

**NOTICE OF VOIDABLE TITLE TRANSFER AND MASTER COVENANT
FOR THE OCCUPANCY AND RESALE OF FOR SALE UNITS**

[project name]

THIS NOTICE OF VOIDABLE TITLE TRANSFER AND MASTER COVENANT FOR THE OCCUPANCY AND RESALE OF UNITS at

_____, (the "Covenant") is
[project name]

made and entered into this _____ day of _____, 20__, by
[developer entity] (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 Units Nos. _____ in
_____, according
[project name]

to the Condominium Declaration for _____
[project name]

recorded under Reception No. _____,
and the Condominium Map of _____]
[project name]

recorded under Reception No. _____, in the real estate records of the City and County of Denver, Colorado] (collectively, the "MPDUs" and each such unit, individually, an "MPDU").

WHEREAS, the provisions of Denver Revised Municipal Code Article IV of Chapter 27 of the D.R.M.C., shall apply to the property and 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 and whereupon all units within _____ not
[project name]

subject to this Covenant are hereby released from the provisions of 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) “Control Period” means the time an MPDU is subject to restrictions to insure the long-term affordability of the MPDU. The Control Period is fifteen (15) 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, [or no more than ninety-five percent (95%) of the AMI for developments in which buildings are greater than three (3) stories, and elevators are provided, and over sixty percent (60%) of the parking is structured.] 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. [For developments in which buildings are greater than three (3) stories, elevators are provided, and over sixty percent (60%) of the parking is structured, the unit shall be affordable to households earning no more than ninety-five percent (95%) 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 each MPDU by Declarant to a purchaser from Declarant (the "Initial Sale") shall be for a purchase price of _____ and No/100 Dollars (\$_____).

(a) Every MPDU required under Article IV of Chapter 27 of the D.R.M.C. 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, which ever 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: _____
[Development Entity]

[Street Address]

[City, State and Zip Code]

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.

ACCEPTANCE BY THE CITY AND COUNTY OF DENVER

The foregoing Notice of Voidable Title Transfer and Master Covenant for the Occupancy and Resale of Units _____, and its terms are hereby
[Project Name]

accepted by the City and County of Denver, Colorado.

CITY AND COUNTY OF DENVER, COLORADO

By: _____

Name: _____

Title: _____

STATE OF COLORADO)

) ss.

CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____ as _____ of the City and County of Denver, Colorado.

Witness my hand and official seal.

My commission expires:_____.

Notary Public

EXHIBIT A

Memorandum of Acceptance

**NOTICE AND
MEMORANDUM OF ACCEPTANCE
OF
[MASTER AFFORDABLE HOUSING COVENANTS
FOR THE OCCUPANCY AND RESALE OF UNITS FOR/ NOTICE OF
VOIDABLE TITLE TRANSFER AND MASTER COVENANT
FOR THE OCCUPANCY AND RESALE OF FOR SALE UNITS]**

[Project Name]

WHEREAS, _____, the Buyer, purchased
[Buyer Name]
_____, on the date of _____ from
[Property Address]
_____. Seller. The maximum resale price [is
(Seller Name)
/is deemed to be] \$ _____ as of _____, 201__
[purchase price amount]

WHEREAS, the property is described as follows:

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

WHEREAS, the Seller of the Unit is requiring as a prerequisite to the sale transaction, that the Buyer acknowledge and agree to the terms, conditions and restrictions found in that certain instrument entitled "[Master Covenant for The Occupancy and Resale of Units/Notice of Voidable Title Transfer and Master Covenant for the Occupancy and Resale of For Sale Units] _____",
[Project Name]
recorded on _____, 200__, 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 Master Affordable Housing Covenant ("Covenant"), that applies to the property and **voids title passage** if a transfer is attempted which is non-compliant with the affordability restrictions and 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. Terms of the Covenant restrict the resale price and profits may be required to be shared after the termination of this Covenant. Maximum resale price and profit share information are available only from the City and County of Denver.

3. Terms of the Covenant restrict purchasers to households earning no more than [80%/ 95%/ 100%] of Area Median Income (“AMI”). Allowable income maximums are available only from the City and County of Denver.

4. Failure to transfer for a restricted price and to an eligible household under the Covenant means title is not transferred (**void**) and the buyer has **no title** or ownership of the property. The City and County of Denver may recover as financial penalty all amounts overpaid to the seller and require the purchaser to sell the property for the affordable price to an eligible household. The City’s recovery of a penalty does not limit any action a buyer or other injured party may have to recover their damages from the seller.

5. Terms of the Covenant prohibit rentals except in limited circumstances. Exceptions to rental require the written approval of the City and County of Denver.

6. Terms of the Covenant may restrict refinancing of the property. Maximum refinancing price information are available only from the City and County of Denver.

7. The City and County of Denver may recover as financial penalty all rents paid for and require the purchaser to sell the property for the affordable price to an eligible household. The City’s recovery of a penalty does not limit any action a tenant or other injured party may have to recover their damages from the landlord.

8. Notice to Buyer, pursuant to Subsection _____ of the Master Covenant, should be sent to:

8. 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 Denver Community Planning and Development Agency.

*Remainder of page left intentionally blank.
Signatures follow.*

