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Parcel B:

The East 100 feet of Lots 21 and 22, and The East 100 feet of the South 20 feet Lot 23, Block 1, Clover Park, City and County of Denver, State of Colorado

For Information purposes only the addresses for Parcel B are:
903 - 905 Kalamath Street, Denver CO 80204 and
907 - 911 Kalamath Street, Denver CO 80204

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Lot 12 and the North ½ of Lot 13, Block 17, Smith's Addition to the City of Denver, City and County of Denver, State of Colorado.

For Informational purposes only the address for Parcel C is:
830 Inca Street, Denver CO 80204

Parcel D:

The West 79 feet of Lot 20, and The West 79 feet of the South 17 feet of Lot 19, Block 11, Elmwood Addition to the City of Denver, City and County of Denver, State of Colorado

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The West 79 feet of Lot 18, and The North 8 feet of the West 79 feet of Lot 19, and The North 8 feet of the East 46 feet of Lot 18, Block 11, Elmwood Addition to the City of Denver, City and County of Denver, State of Colorado

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Parcel F:

Lots 37 to 40, inclusive, Block 27, Hallack's Subdivision of Blocks 27, 28, 38, 39 of Witter's First Addition to the City of Denver, City and County of Denver, State of Colorado

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Lots 1 and 2, Block 12, Hunt's Addition to Denver, City and County of Denver, State of Colorado,

For informational purposes only the address for Parcel I is:
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Lots 34 and the South ½ of Lot 35, Block 11, Hunt's Addition to Denver, City and County of Denver, State of Colorado

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Parcel L:

Lots 21, 22, and 23, Block 11, Hunt's Addition to Denver, City and County of Denver, State of Colorado

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1301, 1305 and 1307 Kalamath Street, Denver, CO 80204

Parcel M:

Lots 19 and 20, Block 12, Hunt's Addition to Denver, City and County of Denver, State of

Colorado

For informational purposes only the addresses for Parcel M are:
927 - 935 West 13th Avenue, Denver CO 80204 and
1300 - 1300 ½ Kalamath Street, Denver CO 80204 and
1306 Kalamath Street, Denver CO 80204

Parcel N:

The South ½ of Lots 23 and 24, Block 23, Hunt's Addition to Denver, City and County of Denver, State of Colorado

For informational purposes only the addresses for Parcel N are:
1103 West 10th Avenue, Denver CO 80204 and
1003 - 1009 Lipan Street, Denver CO 80204

PARCEL O:

LOTS 15 AND 16, BLOCK 63, P.T. BARNUM'S SUBDIVISION TO THE CITY OF DENVER, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

For informational purposes only the addresses for Parcel O are:
110-112 Hooker Street, Denver, CO 80219

PARCEL P:

CONDOMINIUM UNIT NO. 108, THE 525* CONDOMINIUMS, CITY AND COUNTY OF DENVER, STATE OF COLORADO, AS SHOWN ON THE CONDOMINIUM MAP RECORDED NOVEMBER 4, 1983 IN BOOK 25, PAGES 41-43 UNDER RECEPTION NO. 1983083148, SUBJECT TO THE CONDOMINIUM DECLARATION FOR THE 525* CONDOMINIUMS, RECORDED JUNE 12, 2000 UNDER RECEPTION NO. 2000081856, CITY AND COUNTY OF DENVER, STATE OF COLORADO RECORDS, TOGETHER WITH THE RIGHT TO THE EXCLUSIVE USE OF PARKING SPACE NO. 21 AND STORAGE SPACE NO. 5.

PARCEL Q:

CONDOMINIUM UNIT NO. 208, THE 525* CONDOMINIUMS, CITY AND COUNTY OF DENVER, STATE OF COLORADO, AS SHOWN ON THE CONDOMINIUM MAP RECORDED NOVEMBER 4, 1983 IN BOOK 25, PAGES 41-43, SUBJECT TO THE CONDOMINIUM DECLARATION FOR THE 525* CONDOMINIUMS, RECORDED JUNE 12, UNDER RECEPTION NO. 2000081856, CITY AND COUNTY OF DENVER, STATE OF COLORADO RECORDS.

PARCEL R:

LOT 34 AND THE SOUTH 1/2 OF LOT 35, BLOCK 18, HUNTS ADDITION TO DENVER, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

For informational purposes only the addresses for Parcel R are:
1155-1157 Lipan Street, Denver, CO 80204

EXHIBIT F

**NOTICE OF VOIDABLE TITLE TRANSFER AND MASTER COVENANT
FOR THE OCCUPANCY AND RESALE OF FOR SALE UNITS
104 AND 207 AT THE 525* CONDOMINIUMS**

THIS NOTICE OF VOIDABLE TITLE TRANSFER AND MASTER COVENANT FOR THE OCCUPANCY AND RESALE OF FOR SALE UNITS 104 AND 207 AT THE 525* CONDOMINIUMS, (the "Covenant") is made and entered into this _____ day of _____, 20__, by HOUSING AUTHORITY OF THE CITY AND COUNTY OF DENVER (the "Declarant"), and enforceable by the CITY AND COUNTY OF DENVER, COLORADO, or its designee (the "City").

WITNESSETH:

WHEREAS, Declarant owns the real property legally described as follows:

CONDOMINIUM UNIT NO.104, THE 525* CONDOMINIUMS, CITY AND COUNTY OF DENVER, STATE OF COLORADO, AS SHOWN ON THE CONDOMINIUM MAP RECORDED NOVEMBER 4, 1983 IN BOOK 25, PAGES 41-43 UNDER RECEPTION NO. 1983083148, SUBJECT TO THE CONDOMINIUM DECLARATION FOR THE 525* CONDOMINIUMS, RECORDED JUNE 12, 2000 UNDER RECEPTION NO. 2000081856, CITY AND COUNTY OF DENVER, STATE OF COLORADO RECORDS, TOGETHER WITH THE RIGHT TO THE EXCLUSIVE USE OF PARKING SPACE NO. 20 AND STORAGE SPACE NO. 4;

And

CONDOMINIUM UNIT NO. 207, THE 525* CONDOMINIUMS, CITY AND COUNTY OF DENVER, STATE OF COLORADO, AS SHOWN ON THE CONDOMINIUM MAP RECORDED NOVEMBER 4, 1983 IN BOOK 25, PAGES 41-43 UNDER RECEPTION NO. 1983083148, SUBJECT TO THE CONDOMINIUM DECLARATION FOR THE 525* CONDOMINIUMS, RECORDED JUNE 12, 2000 UNDER RECEPTION NO. 2000081856, CITY AND COUNTY OF DENVER, STATE OF COLORADO RECORDS, TOGETHER WITH THE RIGHT TO THE EXCLUSIVE USE OF PARKING SPACE NO. 22 AND STORAGE SPACE NO. 13.

(collectively, the "MPDUs" and each such unit, individually, an "MPDU").

WHEREAS, Declarant has determined, in exchange for release of part of its property which was subject to separate affordability obligations, to voluntarily subject this property to affordability restrictions set forth herein. Declarant, therefore, agrees that this Covenant shall subject this property to the provisions of Denver Revised Municipal Code Article IV of Chapter 27 (" D.R.M.C.") Sections 101--118 as that ordinance and the Rules and Regulations thereunder existed on December 31, 2016 and those restrictions shall run with the land until the Final MPDU Sale and these covenants shall bind the Owners of the MPDU property, and all other

parties with an interest in title to the MPDU property until the Final MPDU Sale. Declarant will not receive any incentive payments allowed under Article IV of Chapter 27 of the D.R.M.C.

WHEREAS, Declarant agrees to restrict the acquisition or transfer of the MPDUs to Eligible Households as that term is defined in this Covenant. In addition, the Declarant agrees that this Covenant shall constitute a resale restriction setting forth the Maximum Sale Price for which each MPDU may be sold, the amount of appreciation and the terms and provisions controlling the resale of the MPDUs should a subsequent Owner of an MPDU desire to sell his or her interest in the MPDU at any time after the date of this Covenant. Finally, by this Covenant, Declarant agrees to restrict the MPDUs against use and occupancy inconsistent with this Covenant.

NOW, THEREFORE, for consideration hereby acknowledged by Declarant, Declarant hereby represents, covenants and declares as follows:

1. **Definitions.** The following terms shall have the following meanings when used in this Covenant:

(a) “AMI” or “Adjusted median income” or “Median income” or “area median income” means the median income for the Denver metropolitan area, adjusted for household size as calculated by HUD.

(b) “Article IV of Chapter 27 of the D.R.M.C.” or “D.R.M.C. 27-” means Denver Revised Municipal Code Chapter 27, Sections 101--118 as that ordinance existed on December 31, 2016 and, if applicable, the Rules and Regulations thereunder as they existed on December 31, 2016.

(b) “Control Period” means the time an MPDU is subject to restrictions to insure the long-term affordability of the MPDU. The Control Period is thirty (30) years and begins on the date of initial sale as defined herein.

(c) “Date of initial sale” means the date of closing for initial purchase of a MPDU.

(d) “Director” means the Director of OED or Director’s designee.

(e) “Dwelling unit” has the same meaning as defined at D.R.M.C. §27-18.

(f) “Eligible Household” means a household whose income qualifies the household to participate in the MPDU program, and who holds a valid verification of eligibility from OED which entitles the household to buy an MPDU. All designated non-profit organizations, governmental or quasi-governmental bodies which purchase MPDUs for the purpose of sale or rental under any city approved program designed to assist the construction or occupancy of housing for families of low or moderate income are deemed “Eligible Households.” To be eligible to purchase an MPDU at initial sale, households must be earning no more than eighty percent (80%) of the AMI. To be qualified to participate in the MPDU program as an eligible household on a resale during the control period, the household must earn no more than the amount set forth in a schedule of eligibility provided by OED, which schedule may not under any circumstances exceed one hundred percent (100%) of AMI. The income levels shall

be reviewed by OED to be verified or pre-verified. The eligibility verification shall be calculated based on income at the time of execution of a contract for purchase of an MPDU.

(g) "Final MPDU sale" means the first resale within ten (10) years after the end of the Control Period.

(h) "Household" means:

(1) a single person; or

(2) any number of persons bearing to each other the relationship of: husband, wife, mother, father, grandmother, grandfather, son, daughter, brother, sister, stepson, stepdaughter, stepbrother, stepsister, stepmother, stepfather, grandson, granddaughter, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law, uncle, aunt, nephew or niece, living together as a single nonprofit housekeeping unit; or

(3) two (2) unrelated adults over the age of eighteen (18) years plus, if applicable, any persons bearing to either of the two (2) unrelated adults the relationship of son, daughter, stepson, stepdaughter, mother, father, grandmother, grandfather, grandson, granddaughter, sister, brother, living together as a single nonprofit housekeeping unit.

(i) "HUD" means the U.S. Department of Housing and Urban Development.

(j) "Maximum Gross Monthly Income" means the pre-tax income from all acceptable sources as defined in the HUD Technical Guide for Determining Income.

(k) "Maximum Sale Price" means the maximum amount for which an MPDU may be transferred, calculated in accordance with Article IV of Chapter 27 of the D.R.M.C.

(l) "Memorandum of acceptance" means a document signed by each MPDU purchaser stating the purchaser is aware of and will be bound by the MPDU restrictions and providing an address for notices to the purchaser.

(m) "MPDU" or "moderately priced dwelling unit" means a dwelling unit which is initially offered to Eligible Households under the terms of D.R.M.C. 27-101 et seq. and is affordable to households earning no more than eighty percent (80%) of AMI, adjusted for household size and remains price restricted during the Control Period.

(n) "OED" means City and County of Denver Office of Economic Development or any successor agency which is assigned responsibility for the City's inclusionary housing program.

(o) "Owner" means any Eligible Household which purchases an MPDU from the Declarant and any subsequent buyer, devisee, transferee, grantee, Owner or holder of title of any MPDU.

(p) "Prior purchase price" means the purchase price paid for the MPDU by the selling Owner upon such Owner's acquisition of the MPDU.

(q) "Purchase Money First Lien Holder" means the lender who advances funds for the sale to an Eligible Household to purchase the property from Declarant or from a prior Owner. It does not include lenders who re-finance an MPDU.

(q) "Transfer" means any sale, assignment or transfer that is voluntary, involuntary or by operation of law (whether by deed, contract of sale, gift, devise, trustee's sale, deed in lieu of foreclosure, or otherwise) of any interest in an MPDU, including, but not limited to a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, or any interest evidenced by a land contract by which possession of an MPDU is transferred and the Owner obtains title.

(r) "Verified" or "Verification" means that a household has been determined to be eligible to occupy an MPDU.

2. Property Subject to Covenant. Declarant and each subsequent Owner of each of the MPDUs, and every party with an interest in title to the MPDU hereby covenants and agrees that the MPDUs shall be used, occupied and Transferred strictly in conformance with the provisions of this Covenant and Article IV of Chapter 27 of the D.R.M.C. for so long as this Covenant remains in force and effect with respect to each such MPDU. Each Owner who takes title from Declarant and every subsequent Owner of each MPDU shall execute and record a Memorandum of Acceptance in substantially the form attached hereto as Exhibit A (completed with the appropriate information relating to the MPDU and such Owner) with such Owner's deed to his or her MPDU in the real property records of the City and County of Denver, Colorado which states that the conveyed property is a MPDU and is subject to the restrictions contained in the covenants required under Article IV of Chapter 27 of the D.R.M.C. during the Control Period.

3. Seniority of Covenant. This Covenant is senior to all instruments securing permanent financing, except as otherwise permitted herein.

4. Use and Occupancy. An Owner (other than Declarant), in connection with the purchase and Ownership of an MPDU, must:

(a) be an Eligible Household such that households must be earning total household income which will allow it to pay the mortgage or rent on the unit and the household must make no more than allowed by the definition of Eligible Household provided above.

(b) occupy the MPDU as Owner's sole, exclusive and permanent place of residence during the time that such MPDU is owned by such Owner. A permanent residence shall mean the home or place in which one's habitation is fixed and to which one, whenever one is absent, has a present intention of returning after a departure or absence therefrom, regardless of the duration of the absence. In determining what is a permanent residence, the following circumstances relating to the Owner shall be taken into account: business pursuits, employment, income sources, residence for income or other tax purposes, age, marital status, residence of parents, spouse and children, if any, location of personal and real property, and motor vehicle registration. The Director may, in the Director's sole discretion, either grant a temporary hardship exemption or require an Owner who does not occupy the MPDU as the buyer's primary residence to offer the MPDU for resale to an Eligible Household under the authority of Article IV of Chapter 27 of the D.R.M.C. The occupancy requirement does not apply to governmental entities, quasi-governmental entities, or non-profit organizations designated by the Director, although such entities shall use MPDUs for affordable housing purposes;

(c) not engage in any business activity on or in such MPDU, other than permitted under applicable zoning ordinances and the condominium declaration governing the MPDU;

(d) not permit any use or occupancy of such MPDU except in compliance with this Covenant during the period of such Owner's Ownership of the MPDU; and

(e) if an MPDU Owner dies, at least one person taking title by will or by operation of law, whether eligible or not, either shall occupy the MPDU as his, her, or their primary residence during the Control Period, or shall sell the MPDU as provided in Article IV of Chapter 27 of the D.R.M.C. In no event shall the death of an MPDU Owner affect the operation of the covenant or Article IV of Chapter 27 of the D.R.M.C..

5. Initial Sale Price. The initial Transfer of the MPDU at Unit 104 by Declarant to a purchaser from Declarant shall be for a purchase price of One Hundred Eighty-Five Thousand, Sixty-One and No/100 Dollars (\$185,061.00); and the initial Transfer of the MPDU at Unit 207 by Declarant to a purchaser from Declarant shall be for a purchase price of One Hundred Sixty-Nine Thousand, Eighty-Four and No/100 Dollars (\$169,084.00) (individually, the "Initial Sale").

(a) Every MPDU shall be offered solely to Eligible Households for sale to be used for the buyer's own primary residence. Either OED or the Declarant may notify pre-verified Eligible Households of the offering.

(b) During the initial Sale period, the MPDUs shall be offered to Eligible Households by the Declarant through a fair and equitable system.

(c) The Declarant shall use reasonable, good-faith efforts to enter into contracts with Eligible Households and in marketing to Eligible Households.

(d) The Declarant shall not sell any unit without first obtaining a verification of eligibility issued by OED from the buyer. A copy of each verification shall be furnished by OED and maintained on file by OED.

(e) OED is not entitled to any real estate commission for the service of providing the list of Eligible Households, nor for any notification of the offering it has provided to Eligible Households.

6. Maximum Sale Price.

(a) The "Maximum Sale Price" is calculated as follows:

(i) Start with the Prior Purchase Price paid for the MPDU;

(ii) For each year from the date that the selling Owner acquired the MPDU multiply the selling Owner's Prior Purchase Price by the percentage change over the prior year in the Case/Shiller index up to a maximum increase for any given year of 3.5 percent. Each year's percent increase is added to the Prior Purchase Price and is not compounded from year to year. In years where the Case/Shiller index decreases, there shall be no adjustment to decrease the Prior Purchase Price of the MPDU;

(iii) For each year add the product of the multiplication described in 6(a)(ii) above to the selling Owner's purchase price;

(iv) Add the costs of Eligible Capital Improvements that have been approved by OED up to the time of Transfer;

(v) Add the amount of the sales commission paid by the Owner; provided that such amount does not exceed the maximum allowable sales commission published by OED on an annual basis; and

(vi) Add any accrued negative amortization if the MPDU was financed with a graduated payment mortgage.

(b) THE MAXIMUM SALE PRICE IS ONLY AN UPPER LIMIT ON THE RESALE PRICE FOR THE MPDU, AND NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION, WARRANTY OR GUARANTEE BY THE CITY OR DECLARANT THAT UPON TRANSFER THE OWNER SHALL OBTAIN THE MAXIMUM SALE PRICE. DEPENDING UPON CONDITIONS AFFECTING THE REAL ESTATE MARKET, THE OWNER MAY OBTAIN LESS THAN THE MAXIMUM SALE PRICE FOR THE MPDU UPON RESALE.

7. Transfer of MPDU.

(a) In the event that an Owner (other than Declarant, it being understood and agreed that the provisions of this Section 7(a) shall not apply to Declarant's Initial Sale) desires to sell the MPDU, the Owner shall provide written notice of resale during the Control Period, which requires that ten (10) days before an offering for resale of any MPDU, the Owner shall notify OED in writing of the proposed offering and the date on which the Owner will be ready to begin the marketing to Eligible Households. The notice shall set forth the number of bedrooms, and the floor area for each MPDU, a description of the amenities offered in the MPDU and a statement of the availability of the MPDU for sale, including information regarding any mortgage financing available to Eligible Households for the MPDU. OED may notify the Denver Housing Authority (DHA), the Denver Urban Renewal Authority (DURA) and any non-profit organizations designated by OED promptly after receiving notice from the Owner of the availability of MPDUs.

(b) A resale MPDU may be offered for sale to Eligible Households only after the ten (10) day period for resale expires, as set forth in Article IV of Chapter 27 of the D.R.M.C., and OED has been notified by the Owner as required under section Article IV of Chapter 27 of the D.R.M.C. and the ten (10) day period thereafter has expired.

(c) After providing the notice required in Subsection 7(a) and receiving the Maximum Sale Price calculation from the City, the selling Owner may list the MPDU for sale to an Eligible Household with a real estate agent licensed in the State of Colorado or the selling Owner may market the MPDU as "for sale by Owner". When more than one verified Eligible Household is interested in purchasing the resale MPDU, OED shall, upon request of the Owner, hold a lottery among all Eligible Households who have offered the Maximum Sale Price within thirty (30) days of the request by the Owner.

(d) The Owner may enter into a contract for the sale of the MPDU only to an Eligible Household and upon such terms and conditions as the selling Owner shall, in the selling Owner's sole discretion, deem acceptable, provided, however, that:

(i) the purchase price shall not exceed the Maximum Sale Price;

(ii) the selling Owner must believe in good faith that the purchaser is an Eligible Household and that the purchase price does not exceed the Maximum Sale Price; and

(iii) the contract must state as a contingency that the purchaser will submit the application described in Subsection 7(c) below to OED within three (3) days after contract acceptance, and that the selling Owner's obligations under the contract are expressly contingent upon the City's determination that the purchaser is an Eligible Household and that the purchase price does not exceed the Maximum Sale Price as evidenced by issuance of the Verification described in Subsection 7(c) below.

(e) Within three (3) days after contract acceptance (defined as the date of last execution of the contract by the purchaser or the selling Owner), the purchaser shall complete and submit an application form to the City requesting a determination that the purchaser is an Eligible Household and that the purchase price does not exceed the Maximum Sale Price. OED shall promulgate the form of such application, which shall request only such information as is necessary to determine whether the purchaser is an Eligible Household and whether the purchase price exceeds the Maximum Sale Price. The City shall make its determination within ten (10) days after receipt of the completed application, as evidenced either by (i) the issuance of a verification, signed by the City and in recordable form, stating that the purchaser is an Eligible Household, the amount of the purchase price and that the purchase price does not exceed the Maximum Sale Price (the "Verification"); or (ii) delivering a notice to seller and purchaser that a Verification cannot be issued and stating the reason(s) therefore. Failure by the City to make its determination and deliver the Verification or the non-issuance notice as described above within the ten (10) day period will be deemed an approval of the purchaser and the purchase price, and the City shall thereafter issue a Verification with respect to the transaction immediately upon request therefore by the selling Owner or the purchaser.

(f) Upon the transfer of the MPDU, a Memorandum of Acceptance shall also be recorded in the Clerk and Recorder of the City and County of Denver, along with the deed for the MPDU and the Verification, and if the Memorandum is not so recorded, then the transfer shall be voidable at the option of the City.

(g) The Director may waive the restrictions on the resale prices for MPDUs if the Director finds that the restrictions conflict with regulations of federal or state housing programs and thus prevent Eligible Households from buying dwelling units under the MPDU program. Any waiver shall be in writing, shall reference the recorded covenant, and shall be recorded in the records of the Clerk and Recorder for the City and County of Denver, Colorado.

8. No Rental of MPDUs. An Owner may not rent such Owner's MPDU for any period of time, without obtaining a temporary exception, approved in writing by the Director of OED. Any rent obtained for an MPDU that is so leased shall be paid into the special revenue fund by the Owner within ninety (90) days after the Director notifies the Owner or lessee of the rental violation. The requirements of this Section shall not preclude an Owner from sharing occupancy of the MPDUs or MPDU with non-Owners on a rental basis provided Owner continues to reside in the MPDU and to meet the obligations contained in this Covenant.

9. Remedies in the Event of Breach.

(a) In the event that OED has reasonable cause to believe that an Owner is violating the provisions of this Covenant, an authorized representative of OED may inspect the MPDU owned by such Owner between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, after providing such Owner with no less than twenty-four (24) hours advance written notice.

(b) In the event a violation of this Covenant is discovered, the City shall send a notice of violation to the Owner detailing the nature of the violation and allowing the Owner fifteen (15) days to cure such default. Said notice shall state that the Owner may request a hearing before the City within fifteen (15) days to determine the merits of the allegations. If no hearing is requested and the violation is not cured within the fifteen (15) day period, the Owner shall be considered in violation of this Covenant. If a hearing is held before the City, the decision of the City based on the record of such hearing shall be final for the purpose of determining if a violation has occurred.

(c) There is hereby reserved to the City the right to enforce this Covenant, including any and all remedies provided pursuant to the Denver Revised Municipal Code.

(d) Subject to the limitations set forth in Section 9(e) below, in the event the MPDU is Transferred in a manner that is not in full compliance with the terms and conditions of this Covenant, such Transfer shall be wholly null and void and shall confer no title whatsoever upon the purported transferee. Each and every Transfer of the MPDU, for all purposes, shall be deemed to include and incorporate by this reference the covenants herein contained, regardless of reference therein to this Covenant.

(e) Notwithstanding anything in this Covenant to the contrary, in the event that the MPDU is encumbered by a deed of trust from a Purchase Money First Lien Holder and such deed of trust is insured by HUD, the City's remedies shall specifically not include remedies prohibited by HUD, such as: (i) voiding a conveyance, including a lease, by the Owner; (ii) terminating the Owner's interest in the MPDU; (iii) limiting the amount of Sale proceeds retainable by the Owner to an amount less than that set forth pursuant to Section 6; or (iv) subjecting the Owner to contractual liability including damages, specific performance or injunctive relief, other than requiring repayment at a reasonable rate of interest any amount paid for an MPDU above the Maximum Sale Price.

10. Release of Covenant in Foreclosure.

(a) In the event of notice of default or notice of foreclosure by the Purchase Money First Lien Holder (which shall include assignees of the Purchase Money First Lien Holder), the Owner shall send a copy of said notice to OED within seven (7) days of receipt.

(b) The City, pursuant to the process and rights described in Subsection 10 (c) below, shall release this Covenant of record and waive its ability to enforce the provisions of this Covenant with respect to a particular MPDU in the event of foreclosure or the acceptance of a deed in lieu of foreclosure with respect to such MPDU by a Purchase Money First Lien Holder which is a holder of a purchase money first priority deed of trust against the MPDU (which shall be the only party entitled to take the MPDU free of this Covenant pursuant to the provisions of this Section 10). In the event that OED purchases the MPDU at foreclosure, OED or its designee may sell the MPDU to Eligible Households, or rent the MPDU until such time that the MPDU

can be sold to an Eligible Household in accordance with this Covenant. As to any MPDU encumbered by a HUD-insured mortgage, this Covenant shall automatically and permanently terminate upon foreclosure of a deed of trust by a Purchase Money First Lien Holder, acceptance of a deed in lieu of foreclosure by a Purchase Money First Lien Holder, or assignment to HUD of a purchase money first priority deed of trust encumbering such MPDU.

(c) In the event of (i) a foreclosure action being brought by the Purchase Money First Lien Holder (including assigns of the Purchase Money First Lien Holder), or (ii) the request for the Purchase Money First Lien Holder to accept title to the MPDU by deed in lieu of foreclosure, the Owner shall give a copy of any notice of intent to foreclose or request for deed in lieu to OED within ten (10) days of receipt of such notice or request. Notice to OED shall be to the address of OED as provided in this Covenant with a copy to the City Attorney's Office. In the event that the Purchase Money First Lien Holder takes title to the MPDU pursuant to a deed in lieu of foreclosure, the Owner shall give notice to OED with a copy to the City Attorney's Office upon the vesting of title to the MPDU in Purchase Money First Lien Holder.

11. Limitation On Equity Mortgages. During the term of the Covenant no second mortgage, re-finance mortgage, or equity mortgage greater than the then current restricted Maximum Sale Price shall be legal and failure to abide by that restriction may subject owner to criminal and civil fraud penalties.

12. Covenant Running with Land; Duration of Covenant. The provisions of Article IV of Chapter 27 of the D.R.M.C. apply to the property and run with the land for the entire Control Period. The terms of this Covenant shall constitute covenants running with the MPDUs, as a burden thereof, for the benefit of, and shall be specifically enforceable by the City and its successors and assigns, as applicable, by any appropriate legal action including but not limited to specific performance, injunction, reversion or eviction of non-complying Owners and/or occupants.

13. Final MPDU Sale.

(a) Assuming no previous termination due to foreclosure, this Covenant shall terminate, expire and be of no further force and effect with respect to a the MPDU following the first Transfer of said MPDU that occurs after the end of the Control Period, or ten (10) years after the Control Period, whichever occurs first. Upon the first Transfer of an MPDU within ten (10) years after the end of the Control Period ("Final MPDU Sale"), the requirements are as follows:

(b) Upon the first Transfer of an MPDU within ten (10) years after the end of the Control Period ("Final MPDU Sale"), the requirements are as follows:

(i) Right of OED to Purchase. The Owner, thirty (30) days before offering the MPDU for final sale, shall notify OED of the proposed offering and the date on which the Owner will be ready to offer the property for sale. The property shall be offered as a single property for sale and shall be offered at fair market value with no extraordinary terms of sale. The notice shall set forth the number of bedrooms, and the floor area for the MPDU, a description of the amenities offered in the MPDU. Within the thirty (30) days, OED shall notify the Owner by written notice of the City's intent to purchase. Any sale under this subsection shall close within sixty (60) days of the notice of intent to purchase to the Owner. If the property does

not close within the sixty (60) days, the Owner may proceed to sell the MPDU as provided by this subsection. Any property purchased by OED shall be used for affordable housing purposes.

(ii) Final MPDU payment. In return for the benefits received by the Owner in being able to purchase the MPDU, the Owner shall upon the final MPDU sale pay to the City's affordable housing special revenue fund an amount equal to the following calculation:

(A) one-half of the excess of the total resale price over the sum of:

(1) The prior purchase price (prior Maximum Sale Price);

(2) A percentage of the MPDU's prior purchase price equal to the increase in the cost of living since the MPDU was last sold, as determined by the Consumer Price Index;

(3) The fair market value of documented capital improvements made to the MPDU between the date of the last sale and the date of resale; and

(4) A reasonable sales commission as published by OED on an annual basis.

(B) In the event that the amount remaining after the calculation of items (A)(1) – (4) above, is less than twenty thousand dollars (\$20,000.00) the amount which shall be due to the special revenue fund shall be adjusted in each case so that the Owner/seller will retain ten thousand dollars (\$10,000.00) or the entire amount, of the excess of the final MPDU Sale price, whichever is less. This Final MPDU Payment requirement does not apply to any designated non-profit organization, or any governmental entity, or any quasi-governmental entity which owns an MPDU.

(c) The Director shall release the covenants upon a finding that all amounts due the City's special revenue fund have been received and all other provisions of the covenant have been satisfied.

14. Notices. Any notice, consent or approval which is required or permitted to be given hereunder shall be given by mailing the same, certified mail, return receipt requested, properly addressed and with posting fully prepaid, to any address provided herein or to any subsequent mailing address of the party as long as prior written notice of the change of address has been given to the other parties to this Covenant.

Said notices, consents and approvals shall be sent to the parties hereto at the following addresses unless otherwise notified in writing:

To Declarant: Housing Authority of the City and County of Denver
777 Grant Street, 4th Floor
Denver, Colorado 80203

To the City: Office of Economic Development
City and County of Denver

201 W. Colfax Avenue, Dept. 204
Denver, Colorado 80202

with a copy to:

City Attorney's Office
City and County of Denver
201 W. Colfax Avenue, Dept. 1207
Denver, Colorado 80202

To the Owner: To be determined pursuant to the Memorandum of Acceptance (as shown on Exhibit A) recorded with respect to each Transfer of an MPDU.

15. Exhibits. All exhibits attached hereto are incorporated herein and by this reference made a part hereof.

16. Severability. Whenever possible, each provision of this Covenant and any other related document shall be interpreted in such a manner as to be valid under applicable law; but if any provision of any of the foregoing shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provisions of such documents.

17. Choice of Law. This Covenant and each and every related document are to be governed and construed in accordance with the law of the State of Colorado.

18. Successors. Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of the parties.

19. Section Headings. Paragraph or section headings within this Covenant are inserted solely for convenience of reference, and are not intended to, and shall not govern, limit or aid in the construction of any terms or provisions contained herein.

20. Waiver. No claim of waiver, consent or acquiescence with respect to any provision of this Covenant shall be valid against any party hereto except on the basis of a written instrument executed by the parties to this Covenant. However, the party for whose benefit a condition is inserted herein shall have the unilateral right to waive such condition.

21. Gender and Number. Whenever the context so requires herein, the neuter gender shall include any or all genders and vice versa and the use of the singular shall include the plural and vice versa.

22. Personal Liability. Owner shall be personally liable for any of the transactions contemplated herein.

23. Further Actions. The parties to this Covenant agree to execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of this Covenant or any restriction or document relating hereto or entered into in connection herewith.

24. Modifications. The parties to this Covenant agree that any modifications of this Covenant shall be effective only when made by writings signed by both parties and recorded with the Clerk and Recorder of the City and County of Denver, Colorado.

25. Owner and Successors. The term Owner shall mean the person or persons who shall acquire an Ownership interest in an MPDU in compliance with the terms and provisions of this Covenant; it being understood that such person or persons shall be deemed an Owner hereunder only during the period of his, her or their Ownership interest in the MPDU and shall be obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during such period.

MEMORANDUM OF ACCEPTANCE
OF
NOTICE OF VOIDABLE TITLE TRANSFER AND MASTER COVENANTS
FOR THE OCCUPANCY AND RESALE OF FOR SALE UNITS 104 AND 207 AT THE 525*
CONDOMINIUMS

WHEREAS, _____, the Buyer, is
[Buyer Name]
purchasing from _____, the Seller, at a price of
[Seller Name]
\$ _____, a [condominium] dwelling unit ("the MPDU") described as:
[purchase price amount]

[Condominium Unit _____,
[Project Name]
according to the Condominium Declaration for _____
[Project Name]
recorded under Reception No. _____, and the Condominium Map] of
_____ recorded
[Project Name]
under Reception No. _____, in the real estate records of the City and County of Denver,
Colorado (the "Unit"); and

WHEREAS, the Seller of the MPDU is requiring as a prerequisite to the sale transactions,
that the Buyer acknowledge and agree to the terms, conditions and restrictions found in that
certain instrument entitled " Notice of Voidable Title Transfer and Master Covenant for The
Occupancy and Resale of For Sale Units 104 and 207 at the 525* Condominiums", recorded on
_____, 20__, under Reception No. _____, in the real property records of the
City and County of Denver, Colorado (the "Master Covenant").

NOW, THEREFORE, as an inducement to the Seller to sell the Unit, the Buyer:

1. Acknowledges that Buyer has carefully read the entire Covenant, has had the opportunity to consult with legal and financial counsel concerning the Covenant and fully understands the terms, conditions, provisions, and restrictions contained in the Covenant.
2. Acknowledges that Buyer understands that resale price and potential future buyers may be restricted and profits may be required to be shared after the termination of the Covenant.
3. Acknowledges that Buyer understands that during the term of the Covenant any attempt to obtain a second mortgage, re-finance mortgage, or equity mortgage must be first approved by OED as defined in the Master Covenant.

4. Acknowledges that Buyer understands that during the term of the Covenant no second mortgage, re-finance mortgage, or equity mortgage greater than the then current restricted Maximum Sale Price shall be legal and failure to abide by that restriction may subject owner to criminal and civil fraud penalties.

5. Notice to Buyer, pursuant to Subsection 11(a) of the Master Covenant, should be sent to:

6. Directs that this memorandum be placed of record in the real estate records of the City and County of Denver, Colorado and a copy provided to OED.

IN WITNESS WHEREOF, the parties hereto have executed this instrument of the day and year first above written.

BUYER(S):

By: _____

Name: _____

STATE OF)
) ss.
COUNTY OF)

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

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT G

FINANCIAL ADMINISTRATION:

1.1 Compensation and Methods of Payment

- 1.1.1 Disbursements shall be processed through the Office of Economic Development (OED) - Financial Management Unit (FMU) and the City and County of Denver's Department of Finance.
- 1.1.2 The method of payment to the Contractor by OED shall be in accordance with established FMU procedures for line-item reimbursements. The Contractor must submit expenses and accruals to OED on or before the last day of each month for the previous month's activity. Voucher requests for reimbursement of costs should be submitted on a regular and timely basis in accordance with OED policies. Vouchers should be submitted within thirty (30) days of the actual service, expenditure or payment of expense, except for the final voucher for reimbursement.
- 1.1.3 The Contractor shall submit the final voucher for reimbursement no later than **forty-five (45) days after the end of the contract period.**
- 1.1.4 The Contractor shall be reimbursed for services provided under this Agreement according to the approved line-item reimbursement budget attached to and made a part of this Agreement (Exhibit A).

1.2 Vouchering Requirements

- 1.2.1 In order to meet Federal Government requirements for current, auditable books at all times, it is required that all vouchers be submitted monthly to OED in order to be paid.
- a. The first exception will be that expenses cannot be reimbursed until the funds under this contract have been encumbered.
 - b. The second exception will be that costs cannot be reimbursed until they total a minimum of \$35 unless it is a final payment voucher, or the final voucher for the fiscal year (ending December 31).
- 1.2.2 No more than six (6) vouchers may be submitted per contract per month, without prior approval from OED.
- 1.2.3 All vouchers for all Agreements must be correctly submitted within forty-five (45) days of the Agreement end date to allow for correct and prompt closeout.
- 1.2.4 City and County of Denver Forms shall be used in back-up documents whenever required in the Voucher Processing Policy.

- 1.2.5 Only allowable costs determined in accordance with 2 CFR Chapter I, Chapter II, Parts 200, 215, 220, 225 and 230, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (the “OMB Omni Circular”) applicable to the organization incurring the cost will be reimbursed.
- 1.2.6 The reimbursement request, or draw request, for personnel and non-personnel expenses should be submitted to the City on a monthly basis, no later than the last day of the following month for expenses incurred in the prior month. The request for reimbursement should include:
- a. Amount of the request in total and by line item;
 - b. Period of services for current reimbursement;
 - c. Budget balance in total and by line item;
 - d. Authorization for reimbursement by the contract signatory (i.e., executive director or assistant director).
- 1.2.7 If another person has been authorized by the Contractor to request reimbursement for services provided by this contract, then the authorization should be forwarded in writing to OED prior to the draw request.
- 1.2.8 The standardized OED “Expense Certification Form” should be included with each payment request to provide the summary and authorization required for reimbursement.

1.3 Payroll

- 1.3.1 A summary sheet should be included to detail the gross salary of the employee, amount of the salary to be reimbursed, the name of the employee, and the position of the employee. If the employee is reimbursed only partially by this contract, the amount of salary billed under other contracts with the City or other organizations should be shown on the timesheet as described below. Two items are needed for verification of payroll: (1) the amount of time worked by the employee for this pay period; and (2) the amount of salary paid to the employee, including information on payroll deductions.
- 1.3.2 The amount of time worked will be verified with timesheets. The timesheets must include the actual hours worked under the terms of this contract, and the actual amount of time worked under other programs. The total hours worked during the period must reflect all actual hours worked under all programs including leave time. The employee’s name, position, and signature, as well as a signature by an appropriate supervisor, or executive director, must be included on the timesheets. If the timesheet submitted indicates that the employee provided services payable under this contract for a portion of the total time worked, then the amount of

reimbursement requested must be calculated and documented in the monthly reimbursement request.

- 1.3.3 A payroll register or payroll ledger from the accounting system will verify the amount of salary. Copies of paychecks are acceptable if they include the gross pay and deductions.

1.4 Fringe Benefits

- 1.4.1 Fringe benefits paid by the employer can be requested by applying the FICA match of 7.65 percent to the gross salary paid under this contract. Fringe benefits may also include medical plans, retirement plans, worker's compensation, and unemployment insurance. Fringe benefits that exceed the FICA match may be documented by 1) a breakdown of how the fringe benefit percentage was determined prior to first draw request; or, 2) by submitting actual invoices for the fringe benefits. If medical insurance premiums are part of the estimates in item #1, one-time documentation of these costs will be required with the breakdown. Payroll taxes may be questioned if they appear to be higher than usual.

1.5 General Reimbursement Requirements

- 1.5.1 Invoices: All non-personnel expenses need dated and readable invoices. The invoices must be from a vendor separate from the Contractor, and must state what goods or services were provided and the delivery address. Verification that the goods or services were received should also be submitted. This may take the form of a receiving document or packing slips, signed and dated by the individual receiving the good or service. Copies of checks written by the Contractor, or documentation of payment such as an accounts payable ledger which includes the check number shall be submitted to verify that the goods or services are on a reimbursement basis.
- 1.5.2 Mileage: A detailed mileage log with destinations and starting and ending mileage must accompany mileage reimbursement. The total miles reimbursed and per mile rate must be stated. Documentation of mileage reimbursement to the respective employee must be included with the voucher request.
- 1.5.3 Pager/Cell Phone: Written statement from executive director will be required certifying that cell phone is necessary and reasonable to run the program. And, if the monthly usage charge is exceeded in any month, a detailed phone log will be required for the amount of the overage.
- 1.5.4 Administration and Overhead Cost: Other non-personnel line items, such as administration, or overhead need invoices, and an allocation to this program documented in the draw request. An indirect cost rate can be applied if the Contractor has an approved indirect cost allocation plan. The approved indirect cost rate must be submitted to and approved by OED.

1.5.5 Service Period and Closeout: All reimbursed expenses must be incurred during the time period within the contract. The final payment request must be received by OED within forty-five (45) days after the end of the service period stated in the contract.

2.1 Intentionally Omitted

3.1 Financial Management Systems

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

- 3.1.1 Financial reporting must be accurate, current, and provide a complete disclosure of the financial results of financially assisted activities and be made in accordance with federal financial reporting requirements.
- 3.1.2 Accounting records must be maintained which adequately identify the source and application of the funds provided for financially assisted activities. The records must contain information pertaining to contracts and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. Accounting records shall provide accurate, separate, and complete disclosure of fund status.
- 3.1.3 Effective internal controls and accountability must be maintained for all contract cash, real and personal property, and other assets. Adequate safeguards must be provided on all property and it must be assured that it is used solely for authorized purposes.
- 3.1.4 Actual expenditures or outlays must be compared with budgeted amounts and financial information must be related to performance or productivity data, including the development of cost information whenever appropriate or specifically required.
- 3.1.5 Applicable OMB Omni Circular cost principles, agency program regulations, and the terms of the agreement will be followed in determining the reasonableness, allowability and allocability of costs.
- 3.1.6 Source documents such as cancelled checks, paid bills, payrolls, time and attendance records, contract documents, etc., shall be provided for all disbursements. The Contractor will maintain auditable records, i.e., records must be current and traceable to the source documentation of transactions.
- 3.1.7 The Contractor shall maintain separate accountability for OED funds as referenced in 24 C.F.R. 85.20 and the OMB Omni Circular.
- 3.1.8 The Contractor must properly report to Federal, State, and local taxing authorities for the collection, payment, and depositing of taxes withheld. At a minimum,

this includes Federal and State withholding, State Unemployment, Worker's Compensation (staff only), City Occupational Privilege Tax, and FICA.

3.1.9 A proper filing of unemployment and worker's compensation (for staff only) insurance shall be made to appropriate organizational units.

3.1.10 The Contractor shall participate, when applicable, in OED provided staff training sessions in the following financial areas including, but not limited to (1) Budgeting and Cost Allocation Plans; (2) Vouchering Process.

4.1 Audit Requirements

4.1.1 If the Contractor expends seven hundred and fifty thousand dollars (\$750,000) or more of federal awards in the Contractor's fiscal year, the Contractor shall ensure that it, and its sub recipients(s), if any, comply with all provisions of the OMB Omni Circular.

4.1.2 A copy of the final audit report must be submitted to the OED Financial Manager within the earliest of thirty (30) calendar days after receipt of the auditor's report; or nine (9) months after the end of the period audited.

4.1.3 A management letter, if issued, shall be submitted to OED along with the reporting package prepared in accordance with the Single Audit Act Amendments and the OMB Omni Circular. If the management letter is not received by the Contractor at the same time as the Reporting Package, the Management Letter is also due to OED 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 OED

funding, the Contractor shall prepare and submit a Corrective Action Plan to OED in accordance with the Single Audit Act Amendments and the OMB Omni Circular, as set forth in 24 C.F.R. Part 45 for each applicable management letter matter.

4.1.4 All audit related material and information, including reports, packages, management letters, correspondence, etc., shall be submitted to **OED Financial Management Unit**.

4.1.5 The Contractor will be responsible for all Questioned and Disallowed Costs.

4.1.6 The Contractor may be required to engage an audit committee to determine the services to be performed, review the progress of the audit and the final audit findings, and intervene in any disputes between management and the independent auditors. The Contractor shall also institute policy and procedures for its sub recipients that comply with these audit provisions, if applicable.

5.1 Budget Modification Requests

5.1.1 Minor modifications to the services provided by the Contractor or changes to each line item budget equal to or less than a ten percent (10%) threshold, which do not increase the total funding to the Contractor, will require only notification to OED with the next monthly draw. Minor modifications to the services provided by Contractor, or changes to each line item budget in excess of the ten percent (10%) threshold, which do not increase the total funding to Contractor, may be made only with prior written approval by OED. Such budget and service modifications will require submittal by Contractor of written justification and new budget documents. All other contract modifications will require an amendment to this Agreement executed in the same manner as the original Agreement.

5.1.2 The Contractor understands that any budget modification requests under this Agreement must be submitted to OED prior to the last Quarter of the Contract Period, unless waived in writing by the OED Director.

6.1 Procurement

6.1.1 The Contractor shall follow the City Procurement Policy to the extent that it requires that at least three (3) documented quotations be secured for all purchases or services (including insurance) supplies, or other property that costs more than five thousand dollars (\$5,000) in the aggregate.

6.1.2 The Contractor will maintain records sufficient to detail the significant history of procurement. These records will include, but are not limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

6.1.3 If there is a residual inventory of unused supplies exceeding five thousand dollars (\$5,000) in total aggregate upon termination or completion of award, and if the supplies are not needed for any other federally sponsored programs or projects the Contractor will compensate the awarding agency for its share.

7.1 Bonding

7.1.1 OED may require adequate fidelity bond coverage, in accordance with 24 C.F.R. 84.21, where the Contractor lacks sufficient coverage to protect the City's interest.

8.1 Records Retention

8.1.1 The Contractor must retain for five (5) years financial records pertaining to the contract award. The retention period for the records of each fund will start on the day the single or last expenditure report for the period, except as otherwise noted, was submitted to the awarding agency.

8.1.2 The awarding agency shall have the right of access, upon reasonable notice, to any pertinent books, documents, papers, or other records which are pertinent to the contract, in order to make audits, examinations, excerpts, and transcripts.

9.1 Contract Close-Out

9.1.1 All Contractors are responsible for completing required OED contract close-out forms and submitting these forms to their appropriate OED Contract Specialist within sixty (60) days after the Agreement end date, or sooner if required by OED in writing.

9.1.2 Contract close out forms will be provided to the Contractor by OED within thirty (30) days prior to end of contract.

9.1.3 OED will close out the award when it determines that all applicable administrative actions and all required work of the contract have been completed, and that any repayment required according to the terms of this Agreement has been received or forgiven. If Contractor fails to perform in accordance with this Agreement, OED reserves the right to unilaterally close out a contract, “unilaterally close” means that no additional money may be expended against the contract.

10.1 Collection of amounts due

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