



GOOD NEIGHBOR AGREEMENT

This Good Neighbor Agreement ("**Agreement**") is effective as of February 13, 2019 ("**Effective Date**"), by and between West Colfax Association of Neighbors, a Colorado nonprofit organization ("**WeCAN**"), Sloan's Lake Citizen's Group, a Colorado nonprofit organization ("**SLCG**"), Sloan's Lake Neighborhood Association, a Colorado nonprofit organization ("**SLNA**"), Zocalo Community Development, LP, a Colorado Limited Partnership, or its successors and/ or assigns, having its principal place of business at 455 Sherman Street, Suite 205, Denver, CO 80203 ("**Zocalo**"), and Lowell17, LLC, a Colorado limited liability company ("**Lowell17**").

RECITALS

Zocalo wishes to develop a two-building, approximately 320-unit for-sale and for-rent multifamily project, along with appurtenant structured parking, with fifty percent or more of the units being reserved as affordable, at the southeast corner of Sloan's Lake, in the certain parcels of land owned by Zocalo partner Lowell17, LLC, between Lowell Boulevard and Newton Streets and West 16th Avenue and West 17th Avenue in the Sloan's Lake and West Colfax neighborhood, including addresses 1601-1651 Lowell Boulevard, 3700-3738 W 17th Avenue, 1612-1640 Newton Street, 3795 W 16th Avenue and 1601 Meade Street, consisting, in total, of approximately 226,816 square feet (the "**Project**"). The Project, and the commitments within this Agreement, are conditioned upon Zocalo's receipt of all necessary rezoning, public works, and building department approvals, sufficient construction loan financing and indirect public subsidy sources (including, but not limited to, Federal Low-income Housing Tax Credits), as determined by Zocalo in its reasonable discretion. The Project does not include those portions of the existing PUD 8 zoning area south of W 16th Avenue including 1570-1590 Meade Street, which are not controlled by Zocalo nor Lowell17, LLC and are intended, by separate action, to be removed by amendment from the existing zone lot and rezoned, nor does the Project, for the purposes of this Agreement, include the existing medical office building, or any redevelopment of that building, owned by Lowell17 at the corner of W 17th Avenue and Lowell Boulevard.

Zocalo has met with WeCAN, SLCG, and SLNA for the past approximately two years presenting concepts and receiving neighborhood input, with the goal of gathering feedback and building support for the Project and its creation of approximately 170 affordable housing units (rental and for-sale), helping address displacement and loss of affordability in the Sloan's Lake and West Colfax neighborhood by being affordable to a broad spectrum of Sloan's Lake and Denver residents, while also striving to be sensitive in its physical and visual impact on the neighborhood, and to provide other community benefits. While the affordability requirements at the Project are intended to be memorialized by a separate restrictive covenant executed with the City of Denver and the height, density, and massing of the Project are to be governed by the amended Planned Unit Development ("**PUD**") zoning for the site, certain community benefits, including community-serving retail, public gathering spaces, and sustainability, are to be governed by this Agreement, as described in more detail below.

AGREEMENT

Now, therefore, Zocalo, Lowell17, WeCAN, SLCG, and SLNA (together, the "Parties") agree as follows:

1. Public Gathering Space and Community-Serving Retail

Zocalo shall also construct within the Project no less than 4,000 square feet of ground floor retail space generally near the corner of W 17th Avenue and Newton Street and lease such space to a community-serving retailer or restaurant at market rents. This ground floor retail space shall be adjacent to a public open space plaza at the corner of W 17th Avenue and Newton Street, which shall provide a public gathering space across W 17th Avenue from Sloan's Lake Park. In addition, Lowell17, within 60 days after completion of the affordable apartment component of the Project, shall make available the entirety of the lower level of the existing "Dupler Building" at the southeast corner of the Project for a community-serving use at no rental cost above actual operating expenses. The lower level, together with the upper level of the Dupler Building shall be made available to the community-serving tenant once both of the projects – the affordable and the market-rate building– are completed as evidenced by the date of issuance of a certificate of occupancy. This space shall be provided to the community-serving tenant at no rental cost (but shall include actual operating expenses) for a period of 20 years from the point of occupancy of the lower level as evidenced in the lease. After 20 years, Lowell17 shall have the right to collect market rent or to terminate the lease. For the 17th and Newton retail space, Zocalo shall use commercially reasonable best efforts to give preference to food-service retailers such as a restaurant, coffee shop, bakery and, for the space within the "Dupler" Building, shall use commercially reasonable best efforts to give further preference to locally-owned operators or non-profits. In no event shall the Dupler Building use be retail except and unless determined by Lowell17. Prior to executing any Letters of Intent for a lease for these spaces, Zocalo shall make presentations and solicit input from no fewer than two separate meetings of WeCAN, SLNA, or SLCG at their regularly-scheduled times.

2. Family Units and Support for Families of Formerly Homeless Schoolchildren

Zocalo shall provide no fewer than seven (7) three-bedroom affordable for-rent units, affordable to families earning on average sixty percent or less of the then-applicable area median income for the Denver Metropolitan Area, as defined and published annually by the Federal Department of Housing and Urban Development ("AMI"), and three (3) three-bedroom affordable for-sale units, affordable to families earning on average 100 percent or less of area median income. Additionally, Zocalo shall make commercial best efforts to partner with Denver Public Schools, Jefferson County Public Schools, and/or other nonprofits in order to create a program that gives priority to these three-bedroom family rental units for families of formerly homeless school children.

3. Sustainability

At each of the two multifamily buildings that will be constructed as part of the Project, Zocalo shall attain either LEED certification or Enterprise Green Communities certification.

4. Local Hire Goals, Apprenticeship Programs, and Union Preference

Zocalo shall hire or cause its contractors, subcontractors, or tenants to hire twenty percent (20%), or more of the construction-related jobs during the construction of the Project and/or retail-related job at the future community-serving retail space once the Project is operational, from persons living within the 80211, 80212, and 80204, and 80221 ZIP Codes, in conformance, where possible, with "Construction Employment Opportunities" and "First Source Hiring" policies, and all appropriate safe harbors for good faith efforts. Additionally, during construction of the Project, Zocalo shall give preference to qualified contractors or subcontractors employing union labor for all competitively-bid subcontracts, as determined by Zocalo in its reasonable discretion, when such qualified subcontractors are within five percent (5%) of comparatively equal competing open-shop subcontractor work-scopes and provided all other considerations including schedule, safety record, bonding capacity and quality for similar projects, along with contract terms and conditions are the same. Finally, during construction of the Project, Zocalo shall partner with a local program such as Emily Griffith Technical College's Apprenticeship Training Division or, when union labor is contracted, apprenticeship programs organized by the AFL-CIO.

5. Miscellaneous Provisions

5.1 This Agreement may not be amended or altered in any manner except by written amendment to this Agreement; provided, however, that an amendment may be agreed to and will become binding upon all the Parties if executed by Zocalo and at least fifty one percent (51%) of the other Parties, or their successor organizations, should they exist as the case may be.

5.2 This Agreement constitutes the entire Agreement between the Parties regarding the Project and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, and Zocalo makes no warranties, representations, or other agreements, express or implied, except as specifically set forth in this Agreement.

5.3 None of the Parties' Related Parties shall have any personal liability under this Agreement. "Related Parties", for the purpose of this Agreement, means any parent or affiliate entity (unless specifically assigned), officers, directors, members, managers, partners, affiliates, employees, agents, and representatives and each of their successors.

5.4 This Agreement may be executed by individual counterparts.

5.5 In the event of a claimed breach of this Agreement, the Parties agree to provide written notice of the claimed breach and the Party receiving such notice shall have sixty (60) days subsequent to receipt of such notice to cure such breach, or, if such breach is of a nature that it cannot be cured within sixty days, the receiving Party shall advise the other party and commence and diligently pursue cure within the estimated period of cure. If the dispute has not been resolved within sixty days or such resolution is, after sixty days, not being diligently pursued, and the receiving Party fails to comply with this section and cure or diligently pursue a cure for such breach, then the Parties agree to commence mediation, with such mediation session to be held within forty-five (45) days of the retention of a mutually agreeable mediator. Provided the Parties are able to agree on a mediator, the Parties agree to participate in mediation for at least one full day before withdrawing and the

Parties shall make best efforts to complete the mediation within thirty (30) days of the first mediation session. Any Dispute not resolved through negotiation or mediation in accordance with this section shall be resolved by final and binding arbitration in accordance with the rules of the American Arbitration Association. The arbitration will be held in Denver, Colorado using one arbitrator, unless the damages in the dispute exceed one million dollars (\$1,000,00) in which case there shall be three neutral arbitrators, as a panel. The arbitrators may award costs and/or attorneys' fees to the prevailing party. Consequential damages shall not be allowed. The Parties agree that any arbitration will be final and binding upon the Parties and their successors or assigns, and by executing this Agreement the Parties agree that they may not participate in other resolution processes, such as court action or administrative proceeding. This Agreement will be governed by, and construed in accordance with, the laws of the State of Colorado.

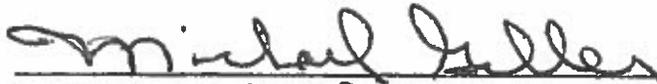
[signatures on next page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized representatives with full rights, power and authority to enter into and perform this Agreement.

Zocalo Community Development, LP
("Zocalo")

By: 
Print Name: David Zuck
Title: President
Date: 2-14-19

Lowell17, LLC
("Lowell17")

By: 
Print Name: MICHAEL GELLER
Title: MANAGING PARTNER
Date: FEB. 14, 2019

**West Colfax Association of Neighbors
("WeCAN")**

By: _____
Print Name: _____
Title: _____
Date: _____

**Sloan's Lake Citizen's Group
("SLCG")**

By: _____
Print Name: _____
Title: _____
Date: _____

**Sloan's Lake Neighborhood Association
("SLNA")**

By: _____
Print Name: _____
Title: _____
Date: _____

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