Request for Proposals
4995 Washington Street
(Schedule Number: 0215409052000)

Release Date: March 15, 2022

SECTION 1: OVERVIEW

Purpose
The City and County of Denver (the “City”) is pleased to issue this Request for Proposals (“RFP”) to identify a qualified for-profit and/or nonprofit development partner(s) to provide affordable housing in Denver at the City-owned site located at 4995 Washington Street (“Property”). The City’s preference for this project is to convey the full property via a land lease for the development of affordable rental housing in accordance with the affordability goals set forth in the Department of Housing Stability’s (“HOST”) Five-Year Strategic Plan and the 2022 Action Plan. The qualified development partner(s) will enter into a 99-year land lease for the Property for a nominal amount ($10/year) for the development of affordable rental units. The proposed development of the Property will include a community services space as a part of the scope of the project. Additional commercial space(s) could be included in this project but are not required.

The scope of this RFP was developed based on the responses from the Request for Expressions of Interest (“REOI”) released January 26, 2022. The REOI was used as the pre-project development stage tool to gauge interest in the opportunity, facilitate potential partnerships, and help refine the vision for the project.

Property: 4995 Washington Street

- 4995 Washington Street is a City-owned property located in the Globeville neighborhood on the southwest corner of E. 50th Avenue and N. Washington Street. The Property is located in City Council District #9.
- The lot size of the Property is approximately 116,993 square feet (approx. 2.686 acres). The Property has recently been rezoned to C-MS-S and provides an opportunity to develop up to five stories.
- The Property was purchased in 2019 by the City with the intent that the land would be utilized for a mixed-use development of affordable housing and meets the need for community space(s) in the area.
- Awardee will enter a 99-year land lease on this Property for a nominal amount ($10/year).
- The Property is situated along a corridor with significant planned investment and within one mile of the National Western Center and the RTD North Metro commuter line train station.
Project Criteria
The City is seeking to partner with a developer that will incorporate the required project criteria (outlined below) for the project into their proposals. Any exceptions or deviations to this documentation will be taken into consideration when evaluating proposals submitted but the City reserves the right to reject any or all of your proposed modifications. The City welcomes cost-saving proposals that still satisfy all technical, financial and business objectives.

Required Project Criteria:

- **Affordability**: The majority of units must be affordable to households with incomes at or below 80% of the area median income (AMI). Additional consideration will be given to projects that meet HOST’s Strategic Plan goal of units for households at 30% AMI or lower, as published by the Colorado Housing and Finance Authority, without the need for additional rental assistance.

- **Unit Sizes**: The proposed project may include a range of units sizes. Additional consideration will be given to projects that include three-bedroom units or larger in support of HOST’s Strategic Plan goal.

- **Density**: Maximize the number of units while providing units that meet the needs of the community.

- **Financial Feasibility**: The proforma must demonstrate viability of the project based on the affordability requirements. It must also show how the contribution of the City-owned land value reduces the financing gap based on the 2019 acquisition price of $6 million.

- **Community Service Space**: The development plan must include a community serving space. Higher consideration will be given to projects with partnerships identified for the community-serving space. Also, reference ‘Library Option’ below.

- **Land Lease**: The City will convey a 99-year leasehold interest of the Property for a nominal rate of $10/year. The 99-year lease will contain a right to terminate the lease in the case of default at no cost to the City.

- **Sustainability**: The project must include sustainability within this project by achieving certification under one of the following standards:
  - Denver Green Code (any of the four compliance paths: DGC as written; LEED v 4.1 Platinum; Zero Net Energy + Fully Electric; or Passive House Certification + All DGC Non-Energy Chapters).
    - [Link to Denver Green Code](#)
  - Living Building Challenge (any of the following International Living Future Institute (“ILFI”) pathways: Living Building Challenge, Petal Certification, Core Green Building Certification, Zero Energy Certification, or Zero Carbon Certification)
  - Green Globes Four Globes
  - LEED for Homes Platinum National Green Building Standard Emerald
  - Alternative recognized third-party certification of substantiated similar stringency with approval by the Building Official.

**Library Option**: Denver Public Library (“DPL”) may have an interest in establishing a branch as part of the development which assumes a space of approximately 8k – 10k square feet. The City would require ownership of the Library. This could be a condo or stand-alone location. City funds would be used towards
acquisition of the finished construction and library improvements. A library would count toward the community serving use requirement. In the event that DPL decides on another location or to not proceed at this Property, the Awardee must have a strategic plan for a community-serving space as an alternative. Respondent should include two scenarios, one with a library and one without, in their submittal.

Additional innovative concepts may be considered on-site, if feasible, but the project must be primarily affordable rental units.

**Sources of Public Financing**

As part of a proposal, Respondents should propose all material terms needed in a land lease in order to bring the proposed development project to fruition. The City will pursue execution of a 99-year land lease agreement for a nominal amount ($10/year) with the selected developer(s) in advance of CHFA’s tax credit application due date in **August of 2022**. Prior to execution of a land lease agreement, the developer will work with the City to determine necessary easements and/or reservations affecting the Property and obtain an ALTA survey as a part of their due diligence to produce a final legal description to be used in the land lease agreement. The developer will need to go through the normal City process for dedications, as needed. All costs associated to these requirements will be at the sole responsibility of the Awardee.

The selected Awardee(s) will be encouraged to apply for 4% + state low-income housing tax credits (“LIHTC”) for rental housing in August 2022, and will be expected to leverage other funding sources, including State of Colorado Division of Housing (“CDOH”). Respondents may utilize New Markets Tax Credits (“NMTC”) for the community serving space.

The selected Awardee will be eligible to apply for housing development funds through HOST to support the housing portion of the redevelopment project. Funding will be evaluated based on the requirements of the term sheets, as well as a description of the application process and application forms, are available [here](#). Please note that any funding amount over $500,000 provided by the City must be approved by Denver City Council.

Additionally, the selected Awardee may request Private Activity Bond (“PAB”) capacity from the City depending on availability and alignment with PAB priorities and procedures. The City receives applications for PAB and evaluates them through a Working Group comprised of HOST and the Department of Finance (“DOF”). Only a fully-executed inducement resolution and bond ordinance can commit the City to a PAB issuance, which is to be capped at 55% of eligible basis; in the event of overages prior to closing but after an inducement resolution, PAB is then capped at 52% of basis subject to PAB capacity availability.

**Community Engagement**

Meaningful community engagement is critical to the integration of this project. HOST and the Department of Community Planning and Development (“CPD”) completed two listening sessions in 2020 where the Globeville community identified the following priorities for the development:
Housing:
- Affordable units for low and very low-income residents
- Unit mix tailored for families; 3 and 4 bedroom units preferred

Community Serving Space:
- Grocery store or fresh food market
- Child care center
- Small business incubator
- Nonprofit shared spaces with a community focus
- Library or other community-serving government agency

Proposals should reflect knowledge and understanding of the Globeville neighborhood history and demographics. As such, all respondents must submit letters from community stakeholders in support of their proposals. Appendix F lists community stakeholders that have participated in previous community engagement sessions or are active within the Globeville community. Respondents are solely responsible for securing letters of support.

Additionally, responses that include a strategy for community engagement to inform decisions during construction and long-term operation will receive high consideration.

Diversity and Inclusiveness in City Solicitations Information Request Form
The Respondent is required to complete the Diversity and Inclusiveness Form (link below) and must be submitted electronically. The information provided on this form will provide an opportunity for Respondents to describe their own diversity and inclusiveness practices. Respondents are not expected to conduct intrusive examinations of their employees, managers, or business partners in order to describe diversity and inclusiveness measures. Rather, the City simply seeks a description of the Respondent’s current practices, if any. Using the link below, please state whether you have a diversity and inclusiveness program for employment and retention, procurement and supply chain activities, or customer service, and provide the additional information requested on the form. Respondents that do not complete this form prior to the RFP submission will be rejected.

Link to the Diversity and Inclusiveness Form:

Diversity and Inclusiveness information provided to the City will be collated, analyzed, and made available in reports consistent with City Executive Order Number 101 (“XO 101”). However, no personally identifiable information provided by or obtained from Respondents will be in such reports.

Diversity: Diversity refers to the extent to which a Respondent has people from diverse backgrounds or communities working in its organization at all levels, is committed to providing equal access to business opportunities and achieving diversity in procurement decisions for supplies, equipment, and services, or
promotes training and technical assistance to diverse businesses and communities such as mentoring and outreach programs and business engagement opportunities.

*Inclusiveness:* Inclusiveness, for purposes of XO 101, includes the extent to which a Respondent invites values, perspectives, and contributions of people from diverse backgrounds and integrates diversity into its hiring and retention policies, training opportunities, and business development methods to provide an equal opportunity for each person to participate, contribute and succeed within the organization’s workplace. Inclusiveness also includes the extent to which businesses have an equal opportunity to compete for new business opportunities and establish new business relationships in the private and public sectors.

**Racial Equity Self-Assessment Survey**
HOST, in alignment with the Mayor’s Office of Social Equity and Innovation, prioritizes racial equity and inclusiveness and seeks to reflect this value in our funding practices. Our commitment to producing racially equitable housing outcomes is paramount to HOST’s overall mission of Denver residents being healthy, housed, and connected.

HOST leadership and staff have completed a racial representation audit of our department as well as an internal organizational racial equity self-assessment (“ORESA”). HOST has created a brief write-up sharing the results of the internal ORESA survey. The write-up provides HOST’s average scores on the ORESA survey disaggregated by race and level of employment.


HOST leadership fully acknowledges the department has more work to do in racial, cultural and linguistic representation and feel that work is best done by acknowledging where we currently stand. HOST is committed to working with the Mayor’s Office of Social Equity and Innovation to meet our goals and the Mayor’s Equity Platform as we serve the community’s most vulnerable and underrepresented residents.

At HOST, we understand that racial, cultural and linguistic representation matters in ensuring access and resource delivery for Denver’s precariously housed and unhoused residents. We are committed to doing the work of housing stability with a racial equity lens and embrace the opportunity to commence this work alongside our community partners with the shared values of making Denver an equitable place to live for all.

**Ongoing Reporting**
HOST will require all programs it funds to report on the demographic characteristics of households served by the program throughout the duration of the contract in coordination with another required contractor demographic reporting. This information will help HOST monitor demographic trends in who is served and by whom. Additional reporting requirements may be required and will be outlined in that agreement.
**Neighborhood Background**

*Globeville & Elyria-Swansea*

Respondents are encouraged to seek out existing City plans for the neighborhood and visit the Globeville and Elyria-Swansea neighborhoods. Respondent should display knowledge of the demographics of the residents they intend to serve in the development plan. Historical knowledge of the neighborhoods is invaluable context for the project.

**National Western Center**

The development of National Western Center (“NWC”) will create year-round indoor and outdoor spaces and will connect this area via two new bridges across the South Platte River to the Globeville, Elyria-Swansea and Five Points neighborhoods.

**HOST Background and Plans**

HOST builds a healthy, housed, and connected Denver. They invest resources, creates policy, and partners with organizations to keep people in the homes they already live in, to quickly resolve an experience of homelessness, and to connect people to affordable housing opportunities. HOST does this by:

- Stabilizing people at risk of involuntary displacement and connecting them to housing resources
- Supporting people experiencing a crisis and connecting them to shelter services and short-term and permanent housing
- Creating and preserving existing affordable housing
- Connecting residents at any income level to new housing opportunities

Since January 2020, HOST has engaged with Denver stakeholders representing nonprofits, community organizations, affordable housing developers, people with housing instability experience, City Council members, government agency partners, funding partners, and businesses to inform this plan.

The Housing Opportunity Division of HOST is tasked with developing and preserving affordable housing. Housing is developed across the spectrum from homeless resolution to homeownership.

**Link to HOST’s Five-Year Strategic Plan:**

**Link to the 2022 Action Plan:**
SECTION 2: Mandatory Responses

Responses to Questions and Requirements

Your proposal must contain the Required Project Criteria (Section 1) and address each of the items that are listed in the RFP requirements section (Section 3). The quality and detail of your responses will figure significantly in the overall evaluation of your proposal. Proposers are encouraged to give examples and provide additional information to support your compliance on each point. Proposals must include responses to the following questions regarding the proposing organization. Please specifically identify each of these responses in order to receive points in the evaluation process.

Response #1: Demonstrated experience and success developing mixed-use developments (1,000 word maximum)

- Submit a narrative, including examples, of the Respondent’s experience with mixed-use and income-restricted rental construction. Please provide examples of past projects. Higher consideration will be given to proposals that describe experience developing and owning/operating mixed-use urban developments that incorporate community serving elements and affordable rental housing. This experience should include demonstrated successful compliance with affordability covenants or land use restriction agreements (“LURAs“). Higher consideration will also be given to proposals that describe experience developing projects with design, construction, and maintenance teams focused on sustainability and high-performance features, particularly energy efficiency.
- Identify any potential construction barriers that may be anticipated in the project (supply chain, labor, financing, etc.). Explain in your development plan how these barriers and unexpected hurdles will be navigated.
- Submit a list of projects in the Respondent’s pipeline and describe capacity in this pipeline to complete this project.

Response #2: Demonstrated experience with engaging the community in project design and development (500 word maximum)

- Describe Respondent’s experience in working in the affordable housing community and with other community organizations that support affordable housing initiatives. Describe what partnerships will be developed in the initial stages as well as through construction and experience with public sector partners. Higher consideration will be given to proposals that include neighborhood knowledge and partnerships with community-serving/focused organizations.
- If the Respondent includes two or more organizations, please describe the partnership, including respective responsibilities throughout the development process.
- Submit associated organizational chart, if available.

Response #3: Development Team Experience: Demonstrated experience with design and development of quality affordable housing (500 word maximum)
• Submit a summary of demonstrated experience working with teams that include, or reflect consultation with, a developer, a contractor, and/or an architect. Higher consideration will be given to Respondent teams that include, or reflect consultation with, a sustainability consultant, predictive performance energy modeler, MEP engineer with successful experience designing high performing building systems, and/or a contractor with successful experience delivering proven high performing built outcomes.

Response #4: Respondent financial capacity/access to capital (500 word maximum)

• Submit resumes or describe the development team’s experience. Submit a brief description of the Respondent’s capacity to finance a development project including examples of the Respondent’s experience leveraging financing from public agencies and negotiating successfully with public sector partners. (Under the scoring criteria, scores of 3 and 4 will be reserved for projects that offer the greatest leverage of the City’s contribution).
• Submit, as an attachment, 3 years most recent financial statements (preferably audited, but not required) for the developer and proposed general partner(s) (if different from the developer).

Response #5: Development Plan (2,000 word maximum)

• Submit a narrative describing the Respondent’s development concept for the site, including target population for the housing and community-serving space. Respondents are required to include preliminary site plans and renderings to illustrate this vision. This concept must incorporate all the required project criteria items listed in Section 1.
• Describe the composition of the development, including any community-serving space, and the number of residential units that will be provided, by affordability and bedroom count.
• Explain the basis for the proposed mix of unit sizes in the project and its relationship to the target tenant population described in the proposal.
• Describe how the project will meet the needs expressed by the local community, including community-serving uses that meet retail, training, and service gaps. Describe or identify the potential partner(s) that will deliver these community services. It would be beneficial to provide a letter of intent from the potential partner(s).
• Explain the commitment of the project to meeting the proposed City preference/prioritization policy. Describe whether and how the project will integrate sustainable design to advance the City’s sustainability goals, as outlined in the Denver Green Code and Denver community stakeholder Climate Action Task Force’s Denver Climate Action 2020 Recommendations Report.
• Describe how the project will integrate accessibility features beyond the minimum required by the U.S. Department of Housing and Urban Development (HUD).
• Describe how the project will comply with current zoning.
• Describe how the project will meld with other City planned projects in the neighborhood.
Response #6: Project Financing (500 word maximum)

- Submit a narrative describing the preliminary development budget, planned debt, equity, and soft sources for the proposed project, along with a cash flow proforma showing 20 years of operation. Describe each proposed source of funding for both the housing and proposed community servicing space, including the amount and terms of gap financing the Respondent will seek from HOST. Respondents will be evaluated based on how effectively public resources are leveraged to deliver a project that meets HOST’s strategic plan goals, including neighborhood stabilization, housing outcomes, and engagement with the local community, as well as the overall quality of the project.
- Letters of interest from funders demonstrating that assumptions are valid are encouraged.

Response #7: Implementation Strategy (500 word maximum)

- Submit a narrative describing the Respondent’s expected timeline and approach to implementing key milestones from selection of the Respondent to placement of the property into service. Include the expected timeline for securing all sources of financing, including a timeline for the negotiation of terms and closing of HOST financing.
- Describe planned construction methods, including innovative strategies and techniques to deliver developments more quickly.
- Submit the expected timelines for development review.

Higher consideration will be given to proposals that present a realistic plan for development and financing from the time the Respondent is selected by the City until the start of construction, including applying for 4% + state low-income housing tax credits August 2022.

Higher consideration will also be given to Respondents who demonstrate innovation in build strategies and techniques, and to Respondents who outline a design and delivery process and schedule that incorporates attributes generally accepted as supportive of higher-performing project outcomes.

Response #8: Community Engagement (500 word maximum)

- Submit a narrative describing the structure and approach for a community engagement process to guide decisions during design, construction, operation, and throughout the life of the project.
- Describe historical knowledge of the community and provide an analysis of how this project could benefit those that live in the community.
- Include a sample agenda for meetings and anticipated resources to be budgeted for translation and communications and at least one letter of support from a Globeville community stakeholder.
- Submit the Letter(s) of Support as an attachment to the submission.
## SECTION 3: RFP INSTRUCTIONS & REQUIREMENTS

### RFP Schedule of Events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>3/15/2022</td>
<td>RFP Release Date</td>
</tr>
<tr>
<td>3/22/2022</td>
<td>Deadline to submit additional questions and/or request additional information</td>
</tr>
<tr>
<td>3/31/2022</td>
<td>Response to written questions/addendum</td>
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<tr>
<td>4/15/2022</td>
<td>Proposal submission deadline</td>
</tr>
<tr>
<td>4/22/2022</td>
<td>Interviews (shortlist of respondents)</td>
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<tr>
<td>5/2/2022</td>
<td>Award Date</td>
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### Future Events

<table>
<thead>
<tr>
<th>Year 2022-2023</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>Community outreach</td>
<td></td>
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<tr>
<td>City Council outreach</td>
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<tr>
<td>Draft of 99-year land lease with CCD – Legals needed</td>
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<tr>
<td>City Council process for approval and execution of the land lease</td>
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<tr>
<td>Secure financing</td>
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<tr>
<td>Due diligence on the Property</td>
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<tr>
<td>JUNE 1, 2022</td>
<td>CHFA LOI due date (if using 4% + State)</td>
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<tr>
<td>AUG 1, 2022</td>
<td>CHFA’s 4% + state tax credit application due date</td>
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<tr>
<td>2023</td>
<td>Financial closing (First half of 2023)</td>
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<tr>
<td>2023</td>
<td>Start of construction</td>
</tr>
<tr>
<td>TBD</td>
<td>Construction completion</td>
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<tr>
<td>2022-2023</td>
<td>Execute a Purchase and Sale Agreement (“PSA”) with the City - (Library Option Only)</td>
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</tbody>
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### Submission of Proposals

Proposals, incorporating all elements required herein, must be submitted electronically to the Office of Real Estate email address: RealEstate@denvergov.org with attention to Lisa Lumley, Director of Real Estate, and reference to this RFP before 5:00 PM Mountain Standard Time, **April 15, 2022**. The subject of the email should address the **4995 Washington RFP submittal**.

Data submitted by organizations must be clear, concise, and realistic about performance objectives. It is the responsibility of the Proposer to confirm that they have acquired all addenda related to this solicitation and they have reviewed and complied with the requirements herein.

All participating Respondents, by their acknowledgment hereunder, shall agree to comply with all of the conditions, requirements, and instructions of this RFP as stated or implied herein. Any alteration, erasure, or interlineation by a Respondent in this proposal shall constitute cause for rejection. Exceptions or deviations to this proposal must not be added to the proposal pages but must be on Respondent's letterhead and accompany the proposal.
All Respondents are required to complete all information requested in this proposal. Failure to do so may result in the disqualification of the proposal.

The City reserves the right to postpone or cancel this RFP, or reject all proposals if in its judgment it deems it to be in the best interest of the City to do so.

The Director of the Office of Real Estate reserves the right to waive any technical or formal errors or omissions and to reject any and all proposal(s), or to award the contract for the items hereon, either in part or whole, if the Director of the Office of Real Estate deems it to be in the best interests of the City to do so.

The successful Respondent shall be in complete compliance with all of the specifications, terms, and conditions of this proposal as outlined above.

The City shall not be liable for any costs incurred by a Respondent in the preparation of proposals or for any work performed in connection therein.

Questions from Respondents
The City shall not be bound by, and the respondent shall not request or rely on any oral interpretation or clarification of this RFP. Therefore, any questions regarding this RFP are encouraged and should be submitted in writing by email to: RealEstate@denvergov.org.

Clarifying questions received prior to the deadline to submit a response to this RFP will be answered in writing via an addendum to the RFP posted on the Real Estate website prior to the due date. Answers to questions from any respondent will be provided to all respondents in the form of an Addendum to this RFP on the Real Estate website. Respondents may be asked to participate in a telephone or virtual interview during which the City may ask clarifying questions.

Changes to RFP
If it becomes necessary to revise, change, modify or cancel this RFP or to provide additional information, addenda will be posted on the Real Estate website.

Link to Real Estate Website:

Communications
All communications regarding this RFP shall only be through the address listed above. No communication is to be directed to any other City personnel. The Office of Real Estate reserves the right to modify or cancel this RFP, in part or in whole, and is not obligated whatsoever to proceed forward with any particular respondent, if, in its judgment, it deems it to be in the best interest of the City to not do so.
Acceptance Period
Proposals in response to this RFP shall indicate that they are valid for a period no less than six (6) months.

Product/Performance Literature
The Respondent shall agree to furnish, upon the written request of HOST, any additional information needed to substantiate or clarify the design and/or performance characteristics of the materials or services that they propose to furnish.

Disclosure of Contents of Proposals
Materials submitted in response to this RFP will be considered internal research documents and will not be available publicly.

Proposal Requirements
The ability of Respondents to implement their proposed project development concept will be assessed, with a particular focus on knowledge, efficiency, and reliability as demonstrated through past development experience. A response to this RFP should address how the City’s required project criteria (section 1) are incorporated into the overall project concept and development plan.

PROPOSAL/RESPONSE REQUIREMENTS

<table>
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<tr>
<th>Acknowledgment:</th>
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<tbody>
<tr>
<td>Attach a cover letter acknowledging formal submittal. Provide contact information to include name, title, company, address, email address and phone number. Also provide remittance address if applicable.</td>
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<thead>
<tr>
<th>Project Criteria:</th>
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<tr>
<td>See section 1 – Describe in detail how you will incorporate the minimum criteria into the project.</td>
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<tr>
<th>Development Plan:</th>
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<tr>
<td>The composition of the development, including any active commercial space, community-serving space, and the number of residential units that will be provided, by affordability and bedroom count. A higher quantity of affordable units and a mix of incomes, including units affordable to households at or below 30% of AMI, are strongly encouraged. Further, preference will be given to proposals that incorporate 3 and 4 bedroom units. Provide a detailed summary of the unit mix for the property. Describe how this proposed project will contribute to HOST’s strategic plan goals. The Property has recently been rezoned to C-MS-5 and provides an opportunity to develop up to five stories. The development plan should outline compatibly with the current zoning. The development plan should include one scenario with a library option and one without a library in their submittal.</td>
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<tr>
<th>Community Engagement:</th>
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<tr>
<td>Meaningful community engagement is critical to the integration of this project. Please provide a detailed summary of historical community knowledge, planned community engagement during the RFP process, future engagement in the planning/design/construction process, and communication plans for post-construction operations. Also, identify at least one stakeholder in this community with support (see letter of support below).</td>
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<tr>
<th>Community Stakeholder Letter of Support:</th>
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<tbody>
<tr>
<td>See section 2 – Submittal will need at least one letter of support from a Globeville community stakeholder. It is encouraged to reach out to more than just one stakeholder in the community.</td>
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</table>
**Proposed Development Budget:**

Provide a detailed description of the proposed development budget for this project on the *Development Budget* tab in the Proforma template.

*Link to the Proforma template*

**Financing:**

Provide a conceptual outline of proposed financing sources for the project on the *Sources* tab in the Proforma template. Identify how the financing will be structured with a 99-year land lease for a nominal amount ($10/year). Send the most recent 3 years of consolidated, audited financials for the project sponsor for HOST approval.

*Link to the Proforma template*

**Proforma:**

Complete the Excel proforma template provided in the link below. Create a proposed budget for operations on the *Operating Budget* tab and a 20 year cash flow proforma.

*Link to the Proforma template*

**Ownership:**

Describe the proposed ownership and management structure of the affordable housing development, community services space, and any other commercial space. Detail partnerships that will align in this process whether a LIHTC investor, community partner, or other.

**Experience & Pipeline:**

Provide a detailed description of the applicant’s and developer’s experience in the development and operation of affordable housing, commercial mixed-use development, and community services spaces. Provide information regarding experience relevant to a project that may have a complicated ownership structure. The City will consider a transaction and development plan where there is a municipal service incorporated into the project or a service provider would separately own a portion of the Property rather than have a leasehold interest. Provide a pipeline of projects so that the capacity to complete the project is transparent. Submit resumes as described in Section 2.

**Timeline:**

Provide a timeline for the project that outlines securing the site, development, and future operations.

**Written Mandatory Responses:**

See section 2.

**Land Lease Terms:**

Respondent must provide all material terms needed for drafting a land lease.

**Certificate of Good Standing from the Colorado SOS:**

Successful Respondents that are corporations or limited liability companies will be required to furnish a Certificate of Good Standing from the Colorado Secretary of State’s Office, as proof that they are properly registered to do business in the State of Colorado, prior to finalization of the award and contracting.

**IRS W-9 Form:**

This will be requested of the respondent that is awarded the project. Do not send W-9s until requested.

**Diversity and Inclusiveness Form:**

Fill out the information in the link found in Section 1. Must be submitted prior to submitting the RFP.

**Racial Equity Self-Assessment Survey Responses:**

See Section 1 – for reference only.

**Appendix:**
Appendix G: Contract Certification (including acknowledgement) - to be completed and attached to the submission.

Other Information (optional, but not required):
- Additional Respondent notes and comments
- Program brochures, marketing materials, etc.
- Supporting materials for the project
- Organizational chart
- Letters of interest from funders demonstrating that assumptions are valid
- Supplemental details on any other community serving options that might benefit the project (solar panels, gardens, food services, daycare, etc.)

SECTION 4: EVALUATION AND AWARD

Scoring Criteria
Responses will be scored and ranked according to how well they meet the Project Criteria and RFP requirements described above. Please reference the following scoring matrix:

- The financing plan of the proposed project is feasible. See the RFP requirement regarding the financials for the sponsor. (Required) Must provide a proforma that financing supports the project. The financial plan must be viable for the project or the submission may not receive further evaluation by the City. The City, in its sole discretion, will determine whether a financial plan is viable.
- Diversity and Inclusiveness Form completed and submitted prior to the RFP submission. (Required)
- The proposed Development Plan meets City's Required Project Criteria (Section 1) and RFP requirements (section 3) (Possible Points: 4)
- The proposed project proposes an acceptable community engagement strategy and meets community goals. Must also describe continued communications to the community and future community engagements post-construction. (Possible Points: 4) (This is the “how” this will be implemented).
- The proposed project defines collaboration between partners involved in the project as well as in the neighborhood community groups. (Possible Points: 4) (This is the “who” will be involved).
- The proposed Development Plan incorporates ground-floor community space. (Possible Points: 4)
- The proposed project has a realistic implementation timeline. (Possible Points: 4)
- The proposed project has a defined ownership structure outlined. (Possible Points: 4)
- The Respondent(s) possess sufficient experience to execute the proposed development project. (Possible Points: 4)
- The proposed project must establish minimum set-aside thresholds. Additional points will be awarded for projects that target extremely low-income residents. (Possible Points: 4)
- The proposed project must contribute to HOST's strategic plan goals. (Possible Points: 4)
- Mandatory Responses (Section 2) – Each response will be reviewed and awarded points. (Possible points: 4/each)

1 = Unsatisfactory Response - Does not answer all components of the question and/or not clearly articulated; either incomprehensible and/or do not appear to understand our business needs
Scores of 3 to 4, or “higher consideration,” will be reserved for those projects that offer maximum leverage of the City’s overall investment, or propose the highest feasible policy-identified outcome.

The City may request oral presentations as part of the evaluation process. Additionally, the City reserves the right to conduct negotiations with one or more Respondents. Before an application is awarded, an applicant may be invited to a meeting with Real Estate and HOST staff to discuss the proposed project, to review compliance required under applicable regulations and to determine the eligibility of proposed costs. The City may choose to award multiple awards or to reject all proposals.

Any award as a result of this RFP shall be contingent upon the execution of an appropriate land lease. The land lease will be for a term of 99-years at a nominal rate of $10/year. These terms and conditions shall form the basis of a land lease covering the subject matter of this proposal. If there is contention(s) with the terms and conditions, a brief explanation and alternative language, if any, should be included in your response to Section 1. Any exceptions to the terms and conditions will be taken into consideration when evaluating proposals submitted. The City reserves the right to reject any or all of your proposed modifications.

Performance outcomes of prior contracts with HOST and/or the City may be considered in the overall rating of proposals submitted by applicants who currently have, or have previously had, contracts with the City. Application evaluation and awards are also contingent upon applicants being current to the City on any loan, contractual, or tax obligation as due, or with any rule, regulation, or provision on existing or past City contracts.

Decisions
Based upon the information provided by the applicants, an evaluation team will evaluate proposals. The evaluations will be ranked, and a recommendation for award will be forwarded to the Director of the Office of Real Estate as well as the Director of HOST. With coordination from the Office of Real Estate, the Director of the Department of Housing Stability will award the project.

Proposals that meet all the RFP’s general guidelines and requirements may not necessarily receive an award.

No preference or points will be based on non-profit or for-profit status of the respondent.
The City reserves the right to postpone or cancel this RFP if it deems it to be in the best interests of the City to do so. The City reserves the right to waive any technical or formal errors or omissions, and to reject any and all proposals, or to award contracts, either in part or in whole, if deemed to be in the best interests of the City. Successful applicants shall be in complete compliance with all of the specifications, terms and conditions of the proposal. The City shall not be liable for any costs incurred in the preparation of proposals or for any work performed in connection therein.

Proposed projects that meet the minimum proposal requirements will be scored based on the primary criteria described in more detail above. Regardless of numerical ranking, the scoring does not operate to vest in a Respondent or project any right or reservation of an award or Private Activity Bonds or gap financing, in any amount. The City will make an award consistent with its sound and reasonable judgment, prudent business practices, and the exercise of its discretion. Specifically, but without limiting the generality of the foregoing, the City reserves the right not to make an award to any Respondent, regardless of that Respondent’s point ranking, if the Director of HOST, with coordination from the Director of the Office of Real Estate, in his or her sole and absolute discretion, determines that (i) an award for such Respondent or project does not further the purpose and goals set forth in this RFP, (ii) the Respondent’s proposed project is not financially feasible or viable, or (iii) there is not a substantial likelihood that the project will be able to meet the requirements for gap financing in a timely manner.

Successful applicants may be invited to enter into contract negotiations and the development of a final land lease. Contract negotiations may involve additional requirements, such as environmental reviews.

**Next Steps**

Finalist Respondents (listed as the “shortlist” in the Future events) may be asked to deliver an oral presentation and/or answer clarifying questions via phone or a virtual meeting. Respondents will be provided one week to prepare for this meeting.

The selected Respondent will receive a conditional letter of selection from Director of HOST, with coordination from the Director of the Office of Real Estate, once a final decision has been reached. After receiving a conditional letter of selection, the selected Respondent will be required to enter into a right of entry agreement or other agreement with the City in order to inspect the Property. The right of entry is for non-invasive inspection only. The selected Respondent will be required to provide the City with a certificate of insurance prior to accessing the Property. The City will then negotiate the land lease agreement with the selected Respondent. The land lease agreement is subject to Denver City Council approval.

**Gratuities and Kickbacks**

It shall be a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee (within six months of termination from City employment), or for any employee or former employee (within six months of termination from City employment) to solicit, demand, accept or
agree to accept from another person, a gratuity or an offer of employment in connection with any
decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a
purchase request, influencing the content of any specification or procurement standard, rendering of
advice, investigation, auditing, or in any other advisory capacity in any proceeding of application, request
for ruling, determination, claim or controversy, or other particular matter, pertaining to any program
requirement or a contract or subcontract, or to any solicitation or proposal, therefore.

It shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made by
or on behalf of a subcontractor under a contract to the prime proposer or higher tier subcontractor or any
person associated therewith, as an inducement for the award of a subcontract or order. In the event that
any gratuities or kickbacks are offered or tendered to any City and County of Denver employee, the
proposal shall be disqualified and shall not be reinstated.

Appendix

The following appendices are incorporated wholly into this solicitation. All other pertinent documents
can be accessed through the links contained within this document.

- Appendix A: Legal Description of Property
  - Note: Awardee will need to confirm the legal description with an updated ALTA survey and have it approved by the City
    prior to executing the land lease.
- Appendix B: ALTA Survey
  - Note: Awardee will need to engage a licensed surveyor to create an updated ALTA survey at their own cost as a part of the
    project.
- Appendix C: Title Policy (existing)
- Appendix D: Sample HOST Gap Financing Loan Agreement
- Appendix E: Sample HOST Gap Financing Loan Closing Documents
  - Deed of Trust
  - Promissory Note
- Appendix F: List of Globeville Community Stakeholders (for letters of support)
- Appendix G: Contract Certification (including acknowledgment)
- Appendix H: Sample Rental and Occupancy Covenant
- Appendix I: Affordable Housing Prioritization Policy

(Appendices to follow)
Appendix A
Legal Description of Property
(Schedule Number: 0215409052000)

Legal descriptions of each parcel need to be confirmed with an updated ALTA survey and approved by the City.

PARCEL DESCRIPTION
PARCEL A:
That part of the southeasterly 1/4 of the southeasterly 1/4 of Section 19, Township 3 South, Range 58 West of the 6th P.M. (being shown on the plat of W.A. Clark's Second Subdivision), described as follows:
Beginning at a point on a county road 650 feet south and 40 feet west of the northeast corner of the southwest 1/4 of the southeast 1/4 of Section 19, thence north 500 feet, thence north 50 feet, thence west 50 feet, thence north 400 feet, thence east 500 feet, thence south 500 feet, thence north 50 feet, thence east 500 feet, thence south 400 feet, thence west 50 feet, thence south 50 feet, thence west 100 feet, thence north 500 feet, thence east 1000 feet, thence south 50 feet, thence east 50 feet, thence north 500 feet, thence east 100 feet, thence south 50 feet, thence east 50 feet, thence north 500 feet, thence east 100 feet, thence south 50 feet, thence east 50 feet, thence north 500 feet, thence east 100 feet, thence south 50 feet, thence east 50 feet, thence north 500 feet, thence east 100 feet, thence south 1/2 of the east 1/2 of the southwest 1/4 of Section 19, thence south 1/2 of the east 1/2 of the southwest 1/4 of Section 19, to the point of beginning.

PARCEL E:
The north 125 feet of Plot 9, W.A. Clark's Second Subdivision, City and County of Denver, State of Colorado.

PARCEL F:
The south 25 feet of the east 50 feet of Plot 10, W.A. Clark's Second Subdivision, City and County of Denver, State of Colorado.

PARCEL H:
The north 1/4 of the southwest 1/4 of Section 19, Township 3 South, Range 58 West of the 6th P.M. (being shown on the plat of W.A. Clark's Second Subdivision), described as follows:
Beginning at the southwesterly corner of said Section 19, thence north along the east line of said Section 2560 feet, thence west along the north line of said Section 2560 feet, thence south along the west line of said Section 2560 feet, thence west along the south line of said Section 2560 feet, thence north along the east line of said Section 2560 feet, to the point of beginning.

PARCEL I:
That part of the easternly 1/4 of the northwesterly 1/4 of Section 19, Township 3 South, Range 58 West of the 6th P.M. as described to the city and county of Denver, State of Colorado, recorded January 18, 1971 in Book 395 at Page 501, City and County of Denver, State of Colorado.

PARCEL J:
The north 1/2 of the southwesterly 1/2 of the southwesterly 1/2 of Plot 8, W.A. Clark's Second Subdivision, City and County of Denver, State of Colorado.

PARCEL K:
The southernly 1/2 of the southwesterly 1/2 of Plot 8, W.A. Clark's Second Subdivision, City and County of Denver, State of Colorado.

Note: Said parcels A through J also described as follows:
Plot A, except that part of said plot A as contained to the city and county of Denver in deed recorded January 18, 1971 in Book 395 at Page 501, the north 1/2 of Plot 2, all in W.A. Clark's Second Subdivision, City and County of Denver, State of Colorado.

CONTAINING 11,584 SQUARE FEET OR 0.268 ACRES MORE OR LESS.
Appendix B (Continued)

ALTA Survey – Page 2
Appendix C
Title Policy

(See next several pages)
Date: January 25, 2019

Subject: Attached Title Policy

CITY AND COUNTY OF DENVER, A COLORADO MUNICIPAL CORPORATION OF THE STATE OF COLORADO AND HOME RULE CITY for 4995 WASHINGTON ST, DENVER, CO

Enclosed please find the Owner’s Title Insurance Policy for your purchase of the property listed above.

This title policy is the final step in your real estate transaction, and we want to take a moment to remind you of its importance. Please review all information in this document carefully and be sure to safeguard this policy along with your other legal documents.

Your owner’s policy insures you as long as you own the property and requires no additional premium payments.

Please feel free to contact any member of our staff if you have questions or concerns regarding your policy, or you may contact Final Policy Team at (303) 850-4158 or finals@ltgc.com

As a Colorado-owned and operated title company for over 50 years, with offices throughout the state, we take pride in serving our customers one transaction at a time. We sincerely appreciate your business and welcome the opportunity to assist you with any future real estate needs. Not only will Land Title be able to provide you with the title services quickly and professionally, but you may also be entitled to a discount on title premiums if you sell or refinance the property described in the enclosed policy.

Thank you for giving us the opportunity to work with you on this transaction. We look forward to serving you again in the future.

Sincerely,

Land Title Guarantee Company
OWNER'S POLICY OF TITLE INSURANCE

ANY NOTICE OF CLAIM AND ANY OTHER NOTICE OR STATEMENT IN WRITING REQUIRED TO BE GIVEN TO THE COMPANY UNDER THIS POLICY MUST BE GIVEN TO THE COMPANY AT THE ADDRESS SHOWN IN SECTION 18 OF THE CONDITIONS.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, a Minnesota corporation, (the "Company"), insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien on or encumbrance on the Title; This covered Risk includes but is not limited to insurance against loss from
   a. A defect in the Title caused by
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   b. The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   c. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (a) the occupancy, use or enjoyment of the Land;
   (b) the character, dimensions, or location of any improvement erected on the Land;
   (c) the subdivision of land; or
   (d) environmental protection
   if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors’ rights laws; or
   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors’ rights laws by reason of the failure of its recording in the Public Records
      (i) to be timely, or
      (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A. The Company will also pay the costs, attorneys’ fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

Issued by:
Land Title Guarantee Company
3030 East First Avenue Suite 600
Denver, Colorado 80206
(303)321-1880

President

Old Republic National Title Insurance Company, a Stock Company
400 Second Avenue South
Minneapolis, Minnesota 55401
(612)371-1111

Mark Bilbrey, President
Rande Yeager, Secretary

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AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY Adopted 6-17-06
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys’ fees, or expenses that arise by reason of:

(1)(a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to
(i) the occupancy, use, or enjoyment of the Land;
(ii) the character, dimensions, or location of any improvement erected on the Land;
(iii) the subdivision of land; or
(iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5.

(2) Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

(3) Defects, liens, encumbrances, adverse claims, or other matters
(a) created, suffered, assumed, or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss or damage to the Insured Claimant;
(d) attracting or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

(4) Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors’ rights laws, that the transaction vesting the Title as shown in Schedule A is
(a) fraudulent conveyance or fraudulent transfer; or
(b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

(5) Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) “Amount of Insurance”: The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b) or decreased by Sections 10 and 11 of these Conditions.

(b) “Date of Policy”: The date designated as “Date of Policy” in Schedule A.

(c) “Entity”: A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) “Insured”:
(i) The term “Insured” also includes
(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
(C) successors to an Insured by its conversion to another kind of Entity;
(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
   (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured.
   (2) if the grantee wholly owns the named Insured,
   (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity,
   (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes
(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) “Insured Claimant”: An Insured claiming loss or damage.

(f) “Knowledge” or “Known”: Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) “Land”: The land described in Schedule A, and affixed improvements that by law constitute real property. The term “Land” does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenue, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) “Mortgage”: Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) “Public Records”: Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 9(d), “Public Records” shall also include environmental protection liens filed in the records of the Clerk of the United States District Court for the district where the Land is located.

(j) “Title”: The estate or interest described in Schedule A. “Unmarketable Title”: Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable.
by virtue of this policy, or (ii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company’s liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured. Whenever requested by the Company, the Insured, at the Company’s expense, shall give the Company all reasonable aid in obtaining evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in the opinion of the Company may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured. Whenever requested by the Company, the Insured, at the Company’s expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company’s obligation to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance. To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys’ fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in the subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys’ fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys’ fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay. Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company’s obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association (“Rules”). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim or loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.
16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law; The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum; Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: 400 Second Avenue South, Minneapolis, Minnesota 55401 (612)371-1111.

ANTI-FRAUD STATEMENT: Pursuant to CRS 10-1-128(6)(a), it is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

This anti-fraud statement is affixed to and made a part of this policy.
Property Address:

4995 WASHINGTON ST, DENVER, CO

1. Policy Date:

January 14, 2019 at 2:14 P.M.

2. Name of Insured:

CITY AND COUNTY OF DENVER, A COLORADO MUNICIPAL CORPORATION OF THE STATE OF COLORADO AND HOME RULE CITY

3. The estate or interest in the Land described in this Schedule and which is covered by this policy is:

A FEE SIMPLE

4. Title to the estate or interest covered by this policy at the date is vested in:

CITY AND COUNTY OF DENVER, A COLORADO MUNICIPAL CORPORATION OF THE STATE OF COLORADO AND HOME RULE CITY

5. The Land referred to in this Policy is described as follows:

PARCEL A:

THAT PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 15, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH P.M., (BEING SHOWN ON THE PLAT OF W.H. CLARK’S SECOND SUBDIVISION), DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON A COUNTY ROAD 230 FEET SOUTH AND 60 FEET WEST OF THE NORTHEAST CORNER OF SAID SOUTHEAST 1/4; THENCE SOUTH AND PARALLEL WITH THE EAST LINE OF SAID SECTION, A DISTANCE OF 50 FEET; THENCE WEST AT RIGHT ANGLES, A DISTANCE OF 230.5 FEET; THENCE NORTH AT RIGHT ANGLES, A DISTANCE OF 50 FEET; THENCE EAST AT RIGHT ANGLES, A DISTANCE OF 230.5 FEET TO THE POINT OF BEGINNING, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

PARCEL B:

THE NORTH 125 FEET OF PLOT 9, W.H. CLARK’S SECOND SUBDIVISION, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

PARCEL C:

THE SOUTH 25 FEET OF THE EAST 50 FEET OF PLOT 10, W.H. CLARK’S SECOND SUBDIVISION, CITY AND
COUNTY OF DENVER, STATE OF COLORADO.

PARCEL D:

THAT PART OF THE SOUTHEAST ¼ OF THE SOUTHEAST ¼ OF SECTION 15, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH P.M., (BEING SHOWN ON THE PLAT OF W.H. CLARK'S SECOND SUBDIVISION), DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 15; THENCE NORTH ALONG THE EAST LINE OF SAID SECTION FOR 1100.8 FEET; THENCE WEST AT RIGHT ANGLES 60 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH AT RIGHT ANGLES 25 FEET; THENCE WEST AT RIGHT ANGLES 218 FEET MORE OR LESS TO THE EAST LINE OF PLOT 10, W.H. CLARK'S SECOND SUBDIVISION; THENCE SOUTH ALONG THE EAST LINE 25 FEET; THENCE EAST TO THE POINT OF BEGINNING, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

PARCEL E:

THE EAST 50 FEET OF PLOT 10, EXCEPT THE SOUTH 25 FEET THEREOF, W.H. CLARK'S SECOND SUBDIVISION, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

PARCEL F:

PLOT 1, W.H. CLARK'S SECOND SUBDIVISION,

EXCEPT THAT PART OF SAID PLOT 1, BEING A PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 15, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH P.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 15; THENCE NORTH ALONG THE EAST LINE OF SAID SECTION, A DISTANCE OF 1100.8 FEET; THENCE WEST AT RIGHT ANGLES, A DISTANCE OF 60 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH AT RIGHT ANGLES, A DISTANCE OF 25 FEET; THENCE WEST AT RIGHT ANGLES, A DISTANCE OF 218 FEET, MORE OR LESS, TO THE EAST LINE OF PLOT 10, W.H. CLARK'S SECOND SUBDIVISION; THENCE SOUTH ALONG SAID EAST LINE, A DISTANCE OF 25 FEET; THENCE EAST TO A POINT THAT IS 60 FEET WEST OF THE EAST LINE OF SAID SECTION 15, SAID POINT BEING THE TRUE POINT OF BEGINNING;

AND EXCEPT THAT PART OF SAID PLOT 1, BEING A PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 15, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH P.M., AS CONVEYED TO THE CITY AND COUNTY OF DENVER IN DEED RECORDED JANUARY 19, 1971 IN BOOK 273 AT PAGE 563,

CITY AND COUNTY OF DENVER, STATE OF COLORADO.

PARCEL G:

THAT PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 15, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH P.M., DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 280 FEET SOUTH AND 60 FEET WEST OF THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 15; THENCE SOUTH 50 FEET; THENCE AT RIGHT ANGLES WEST 230 1/2 FEET; THENCE AT RIGHT ANGLES NORTH 50 FEET; THENCE AT RIGHT ANGLES EAST 230 1/2 FEET TO THE POINT OF BEGINNING, BEING A PART OF PLOT 2, W.H. CLARK'S
SECOND SUBDIVISION, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

PARCEL H:

THE SOUTH 1/2 OF THE NORTH 1/2 OF THE SOUTH 1/2 OF PLOT 9, W.H. CLARK’S SECOND SUBDIVISION, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

PARCEL I:

THE SOUTH 1/2 OF THE SOUTH 1/2 OF PLOT 9, W.H. CLARK’S SECOND SUBDIVISION, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

NOTE: SAID PARCELS A THROUGH I ARE ALSO DESCRIBED AS FOLLOWS:

PLOT 1, EXCEPT THAT PART OF SAID PLOT 1 AS CONVEYED TO THE CITY AND COUNTY OF DENVER IN DEED RECORDED JANUARY 19, 1971 IN BOOK 273 AT PAGE 563,
THE NORTH 1/2 OF PLOT 2,
ALL OF PLOT 9, AND
THE EAST 50 FEET OF PLOT 10,
ALL IN W.H. CLARK’S SECOND SUBDIVISION, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

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This policy does not insure against loss or damage by reason of the following:

1. Any facts, rights, interests, or claims thereof, not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.

2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.

4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.

6. TAXES AND ASSESSMENTS FOR THE YEAR 2019 AND SUBSEQUENT YEARS.

7. EXISTING LEASES AND TENANCIES.

8. EASEMENT FOR INGRESS AND EGRESSION AS RESERVED IN THE DEED RECORDED FEBRUARY 28, 1974 IN BOOK 840 AT PAGE 430.

   (AFFECTS PARCEL G)

9. TERMS, CONDITIONS AND PROVISIONS APPLICATION TO AMEND THE BOUNDARIES OF A DESIGNATED ZONE LOT RECORDED APRIL 17, 1997 UNDER RECEIPTION NO. 9700048936.

   (AFFECTS ALL PARCELS)

10. TERMS, CONDITIONS AND PROVISIONS DENVER ASSESSORS PARCEL COMBINATION RECORDED SEPTEMBER 30, 2014 UNDER RECEIPTION NO. 2014118397.

11. ANY FACTS, RIGHTS, INTERESTS OR CLAIMS WHICH MAY EXIST OR ARISE BY REASON OF THE FOLLOWING FACTS SHOWN ON ALTA/NSPS LAND TITLE SURVEY DATED OCTOBER 29, 2018, PREPARED BY BELL SURVEYING COMPANY, JOB NO. 1810-106:

   (SAID DOCUMENT STORED AS OUR ESI 36443670)

   A. EXISTING FENCE LINES DO NOT MATCH THE EXACT BOUNDARIES OF THE LAND.

   B. THE SOUTH 10 FEET OF PARCEL G IS BEING USED BY THE ADJACENT OWNER TO THE SOUTH FOR MORE THAN INGRESS AND EGRESSION AS RESERVED IN DEED RECORDED FEBRUARY 28, 1974 IN BOOK 840 AT PAGE 490.
Appendix D
Template HOST Gap Financing Loan Agreement

(See next several pages)
LOAN AGREEMENT
(GENERAL FUND)

THIS LOAN AGREEMENT is made between the CITY AND COUNTY OF
DENVER, a municipal corporation organized pursuant to the Constitution of the State of Colorado
(“City”), and BORROWER a STATE BUSINESS ENTITY TYPE, whose address is ADDRESS,
CITY, STATE ZIP (“Borrower”), each individually a “Party” and collectively the “Parties.”

WITNESSETH:

WHEREAS, the Borrower is the owner [contract purchaser / lessee] of Property (as
defined in Section 2) in the City and County of Denver;

WHEREAS, the purpose of this Loan Agreement is for the City to provide financing costs
related to the development and construction of NUMBER (XX) affordable multi-family [single-
family] dwelling units located on the Property [which will be known as XXX] (the “Project”);

WHEREAS, the City is making certain monies available to ensure the development the
Project; and

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

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

1. LOAN TO BORROWER: Subject to the terms of this Loan Agreement, the City
agrees to lend Borrower the sum of LOAN AMOUNT and No/100 Dollars ($LOAN AMOUNT)
(the “Loan”). In addition to this Loan Agreement, the Borrower will execute a promissory note
in a form satisfactory to the City evidencing this Loan (the “Promissory Note”) and a covenant
securing the Property for use as affordable housing as required by Section 6 hereof. Simple interest
at a rate of INTEREST RATE (PERCENT%) per annum shall commence accruing on the
outstanding principal balance of the Promissory Note on the date on which the first draw on the
Loan is made.

Option 1, Cash Flow: Principal and any interest accrued on the Loan shall be due and
payable, at such place as may be designated by City, in annual installments of the amount
calculated in accordance with the order of priority and other provisions set forth in
Exhibit F, attached hereto and incorporated herein (“Cash Flow”). Such annual
installments shall commence and be due on the first June 1st following the date that is
twenty-four (24) calendar months after the effective date of the Promissory Note and
each June 1st thereafter, with the entire unpaid balance of principal and accrued interest due and payable on the LENGTH (NUMERAL) anniversary of the date of the Promissory Note (the “Maturity Date”), if not sooner paid. Each year after repayment of the Loan has commenced, Borrower shall provide to the City, no later than May 15, (i) an audited financial statement for the Project for the preceding calendar year; and (ii) a statement or letter from an auditor that details (a) the total amount of Cash Flow available for distribution, and (b) a calculation that details the amount(s) and the person(s) or entity (entities) to which the available Cash Flow will be distributed based on the order of priority and other provisions set forth in Exhibit F.

**Option 2, Performance Loan:** Principal and any interest accrued on the Loan shall mature and be due and payable on the LENGTH (NUMERAL) anniversary of the date of the Promissory Note (the “Maturity Date”), if not sooner paid. Repayment shall be forgiven by the City on the Maturity Date so long as Borrower is in compliance with all terms and conditions of this Loan Agreement and the Covenant.

**Option 3, Amortization:** Principal and any interest accrued on the Loan shall be due and payable, at such place as may be designated by the City, in monthly installments of DOLLARS and NO/100 ($NUMERAL) commencing on the first June 1st following the date that is twenty-four (24) calendar months after the effective date of the Promissory Note and shall continue thereafter on the first day of each succeeding month. The entire unpaid balance and accrued interest shall be due and payable on or before the LENGTH (NUMERAL) anniversary of the date of the Promissory Note (the “Maturity Date”), if not sooner paid.

2. **SECURITY:** Repayment of the Promissory Note shall be secured by a Deed of Trust (the “Deed of Trust”), in form satisfactory to City, granted by Borrower and encumbering the real property known and numbered as PROPERTY ADDRESS and legally described as set forth in Exhibit D (the “Property”).

3. **SUBORDINATION:**

   A. The Executive Director, or the Executive Director’s designee (the “Executive Director”), of the City’s Department of Housing Stability (“HOST”) is authorized to execute documents necessary to subordinate the lien of the City’s Deed of Trust [and Covenant] so long as (i) the subordination agreement is substantially in the form attached hereto as Exhibit E; (ii) encumbrances prior to the City’s Deed of Trust do not exceed PRIOR ENCUMBRANCES
AMOUNT and No/100 Dollars ($DOLLAR AMOUNT) under the construction loan or PRIOR ENCUMBRANCES AMOUNT and No/100 Dollars ($DOLLAR AMOUNT) under the permanent loan; (iii) Borrower is not then in default of its obligations pursuant to this Loan Agreement, the Promissory Note, the Deed of Trust or the Covenant; and (iv) all additional financing for the Project is committed.

B. The Executive Director is authorized to execute documents necessary to subordinate the City’s Deed of Trust [and Covenant] to land use restriction agreements (“LURAs”), such as the LURA required by the Colorado Housing and Finance Authority, so long as (i) the subordination agreement is in the form acceptable to the City Attorney; (ii) encumbrances prior to the City’s Deed of Trust do not exceed PRIOR ENCUMBRANCES AMOUNT and No/100 Dollars ($DOLLAR AMOUNT) under the construction loan or PRIOR ENCUMBRANCES AMOUNT and No/100 Dollars ($DOLLAR AMOUNT) under the permanent loan; and (iii) Borrower is not in default of its obligations pursuant to this Loan Agreement, the Deed of Trust, or the Covenant.

C. The Executive Director is authorized to execute documents necessary to accomplish the Loan, as set forth herein, so long as (i) such documents are in a form satisfactory to the City Attorney; (ii) encumbrances prior to the City’s Deed of Trust do not exceed PRIOR ENCUMBRANCES AMOUNT and No/100 Dollars ($DOLLAR AMOUNT) under the construction loan or PRIOR ENCUMBRANCES AMOUNT and No/100 Dollars ($DOLLAR AMOUNT) under the permanent loan; and (iii) Borrower is not in default of its obligations pursuant to this Loan Agreement, the Deed of Trust, or the Covenant.

4. USE AND DISBURSEMENT OF FUNDS:

A. Loan proceeds will be used to finance costs associated with development of the Property for use as affordable housing, in accordance with Exhibit A, attached hereto and incorporated herein. The Borrower shall submit to the City requisitions with documentation of incurred costs on HOST approved forms, and otherwise comply with the financial administration requirements set forth in Exhibit B attached hereto and incorporated herein.

B. Where the City’s funds are disbursed for construction, (i) the City shall monitor the construction activities for the purpose of verifying eligible costs, and (ii) the City shall retain ten percent (10%) of each disbursement of funds, which retainage shall be released upon (a) final inspection and approval of the Project by the City; (b) receipt of proof of release of liens from all applicable contractors, subcontractors, and suppliers; and (c) the issuance of a certificate of occupancy.
C. In addition to the retainage specified in subsection B above, HOST shall retain Ten Thousand Dollars and No/100 Dollars ($10,000.00) of the total funds to be disbursed under this Loan Agreement (the “Compliance Retainer”). This amount shall be released upon receipt from Borrower of all information necessary for the City’s reporting requirements.

D. Expenses incurred prior to DATE are not eligible for reimbursement.

5. **DEADLINE FOR DISBURSEMENT OF FUNDS; REQUIRED DOCUMENTATION:**

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

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

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

6. **RESTRICTIONS ON USE OF PROPERTY:**

   A. **Affordability Limitations.**

      i. NUMBER (NUMERAL) of the units at the Property (the “XX% 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. 888.113, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals XX% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.

      ii. NUMBER (NUMERAL) of the units at the Property (the “XX% Units”) shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as established by the HUD, under 24 C.F.R. 888.113, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals XX% of the median income for the
Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.

iii. [REPEAT AS NECESSARY]

iv. The XX% Units and XX% Units [ADD AS NECESSARY] are referred to collectively herein as the “City Units.” By executing this Loan Agreement, Borrower acknowledges receipt of HUD’s current rent guidelines from HOST. It shall be Borrower's responsibility to obtain updated guidelines from HOST to confirm the annual calculation of the maximum rents for the Denver area.

v. The City shall determine maximum monthly allowances for utilities and services annually in accordance with 24 C.F.R. 92.252(d)(1) or another method acceptable to the City. Rents shall not exceed the maximum rents as determined above minus the monthly allowance for utilities and services. The City shall review rents for compliance within ninety (90) days after HOST requests rent information from the Borrower.

B. Occupancy/Income Limitations.

i. The XX% Units shall be occupied by tenants whose incomes are at or below NUMBER percent (XX%) of the median income for the Denver area as determined by HUD, with adjustments for family size.

ii. The XX% Units shall be occupied by tenants whose incomes are at or below NUMBER percent (XX%) of the median income for the Denver area as determined by HUD, with adjustments for family size.

iii. [REPEAT AS NECESSARY]

iv. By executing this Loan Agreement, Borrower acknowledges receipt of HUD’s current income guidelines from HOST. It shall be Borrower’s responsibility to obtain updated guidelines from HOST and comply with the current guidelines.

C. Designation of Units. All of the City Units are floating, and are designated as follows:

<table>
<thead>
<tr>
<th>BEDROOMS</th>
<th>XX% Units</th>
<th>XX% Units</th>
<th>XX% Units</th>
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<tbody>
<tr>
<td>1 Bedroom</td>
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<tr>
<td>2 Bedroom</td>
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<td></td>
</tr>
<tr>
<td>3 Bedroom</td>
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<tr>
<td>TOTAL</td>
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</tr>
</tbody>
</table>

D. Accessibility Requirements. Borrower must design and construct five percent (5%) of the City Units, or at least one (1) unit, whichever is greater, to be accessible for persons
with mobility disabilities. An additional two percent (2%) of the City Units, or at least one (1), whichever is greater, must be accessible for persons with hearing or visual disabilities. Collectively, these units are referred to as the “Accessible Units.” The Accessible Units must be designed and constructed in accordance with American National Standards Institute (“ANSI”) Standard A117.1. Public and common areas must be readily accessible for persons with mobility disabilities and be designed and constructed in accordance with ANSI Standard A117.1.

E. **Covenant Running with the Land.** At closing, Borrower shall execute a rental and occupancy covenant in form satisfactory to the City (“Covenant”), setting forth the rental and occupancy limitations described in subsections A and B above, 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 Covenant shall encumber the Property for [sixty (60) / ninety-nine (99)] years from the date of the recording of the Covenant. Violation of said Covenant shall be enforceable as an event of default pursuant hereto.

7. **TENANT SELECTION:** The owner of the Project must adopt and have approved by the City written tenant selection polices. The tenant selection policies must be approved by the City prior the City making any disbursements under this Loan Agreement. The tenant selection policies must, at a minimum, contain criteria that:

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

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

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

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

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

F. Comply with the Violence Against Women Act requirements prescribed in 24 CFR § 92.359.
8. **AFFIRMATIVE MARKETING**: The owner of the Project shall comply with the procedures outlined in the affirmative marketing program, attached hereto as Exhibit C and incorporated herein (the “Affirmative Marketing Program”), to provide information and otherwise attract eligible tenants from all racial, ethnic, and gender groups in the Property’s housing market area in accordance with 24 CFR 92.351. Except Borrower may limit eligibility or give preference to a particular segment of the population in accordance with 24 CFR 92.253(d). Prior to making any disbursement, Borrower must provide the plan required by the Affirmative Marketing Program (the “Affirmative Marketing Plan”) to HOST. The Affirmative Marketing Plan must be approved by HOST prior to Borrower adopting it or engaging in any affirmative marketing of the Project.

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

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

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

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

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

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

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

F. **Waiver of Jury Trial.** Agreement by the tenant to waive any right to a trial by jury.
G. **Waiver of Right to Appeal.** Agreement by the tenant to waive the tenant’s right to appeal, or to otherwise challenge a court decision in connection with the lease.

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

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

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

12. **TERMINATION OF TENANCY:** The owner of the Project may not terminate the tenancy or refuse to renew the lease of a tenant of any of the City Units except for serious or repeated violations of the terms and conditions of the lease; for violation of applicable Federal, State, or local laws; for completion of the tenancy period for transitional housing or failure to follow any required transitional supportive services plan; or for other good cause. Any termination or refusal to renew must be preceded by service of written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy. Notwithstanding the foregoing, nothing in this Agreement shall prevent the owner of the Project from terminating a tenancy in accordance with Colorado Revised Statutes § 13-40-107.5(4)(a) for a substantial violation as defined in that statute.

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

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

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

B. **Required Information and Reports.** Borrower shall submit to the City the following information and reports on HOST approved forms or online system: (1) annual compliance statement; (2) report on rents and occupancy of City Units to verify compliance with affordability requirements in Section 6 and other requirements of this Loan Agreement; (3) data on evictions, terminations of tenancies, or tenancies not renewed for individuals residing in City Units; (4) reports (including financial reports) that enable the City to determine the financial condition and continued financial viability of the rental project; (5) for floating units, reports on unit substitution and filling vacancies to ensure that the Property maintains the required unit mix; and (6) template lease agreements for City Units. The report required by subsection (2) of this Section shall include, but not be limited to, information related to monthly rent amount, lease term, household size, total annual household income, and race and other demographic information. The reports and information required by this Section shall be due within thirty (30) days of the City making a request for such reports and information. The failure to submit the reports and information requested by the City within thirty (30) days of the City’s request shall subject the Borrower to a $200.00 late fee [be considered a default of this Loan Agreement].

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

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

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

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

18. **MAINTENANCE AND REPLACEMENT**: The owner of the Project shall maintain the Property in compliance with all applicable housing quality standards and local code requirements. Newly constructed or substantially rehabilitated housing must meet applicable requirements referenced at 24 C.F.R. 92.251.

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

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

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

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

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

D. **Organizational Documents.** Borrower must provide the City with (i) evidence that it is a [STATE] [ENTITY TYPE] in good standing and authorized to transact business in the State of Colorado; (ii) evidence in a form satisfactory to the City that the person executing this Loan Agreement and any other documents related to the Loan has the full power and authority to bind Borrower; and (iii) all organizational documents related to Borrower, which must be acceptable to the City. Organization documents include, but are not limited to, [IF CORPORATION: Articles of Incorporation, bylaws, and, if a nonprofit corporation, tax exempt letter from the Internal Revenue Service and a list of board members, / IF LLC: Articles of Organization, an operating agreement, / IF PARTNERSHIP: certificate of partnership, a partnership agreement] and a certificate of good standing.

E. **Management Agreement.** Borrower must provide the City with a certified copy of the management agreement for the Property, which must be satisfactory in form and substance to the City. The management agreement must contain a provision that the City has the right to release the management company in the event of a foreclosure.

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

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

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

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

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

22. **CONDITIONS:**
   A. The obligation of the City to lend the above sums is limited to funds appropriated for the purpose of this Loan Agreement and paid into the City treasury.
   B. This Loan Agreement is subject to the provisions of the City Charter and Revised Municipal Code as the same may be amended from time.

23. **INSURANCE:** Borrower or its contractor(s) shall procure and maintain insurance in the following types and amounts:
   A. Where loan proceeds are disbursed for construction, Builders Risk Insurance or an Installation Floater in the amount of the value of the Property as improved and renovated, with the City and County of Denver named as loss payee.
   B. Commercial General Liability Insurance covering all operations by or on behalf of Borrower, on an occurrence basis with limits not less than $1,000,000 per occurrence, $2,000,000 products and completed operations aggregate, and $2,000,000 policy aggregate. Borrower’s contractor shall include all subcontractors as insureds under its policy or shall furnish separate certificates of insurance for each subcontractor.
   C. Worker’s Compensation and Employer’s Liability Insurance at statutory limits and otherwise sufficient to ensure the responsibilities of Borrower and its contractor under Colorado law.
   D. Property insurance satisfactory to the City in the amount of the value of the property subject to the Deed of Trust and Covenant, with the City named as loss payee.
   E. Certificates of Insurance evidencing the above shall be submitted prior to the Closing Deadline. Policies shall include a waiver of subrogation and rights of recovery against the City. Insurance companies providing the above referenced coverage must be authorized and licensed to issue insurance in Colorado and be otherwise acceptable to the Risk Management Office.

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

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

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

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

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

25. DEFAULT AND ACCELERATION:

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

1. Any breach of this Loan Agreement, the Promissory Note, the Deed of Trust, or the Covenant[, or the PSH Contract (as defined below)];

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

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

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

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

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

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

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

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

26. NOTICES: All notices required by the terms of this Loan Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to Borrower at the address:

NAME  
BORROWER  
ADDRESS  
CITY STATE ZIP  

With a copy to:

NAME  
COMPANY/FIRM  
ADDRESS  
CITY STATE ZIP  

If written notice of a default, with a copy to:

NAME  
COMPANY/FIRM  
ADDRESS  
CITY STATE ZIP  

and if to the City at:

Executive Director of the Department of Housing Stability  
City and County of Denver  
201 West Colfax Avenue, Dept. 615
Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. Notices sent by mail are effective upon deposit with the U.S. Postal Service. The parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.

27. **DISPUTES**: All disputes between the City and Borrower arising out of or regarding this Loan Agreement will be resolved by administrative hearing pursuant to the procedure established by D.R.M.C. § 56-106(b)-(f). For the purposes of that administrative procedure, the City official rendering a final determination shall be the Executive Director.

28. **ASSIGNMENT AND SUBCONTRACTING**: The City is not obligated or liable under this Loan Agreement to any party other than the Borrower. The Borrower shall not assign, sublet or subcontract with respect to any of the rights, benefits, obligations or duties under this Loan Agreement except upon prior written consent of the City.

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

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

31. **ACKNOWLEDGEMENT OF FUNDING**: Borrower will provide and install at the Property signs, in a form mutually agreeable to the Executive Director and the Borrower, acknowledging the participation of the City and the City funding of the Project.
32. **WAIVER:** No waiver of any breach or default under this Loan Agreement shall be held to be a waiver of any other or later breach or default. All remedies afforded in this Loan Agreement shall be construed as cumulative, in addition to every other remedy provided herein or by law.

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

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

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

36. **HOUSING ASSISTANCE PAYMENTS CONTRACT:** Borrower has or will enter into a housing assistance payments (“HAP”) contract with the Denver Housing Authority, State Division of Housing, or another entity that administers HAP contracts so that rental units at the Project may receive project-based voucher payments in accordance with the provisions of 24 C.F.R. Part 983. The City acknowledges that the HAP contract is vital for the financial viability of the Project. If the HAP contract applicable to the Project expires, is terminated, is not renewed, or the financial terms otherwise change, the City agrees that HOST will, in good faith, engage in discussions to renegotiate the affordability provisions contained in this Loan Agreement. Any changes or amendments to the affordability provisions will not be effective or binding on the City until an amendment to this Loan Agreement has been fully executed by all required signatories of the City, and if required by Charter, approved by the City Council.

37. **SUPPORTIVE HOUSING CONTRACT:** Borrower has or will enter into a supportive housing contract with the City (the “PSH Contract”). Borrower acknowledges and agrees that compliance with the terms and conditions of the PSH Contract shall be a condition of this Loan Agreement. Any breach or default under the terms and conditions of the PSH Contract shall constitute a breach of this Loan Agreement and may be treated as a default of this Loan
38. **NO DISCRIMINATION IN EMPLOYMENT:** In connection with the performance of work under this Loan Agreement, the Borrower may not refuse to hire, discharge, promote, demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, ethnicity, citizenship, immigration status, gender, age, sexual orientation, gender identity, gender expression, marital status, source of income, military status, protective hairstyle, or disability. The Borrower shall insert the foregoing provision in all subcontracts.

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

40. **ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS:**

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

**List of Exhibits to Loan Agreement**

Exhibit A – Project Timeline and Costs
Exhibit B – HOST Financial Administration Requirements
Exhibit C – Affirmative Marketing Program
Exhibit D – Legal Description of Property
Exhibit E – Form of Subordination Agreement
[Exhibit F – Cash Flow Calculation]

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Appendix E
Template HOST Gap Financing Loan Closing Documents
• Sample Deed of Trust
• Sample Promissory Note

(See next several pages)
DEED OF TRUST

This Agreement is made this ___ day of _________________, 202_, by and between [BORROWER], a [State entity type] (hereinafter called the “Grantor”), whose address is 2323 Curtis Street, Denver Colorado 80205, and THE PUBLIC TRUSTEE FOR THE DENVER (hereinafter called “Trustee”), for the benefit of the CITY AND COUNTY OF DENVER (hereinafter called “Beneficiary”), whose address is c/o Department of Housing Stability, 201 West Colfax Avenue, Dept. 615, Denver, Colorado 80202.

The Grantor, in consideration of the loan hereinafter described, has granted, bargained, sold, transferred, assigned, and conveyed, and by these presents does grant, bargain, sell, transfer, assign, and convey to the Trustee in trust with power of sale all of that certain property located in the City and County of Denver, Colorado, and described on Exhibit A hereto (the “Property”), together with all of Grantor’s right, title and interest in and to (i) all privileges, easements, rights of way, licenses, franchises, tenements and appurtenances belonging or in any way appertaining to the Property; (ii) all rents, issues, profits, condemnation awards, and option payments in regard to the Property; (iii) all furniture, furnishings, fixtures, maintenance equipment, and all other personal property owned by Grantor now or hereafter located in, or on, used, or intended to be used in connection with the Property (excluding, however, personal property owned by tenants occupying space in the Property); (iv) all of the estates, rights and interests of the Grantor, whether now owned or hereafter acquired, in the Property; and (v) the proceeds of any of the above. All of the foregoing are hereinafter referred to as the “Mortgaged Property.”

This conveyance is made IN TRUST, HOWEVER, in consideration of, and as security for (a) the repayment of all sums advanced by Beneficiary to Grantor under that certain Promissory Note of even date herewith payable to the order of Beneficiary in the original principal amount of [LOAN AMOUNT] ($XXX.XX) (the “Note”), and to secure Grantor’s obligation to pay interest at the rate of [INTEREST RATE] (X.X%) per annum prior to default, and upon default at a rate of fifteen percent (15%) per annum (the “Default Rate”), all of which sums are payable as provided therein, with final payment or performance due on [MATURITY DATE or 60th/99th anniversary of the Note]; (b) prompt and complete performance and/or observing of all covenants and conditions to be performed by Grantor under that certain loan agreement dated [Loan Date], made by and between Grantor and Beneficiary (the “Loan Agreement”); (c) the payment of all other sums with interest at the Default Rate thereon as may be advanced or expended by Beneficiary in accordance with this Deed of Trust or any other instrument or agreement securing the Note (the indebtedness of the Grantor evidenced by the Note and all such other sums are hereinafter collectively referred to as the “Indebtedness”); and (d) the performance of all the covenants and agreements of the Grantor contained herein.
This Deed of Trust is granted upon the express condition that if the Grantor shall pay to the Beneficiary as and when due and payable all of its indebtedness evidenced by the Note, and all other Indebtedness, and Grantor shall also keep and perform each and every covenant and agreement herein contained, then this Deed of Trust and the estate hereby granted shall cease to be and become void and shall be released of record at the expense of the Grantor; otherwise this Deed of Trust shall be and remain in full force and effect.

Grantor represents, warrants, and covenants to and with the Beneficiary and the Trustee that it is the lawful [owner/lessee] of the Mortgaged Property [in fee simple] and has good right and full power and authority under all applicable provisions of law to execute this Deed of Trust and to convey the Mortgaged Property pursuant hereto; that the Mortgaged Property is free from all liens, security interests, and encumbrances except as listed in Exhibit B attached hereto; that the Grantor will warrant and defend the title to the Mortgaged Property and the lien and priority of this Deed of Trust against all claims and demands of all persons whomsoever, whether now existing or hereafter arising, not listed in Exhibit B; and that no claims or liens are outstanding or threatened against the Mortgaged Property arising out of any oil or hazardous waste or materials legislation. The covenants and warranties of this paragraph shall survive foreclosure of this Deed of Trust and shall run with the land.

The Grantor further covenants and agrees with the Beneficiary and the Trustee as follows:

1. **Note, Application of Payments.** Grantor will duly and punctually pay any and all amounts due and payable under the Note in accordance with the terms of the Note and all other Indebtedness, when and as due and payable. The provisions of the Note are hereby incorporated by reference into this Deed of Trust as fully as if set forth at length herein. All payments received by the Beneficiary from the Grantor under the Note or this Deed of Trust shall be applied by the Beneficiary in such order of application as the Beneficiary deems appropriate.

2. **Payment of Taxes, Assessments, Other Charges, and Liens.** Grantor shall pay before the date when due, all taxes and assessments, utility charges, and all other charges whatsoever levied upon or assessed or placed against the Mortgaged Property, and shall give to Beneficiary, upon demand, a receipt or receipts evidencing such payment. Grantor shall not create, incur, or suffer to exist any lien, security interest, encumbrance, or charge on the Mortgaged Property or any part thereof, other than the lien of current real estate taxes and installments of special assessments with respect to which no penalty is yet payable, and any permitted encumbrance listed in Exhibit B hereto. The Grantor shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Mortgaged Property.

3. **Compliance with Laws.** The Grantor shall comply promptly and fully with all present and future statutes, laws, rules, orders, regulations, and ordinances, and any easements, protective covenants, or other private restrictions affecting the Mortgaged Property, any part thereof or the use thereof, including, without limitation, laws, ordinances, rules or regulations relating to hazardous wastes, hazardous materials, or oil.

4. **Environmental Matters.** Grantor covenants and represents that, to the best of its knowledge, there are no Hazardous Materials (as hereinafter defined) generated, released,
incorporated, stored, buried or deposited over, beneath, in or upon the Property, nor will there be, for so long as any of the Indebtedness secured hereby remains outstanding. For purposes of this Deed of Trust, “Hazardous Materials” shall mean and include any flammable explosives, petroleum (including crude oil) or any fraction thereof, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of toxic or hazardous substances, wastes, or materials under any federal or applicable state or local laws, ordinances or regulations dealing with or otherwise pertaining to toxic or hazardous substances, wastes or materials. Such laws, ordinances and regulations are hereinafter collectively referred to as the “Hazardous Materials Laws.”

Grantor shall be solely responsible for, and shall indemnify and hold harmless Beneficiary, its directors, officers, employees, agents, successors and assigns from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence (whether prior to or during the term of the Loan or otherwise and regardless of by whom caused, whether by Grantor or any predecessor in title or any owner of land adjacent to the Mortgaged Property or any other third party, or any employee, agent, contractor or subcontractor of Grantor or any predecessor in title or any such adjacent land owner or any third person) of Hazardous Materials in, on, under or about the Mortgaged Property.

5. Insurance.

(a) Risks to be Insured. The Grantor, at its sole cost and expense, will maintain insurance of the following character:

(i) Insurance on any buildings and other improvements now existing or hereafter erected on the Property and on the fixtures and personal property contents included in the Mortgaged Property against loss by fire, other hazards covered by the so-called “all-risk” form of policy and such other perils as Beneficiary shall from time to time require, including water damage coverage, in an amount not less than the replacement cost of the Mortgaged Property.

(ii) If the Property or any part thereof is at any time located in a designated official flood-hazardous area, flood insurance insuring any buildings and improvements now existing or hereafter erected on the Property and the personal property used in the operation thereof in an amount equal to the lesser of the amount required in paragraph (a)(i) or the maximum limit of coverage made available with respect to such buildings and improvements and personal property under applicable federal laws and the regulations issued thereunder.

(iii) Comprehensive general liability insurance protecting against claims arising from any accident or occurrence in or upon the Mortgaged Property, in such amounts as Beneficiary may from time to time require, but in no event having less than a combined single limit of $1,000,000 per occurrence/$2,000,000.00 general aggregate, endorsed to provide defense cost coverage to the City and County of Denver, its officials, officers and employees.

(b) Policy Provisions. All insurance policies and renewals thereof maintained by Grantor pursuant to subsections (a)(i) through (iii) above shall be written by an insurance carrier
qualified to write insurance in Colorado and satisfactory to Beneficiary (with the exception of flood insurance provided by the National Flood Insurance Program), contain a standard mortgagee clause and a loss payee clause and other endorsements in favor of and in form and content acceptable to Beneficiary, and contain an agreement that the policy will not be amended, modified or cancelled by either party except after 30 days prior written notice to Beneficiary.

(c) **Delivery of Policy.** The Grantor will deliver to the Beneficiary an original certificate evidencing the insurance which is required under subparagraphs (a)(i), (a)(ii), and (a)(iii), and the Grantor shall promptly furnish to the Beneficiary copies of all renewal notices. Prior to the expiration date of a required policy, the Grantor shall deliver to the Beneficiary a copy of a renewal policy in form satisfactory to the Beneficiary.

(d) **Application of Insurance Proceeds.** Subject to the rights of any lender with a superior interest under a recorded Deed of Trust or similar document or instrument, all sums paid under any insurance policy required in subsections (a)(i) and (ii) shall be paid to the Beneficiary (after application of such proceeds to prior lienholders, to the extent of the indebtedness secured by their liens). Beneficiary shall apply such amounts (after first deducting therefrom its expenses incurred in collecting the same including but not limited to reasonable attorneys’ fees) to the restoration of the Mortgaged Property pursuant to such conditions as the Beneficiary shall in its reasonable discretion require, unless the senior lien holder has applied such proceeds solely to the payment of its lien, in which case Beneficiary may do likewise. No application of insurance proceeds shall extend or postpone the due dates of the installments payable under the Note or change the amount of such installments.

6. **Preservation and Maintenance of Mortgaged Property.** The Grantor (i) shall, at all times, keep and maintain the Mortgaged Property in safe and good repair and condition and diligently prosecute the completion of any infrastructure, building, or other improvement which is at any time in the process of construction on the Property in full compliance will all building codes and other governmental requirements; (ii) shall, upon damage to or destruction of the Mortgaged Property or any part thereof by fire or other casualty, restore, repair, replace or rebuild the Mortgaged Property that is damaged or destroyed to the condition it was in immediately prior to such damage or destruction, whether or not any insurance proceeds are available or sufficient for such purpose; (iii) shall not commit waste or permit impairment or deterioration of the Mortgaged Property; and (iv) shall not remove any of the fixtures or personal property included in the Mortgaged Property unless the same is immediately replaced with property of at least equal value and utility, and this Deed of Trust becomes a valid lien on such property.

7. **Inspection.** The Grantor shall permit the Beneficiary or its agents to enter upon the Mortgaged Property at all reasonable times for the purposes of inspecting the Mortgaged Property or any part thereof. The Beneficiary shall, however, have no duty to make such inspection.

8. **Management of Property.** The Grantor shall provide and maintain good and efficient management of the Property satisfactory to the Beneficiary. The Grantor shall obtain Beneficiary’s advance written approval of any management provided, and of any contract therefor or assignment thereof, which written approval shall not be unreasonably withheld.
9. **Notice of Default; Books and Records.** The Grantor will prepare or cause to be prepared at its expense and will deliver to the Beneficiary, immediately upon becoming aware of the existence of any condition or event which constitutes an Event of Default, written notice specifying the nature and period of existence thereof and what action the Grantor has taken or proposes to take with respect thereto.

The Grantor shall keep and maintain at all times at the Grantor’s address stated below or at the Mortgaged Property or at such other place as the Beneficiary may approve in writing, complete and accurate books of accounts and records in sufficient detail to reflect correctly the results of the operation of the Mortgaged Property and copies of any and all written contracts, leases, and other instruments which affect the Mortgaged Property. The Grantor shall permit the Beneficiary or its representatives to examine and inspect such books, records, contracts, leases, and other instruments during ordinary business hours.

10. **Protection of the Beneficiary’s Security.** Subject to the rights of any lender with a superior interest under any prior recorded Deed of Trust or similar document or instrument, if the Grantor fails after thirty (30) days written demand from Beneficiary therefor, to perform or comply with any of the covenants and agreements contained in this Deed of Trust or if any action or proceeding is commenced which affects the Mortgaged Property or the interest of the Trustee or the Beneficiary therein, or the title thereto, then the Beneficiary, at the Beneficiary’s option, may perform such covenants and agreements, defend against and/or investigate such action or proceedings, and/or take such other action as the Beneficiary reasonably deems necessary to protect its interests. The Beneficiary shall be the sole judge of the legality, validity, and priority of any claim, lien, encumbrance, tax, assessment, charge, and premium paid by it and of the amount necessary to be paid in satisfaction thereof. The Beneficiary is hereby given the irrevocable power of attorney (which power is coupled with an interest) to enter upon the Mortgaged Property as the Grantor’s agent in the Grantor’s name to perform any and all covenants and agreements to be performed by the Grantor as herein provided. Any amounts or expenses disbursed or incurred by the Beneficiary pursuant to this paragraph, or to otherwise enforce any provisions of this Deed of Trust or to preserve any of the rights, powers, or privileges of the Beneficiary granted or created hereby, including, without limitation, costs incurred in any appeal, with interest thereon as hereinafter stated, shall become additional Indebtedness of the Grantor secured by this Deed of Trust. Unless the Grantor and the Beneficiary agree in writing to other terms of repayment, such amounts shall be immediately due and payable, and shall bear interest from the date of disbursement at the default rate of interest stated in the Note. The Beneficiary shall, at its option, be subrogated to the lien of any mortgage or other lien, discharged in whole or in part by the Indebtedness or by the Beneficiary under the provisions hereof, and any such subrogation rights shall be additional and cumulative security for this Deed of Trust. Nothing contained in this paragraph shall require the Beneficiary to incur any expense or do any act hereunder, and the Beneficiary shall not be liable to the Grantor for any damages or claims arising out of action taken by the Beneficiary pursuant to this paragraph except as a result of the Beneficiary’s willful misconduct or gross negligence.

11. **Condemnation.** Subject to the rights of any lender with a superior interest under a recorded Deed of Trust or similar document or instrument and the obligations of Grantor thereunder, the Grantor hereby irrevocably assigns to the Beneficiary any award or payment up to
the amount of the Grantor’s Indebtedness under the Note which becomes payable by reason of any taking of the Mortgaged Property, or any part thereof, whether directly or indirectly or temporarily or permanently, in or by condemnation or other eminent domain proceedings or the settlement thereof (hereinafter called “Taking”). All awards or payments payable as a result of a Taking shall be paid to the Beneficiary (in order of the priority of liens encumbering the Mortgaged Property), which after first deducting the Beneficiary’s expenses incurred in the collection thereof shall be applied to the repair or restoration of the Mortgaged Property, pursuant to such conditions as the Beneficiary in its reasonable discretion may require unless the senior lien holder has applied same solely to payment of its lien, in which case Beneficiary may do likewise. No application of any Taking award or payment to repayment of Indebtedness shall postpone the due dates of the payments due under the Note or change the amount of such payments.

12. Security Interest. This Deed of Trust shall constitute a security agreement with respect to (and the Grantor hereby grants the Trustee and the Beneficiary a security interest in) all fixtures and personal property included in the Mortgaged Property as more specifically described in the granting clause above. The Grantor will from time to time, at the request of the Beneficiary, execute any and all financing statements or other documents covering such fixtures or personal property (in a form satisfactory to the Beneficiary) which the Beneficiary may consider necessary or appropriate to confirm, evidence, or perfect the Trustee’s and/or the Beneficiary’s security interest.

13. Events of Default. Each of the following occurrences shall constitute an event of default hereunder (herein called an “Event of Default”):

(a) The Grantor shall fail to pay any portion of the Indebtedness when due or payable.

(b) The Grantor shall fail duly to perform or observe any of the covenants or agreements contained in the Loan Agreement or in this Deed of Trust where such failure is not cured within the applicable cure period.

(c) A judgment, writ or warrant of attachment or execution, or similar process shall be entered and become a lien on, issued or levied against, the Mortgaged Property or any part thereof and shall not be released, vacated, or fully bonded within thirty (30) days after its entry, issue, or levy and Beneficiary’s written notice and demand therefor.

(d) The Grantor shall sell or convey the Mortgaged Property or any interest therein (except leases of space in the improvements on the Property made by Grantor in the ordinary course of Grantor’s business).

(e) The Grantor shall be generally unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors; or the Grantor shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such a receiver, trustee or similar officer shall be appointed without the application or consent of the Grantor, and such appointment shall continue undischarged for a period of ninety (90) days; or the Grantor shall institute (by petition, application, answer or otherwise) any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution, liquidation or similar
proceedings under the laws of any jurisdiction; or any such proceeding shall be instituted against
the Grantor; or the Grantor shall terminate or dissolve.

(f) (i) Any representation of the Grantor made herein or made by the Grantor or any
employee of the Grantor in any submission or document delivered by or on behalf of the Grantor
in connection with the Indebtedness shall prove to be materially untrue, or (ii) a default or an
“Event of Default,” however defined, shall occur under any other document or instrument now or
hereafter securing repayment of the Note or issued in connection therewith, or evidencing or
securing a loan made by any other lender with regard to the Mortgaged Property.

(g) Grantor shall sell, convey, or transfer all or any part of the legal or beneficial
ownership interest or management control in Grantor (except for a sale, conveyance, or transfer of
a limited partner interest in the Grantor).

14. Power of Sale, Remedies. If an Event of Default shall occur hereunder, the Grantor
hereby authorizes and empowers the Trustee and/or the Beneficiary as follows:

(a) The Beneficiary may by written notice to the Grantor declares all amounts
payable under the Note and all other Indebtedness to be immediately due and payable and the same
shall be immediately due and payable without further notice or demand of any kind.

(b) The Beneficiary is authorized and empowered, without further notice, to file
a written Notice of Election and Demand for Sale with Trustee, as provided by law, it being then
lawful for said Trustee to foreclose, and the Trustee shall foreclose this Deed of Trust. The Trustee
shall apply the proceeds of the sale in the following order: (i) to all reasonable costs and expenses
of the sale, including, without limitation, reasonable Trustee’s and attorneys’ fees and costs of
evidence of title, (ii) to the Indebtedness, and (iii) the excess, if any, to the person or persons legally
entitled thereto.

(c) If any of the Indebtedness hereby secured shall become due and payable,
the Trustee or the Beneficiary shall have the right and power to proceed by a suit or suits in equity
or at law, whether for the specific performance of any covenant or agreement herein contained or
in aid of the execution of any power herein granted, or for any foreclosure hereunder or for the
sale of the Mortgaged Property under the judgment or decree of any court or courts of competent
jurisdiction, or under executory or other legal process, or for the enforcement of any other
appropriate legal or equitable remedy. Beneficiary also shall have the right to the appointment of
a receiver, whether before or after maturity of the Indebtedness hereby secured, as a matter of strict
right and regardless of the value of the security for the amount of the Indebtedness or of the
solvency of Grantor or any party obligated for the payment of the Indebtedness. Such receiver
may be appointed on Beneficiary’s ex parte application, by any court of competent jurisdiction, to
manage, preserve, protect, and operate the Mortgaged Property and any business or businesses
located thereon, to collect the rents, issues, profits, and income thereof, to make all necessary
repairs, and to pay all taxes and assessments against the Mortgaged Property and insurance
premiums for insurance thereon, and after the payment of the expenses of the receivership,
including reasonable attorneys’ fees, to apply the net proceeds in reduction of the Indebtedness or
in such manner as the court or receiver shall direct. In the exercise of any of the foregoing rights
and powers the Beneficiary shall not be liable to the Grantor for any loss or damage thereby sustained unless due solely to the willful misconduct or gross negligence of the Beneficiary.

(d) The Beneficiary may exercise with respect to all fixtures and personal property which are part of the Mortgaged Property, all the rights and remedies accorded upon default to a secured party under the Uniform Commercial Code, as in effect in the State of Colorado. If notice to the Grantor of intended disposition of such property is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to the Grantor at least ten (10) calendar days prior to the date of intended disposition. The Grantor shall pay on demand all reasonable costs and expense incurred by the Beneficiary in exercising such rights and remedies, including without limitation, reasonable attorneys’ fees and legal expenses.

15. Forbearance not a Waiver; Rights and Remedies Cumulative. No delay by the Trustee or the Beneficiary in exercising any right or remedy provided herein or otherwise afforded by law or equity shall be deemed a waiver of or preclude the exercise of such right or remedy, and no waiver by the Trustee or the Beneficiary of any particular provision of this Deed of Trust shall be deemed effective unless in writing signed by the party making such waiver. All such rights and remedies provided for herein or which the Trustee or the Beneficiary may have otherwise, at law or in equity, shall be distinct, separate, and cumulative.

16. Successors and Assigns Bound; Number; Gender; Agents; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the benefit of, the respective successors and assigns of the Beneficiary and the Grantor. References herein to the Grantor or the Beneficiary are deemed to include such successors and assigns. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall apply to all genders. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

17. Notice. Any notice from the Beneficiary or the Trustee to the Grantor under this Deed of Trust shall be deemed to have been given by the party giving the notice and received by the Grantor three (3) days after mailed by certified mail, return receipt requested, to the Grantor at the following address:

GRANTOR NAME
STREET ADDRESS
CITY, STATE ZIP
Attention: [NAME]

or at such other address as the Grantor may designate in writing to the Beneficiary.

Any notices required to be given to Beneficiary shall be delivered to the following address:

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

or at such other address as the Beneficiary may designate in writing to the Grantor.

18. Governing Law; Severability. This Deed of Trust shall be governed by the substantive laws of the State of Colorado. In the event that any provision or clause of this Deed of Trust conflicts with applicable law or the application thereof under any particular circumstance to any particular person or entity conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust which can be given effect without the conflicting provisions or the applicability of such provisions to other persons or entities or to such persons or entities under other circumstances and to this end the provisions of the Deed of Trust are declared to be severable.

BALANCE OF PAGE INTENTIONALLY LEFT BLANK
IN WITNESS WHEREOF, the Grantor has caused this Deed of Trust to be duly executed as of the day and year first above written.

[GRANTOR]
A [State entity type]
I.R.S. No. [EIN]
By: _______________________________

Title: _______________________________

“GRANTOR”

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

The foregoing DEED OF TRUST was acknowledged before me this ___ day of ____________, 202_ by ________________________________ as ________________________________ of ________________________________.

Witness my hand and official seal.

My commission expires: ________________.

________________________
Notary Public
EXHIBIT A
TO
DEED OF TRUST

Grantor:
Beneficiary: City and County of Denver

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

[LEGAL DESCRIPTION]

Purported address (for information only): [ADDRESS].
EXHIBIT B
TO
DEED OF TRUST

Permitted encumbrances:

1. Taxes or assessments for 202_, not yet due or payable.

[PERMITTED ENCUMBRANCES FROM TITLE COMMITMENT]
PROMISSORY NOTE

Borrower: «BorrowerName»
«BorrowerAddress»
«BorrowerCity», «BorrowerState» «BorrowerZIP»

Note Date: _____________________

Principal Amount: $«LoanPrincipalAmount»

FOR VALUE RECEIVED, Borrower promises to pay to the order of the City and County of Denver, c/o Department of Housing Stability, 201 W. Colfax Ave., Dept. 615, Denver, Colorado 80202 (the “City”), the principal sum of «LoanPrincipalAmount:Nine Dollars and NO Cents» ($«LoanPrincipalAmount») advanced by the City pursuant to the Loan Agreement (the “Loan Agreement”) between Borrower and the City dated «LoanAgreementDate», together with interest on the outstanding unpaid balance of such principal amount at the rate of [«InterestRate» percent («InterestRate:9»%)] per annum / zero percent (0%) per annum.

Repayment of the total loan amount shall be deferred so long as Borrower is in compliance with the terms and conditions of the Loan Agreement. Should a default occur under the Loan Agreement or any covenants or contracts required thereunder, the entire principal amount shall become immediately due and payable. Presuming compliance with the Loan Agreement, and all covenants or contracts required thereunder, repayment of the entire principal amount shall be forgiven «HousingPaymentForgivenDateForgive» following the month of execution of this Promissory Note. All payments of principal and interest shall be made at the City’s offices at the address shown above, or at such other place as the City shall have designated to Borrower in writing. Principal and interest shall be due and payable in monthly installments of «StandardNoteMonthlyInstallments:Nine Dollars and No Cents» ($«StandardNoteMonthlyInstallments:9,999.00»), commencing on the first day of the «StandardNoteMonthPaymentStarts» («StandardNoteMonthPaymentStarts») month following the month of execution of this Promissory Note, and continuing thereafter on the first day of each succeeding month during the indebtedness. In any event, the balance, if any, remaining unpaid plus accrued interest shall be due and payable «DateOrTermsFinalPmt». Interest shall commence accruing on the first day of the «InterestStartDate» («InterestStartDate») month following the month of execution of this Promissory Note. All payments of principal and interest shall be made at the City’s offices at the address shown above, or at such other place as the City shall have designated to Borrower in writing.

In the event that Borrower shall fail to make any payment due to the City within fifteen (15) days after the due date thereof, the City will impose a late charge upon Borrower in an amount not to exceed five percent (5%) of said «IF TypeOfLoan != "Housing -repayment forgiven"»monthly «END IF»payment. Borrower agrees that such charge reasonably approximates the damage to the City that will result from a late payment. Any such late charge shall be separately charged to and collected from Borrower and shall not be applied to, or deducted from, any payment.
This Promissory Note may be prepaid in whole or in part, at any time, without notice or penalty. Partial prepayments will not, unless agreed to by City in writing, relieve Borrower of Borrower’s obligation to continue to make payments under the payment schedule.

This Promissory Note is secured by, and the holder of this Promissory Note is entitled to the benefits of, a [Deed of Trust and/or Covenant] of even date herewith (the “Security Documents”). Reference is made to the Security Documents for a description of the property covered thereby and the rights, remedies and obligations of the holder hereof in respect thereto.

In the event of (i) any default in any payment of the principal or interest on this Promissory Note when due and payable, or (ii) any default or event of default under the provisions of the Loan Agreement, then (x) the unpaid principal balance of this Promissory Note shall bear interest from the date of any such event of default until such balance has been paid in full at the rate of fifteen percent (15%) per annum; and (y) the unpaid principal balance of this Promissory Note, plus accrued interest and all other obligations of Borrower to City, direct or indirect, absolute or contingent, now existing or hereafter arising, shall, at the option of the City, become immediately due and payable without notice or demand, and the City shall have and may exercise any and all of the rights and remedies provided herein or in the Loan Agreement or the Security Documents.

In the event of any such default, Borrower agrees to pay on demand all of the City’s reasonable costs and expenses incurred for the recovery of all or any part of or for the protection of the indebtedness, or to enforce the City’s rights under the Loan Agreement or Security Documents, including, without limitation, reasonable attorneys’ fees.

Borrower waives presentment, notice of dishonor, notice of acceleration and protest, and assents to any extensions of time with respect to any payment due under this Promissory Note, to any substitution or release of collateral and to the addition or release of any party. No waiver of any payment or other right under this Promissory Note shall operate as a waiver of any other payment or right.

This Promissory Note is made and dated as of the date above written, and is to be governed by and construed according to the laws of the State of Colorado.

BORROWER

ENTITY NAME, a [State entity type]

By: _____________________________

Name: ___________________________

Title: ___________________________

Tax Identification No: ___________________________
Appendix F
List of Globeville Community Stakeholders (for letters of support)

Below is a list of Registered Neighbor Organizations in this area.

Elyria, Globeville, Swansea & Partners (EGS&P RNO)
Sandra Ruiz Parilla
sandraerikarp13@yahoo.com

Globeville First RNO
Gayle LaReux
GlobevilleFirst@gmail.com

United Community Action Network (UCAN)
Armando Payan
armandopayan80@yahoo.com

Denver North Business Association (DeNo)
Jeremy Stern
president@denvernorthbusinessassociation.org
Appendix G
Contract Certification (including acknowledgment)

(See next several pages)
Contract Certification

Notice

Any proposed modifications to the language of the city’s sample agreement must be contained in the paragraphs below or on a redlined version of the sample agreement. Any Respondent modification that does not include specific language changes may be considered non-responsive by the City and Respondent waives any rights to negotiate the sample agreement language at a later time.

The following terms of the agreement are non-negotiable:

- Governing Law and Venue
- Defense and Indemnification
- Discrimination in Employment
- Examination of Records

The following terms of the agreement are only negotiated in exceptional circumstances:

- Payment
- Termination for Convenience

I, on behalf of the Respondent identified below, hereby certify that I have read a copy of the sample contract attached to the Proposal.

___ I agree

I further hereby certify that it is the Respondent’s intent to agree to, and comply with each and every term and provision contained in the sample contract and propose no modifications to the sample contract except as follows:

1. Modifications to the sample contract:

   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________

2. Modifications to the sample contract:

   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________
   ___________________________________________________________________________________

3. Modifications to the sample contract:
I understand that the language modification(s) stated above, if any, are offered for discussion purposes only and that the City and County of Denver reserves the right to accept, reject or further negotiate any and all proposed modification to the sample contract. Respondent expressly agrees to all sample contract language where no modifications are proposed.

_____ I agree

OWNER NAME: _____________________, a _______________________

By: ______________________________

Name: ____________________________

Title: _____________________________

Date:_____________________________
Appendix H
Sample Rental and Occupancy Covenant

(See next several pages)
RENTAL AND OCCUPANCY COVENANT

THIS RENTAL AND OCCUPANCY COVENANT ("Covenant") is made this ____ day of ____________, 202 __, by ____________________, a ____________________ company ("Owner").

RECITALS:

WHEREAS, the Owner is the [owner/lessee] of the following described real property located in the City and County of Denver, State of Colorado (the “Property”):

SEE EXHIBIT A

WHEREAS, the Owner has voluntarily entered into a loan agreement with the City and County of Denver (the “City”) dated ____________, 202_ (the “Loan Agreement”) and will be the recipient of loan funds to be used to finance the costs associated with the development and construction of the Property for use as affordable housing;

WHEREAS, pursuant to the Loan Agreement, the Owner has agreed that ___ (#) dwelling units on the Property will be affordable rental dwelling units and Owner has further agreed to record a covenant to run with land to ensure that certain rental and occupancy limitations are met; and

WHEREAS, the intent of Owner is to preserve through this Covenant the affordability of the units described herein for persons of low- to moderate-income, and to assign to the City the right to enforce compliance with this Covenant.

NOW THEREFORE, in consideration of the benefits received by the Owner, the sufficiency of which is hereby acknowledged, the Owner establishes the following as covenants running with the land:
1. **Rental Housing.** The Owner shall maintain the Property and use the dwelling units only for residential rental housing. The Owner agrees to provide XX (XX) affordable rental dwelling units located on the Property (the “Affordable Units”).

2. **Rent Limitations.** The rent limitations for the Affordable Units are:
   a. Number (##) of the Affordable Units (the “XX% 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. 888.113, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals XX% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.
   b. Number (##) of the Affordable Units (the “XX% 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. 888.113, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals XX% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit.
   c. [REPEAT ABOVE AS NECESSARY]
   d. The City shall determine maximum monthly allowances for utilities and services annually in accordance with 24 C.F.R. 92.252(d)(1) or another method acceptable to the City. Rent of Affordable Units shall not exceed the maximum rents as determined above minus the monthly allowance for utilities and services.
   e. It shall be Owner's responsibility to obtain updated guidelines from the City’s Department of Housing Stability (“HOST”) or HUD to confirm the annual calculation of the maximum rents for the Denver area.

3. **Occupancy/Income Limitations.** The occupancy and income limitations for the Affordable Units are:
   a. The XX% Units shall be occupied by tenants whose incomes are at or below NUMBER percent (XX%) of the median income for the Denver area as determined by HUD, with adjustments for family size.
b. The XX% Units shall be occupied by tenants whose incomes are at or below NUMBER percent (XX%) of the median income for the Denver area as determined by HUD, with adjustments for family size.

c. [REPEAT AS NECESSARY]
d. It shall be Borrower’s responsibility to obtain updated income guidelines from HOST or HUD and comply with the current income guidelines.

4. **Designation of Units.** All of the Affordable Units are floating, and are designated as follows:

<table>
<thead>
<tr>
<th>BEDROOMS</th>
<th>XX% Units</th>
<th>XX% Units</th>
<th>XX% Units</th>
<th>XX% Units</th>
<th>XX% Units</th>
<th>XX% Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
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<td></td>
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<tr>
<td>1 Bedroom</td>
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<tr>
<td>2 Bedroom</td>
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<tr>
<td>3 Bedroom</td>
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<td>TOTAL</td>
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</tr>
</tbody>
</table>

5. **Reporting Requirements.** Owner shall submit to the City the following information and reports on HOST-approved forms or online reporting system:

a. An annual compliance statement.

b. A report on rents and occupancy of Affordable Units to verify compliance with the affordability requirements of this Covenant and other applicable laws and regulations. Such reports may include, but not be limited to, information related to monthly rent amount, lease term, household size, total annual household income, and race and other demographic information.

c. Data on evictions, terminations of tenancies, or tenancies not renewed for individuals residing in Affordable Units.

d. Reports, including financial reports, that enable the City to determine the financial condition and continued financial viability of the rental project.

e. For floating units, reports on unit substitution and filling vacancies to ensure that the Property maintains the required unit mix.

f. Template lease agreements for Affordable Units.
g. The reports and information required by this Section shall be due within thirty (30) days of the City making a request for such reports and information.

6. **Record Retention.** Owner must maintain (i) records evidencing the income of each family occupying an Affordable Unit; and (ii) a copy of the lease pursuant to which each Affordable Unit that is occupied. The City shall have access to the records that must be maintained by the Owner pursuant to this Covenant upon reasonable advance notice.

7. **Lease Requirements.** There must be a written lease between the tenants of Affordable Units and the Owner for a period of not less than one year, unless by mutual agreement a shorter period is specified.

8. **Prohibited Lease Terms.** Leases may not contain any of the following provisions:
   a. **Agreement to Be Sued.** Agreement by the tenant to be sued, admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.
   b. **Treatment of Property.** Agreement by the tenant that the Owner may take, hold or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. However, the Owner may dispose of personal property remaining in the unit after the tenant has moved out in accordance with Colorado law.
   c. **Excusing Owner from Responsibility.** Agreement by the tenant not to hold the Owner or the Owner’s agents legally responsible for actions or failure to act, whether intentional or negligent.
   d. **Waiver of Notice.** Agreement by the tenant that the Owner may institute a lawsuit without notice to the tenant.
   e. **Waiver of Legal Proceedings.** Agreement by the tenant that the Owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
   f. **Waiver of Jury Trial.** Agreement by the tenant to waive any right to a trial by jury.
   g. **Waiver of Right to Appeal.** Agreement by the tenant to waive the tenant’s right to appeal, or to otherwise challenge a court decision in connection with the lease.
   h. **Tenant Chargeable with Cost of Legal Actions Regardless of Outcome.** Agreement by tenant to pay attorney fees or other legal costs even if the tenant wins in a court
proceeding by the owner against the tenant.

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

9. **Prohibition of Certain Fees.** A tenant may not be charged fees that are not customarily charged in rental housing (e.g. laundry room access fees), except that the Owner may charge the following: reasonable application fees to prospective tenants; parking fees to tenants only if such fees are customary for rental housing projects in the neighborhood; and fees for services such as bus transportation or meals, as long as the services are voluntary and fees are charged for services provided.

10. **Termination of Tenancy.** The Owner may not terminate the tenancy or refuse to renew the lease of a tenant of any of the Affordable Units except for serious or repeated violations of the terms and conditions of the lease; for violation of applicable Federal, State, or local laws; for completion of the tenancy period for transitional housing or failure to follow any required transitional supportive services plan; or for other good cause. Any termination or refusal to renew must be preceded by service of written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy. Notwithstanding the foregoing, nothing in this Section shall prevent the Owner from terminating a tenancy in accordance with Colorado Revised Statutes § 13-40-107.5(4)(a) for a substantial violation as defined in that statute, as amended.

11. **Affirmative Marketing.** The Owner shall comply with the City’s affirmative marketing program which is designed to provide information and otherwise attract eligible tenants from all racial, ethnic, and gender groups in the Property’s housing market area in accordance with 24 CFR 92.351.

12. **Tenant Selection Plan.** The Owner must adopt, and have approved by the City, written tenant selection policies. The tenant selection policies must, at a minimum, contain criteria that:
   a. Are consistent with the purpose of providing housing for very low-income and low-income families.
   b. Are reasonably related to program eligibility and the applicant’s ability to perform the obligations of the lease.
c. Give reasonable consideration to the housing needs of families that would have a preference under federal selection preferences for admission to public housing.

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

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


13. **Property Standards.** The Owner shall maintain the Property in compliance with all applicable housing quality standards and local code requirements.

14. **Transfer.** The Owner shall not transfer its interest in the Property to any successor in interest without the express written consent of the City. The City’s consent to any such transfer will be conditioned on the City’s determination that the City’s affordable housing interest in the Property will not be jeopardized by such transfer.

15. **Term.** This Covenant shall run with the land and encumber the Property for a period of sixty (60) years from the date of recording hereof and shall not be amended or modified without the express written consent of the City and County of Denver.

16. **Survivability.** If any provision of this Covenant shall be held by a court of proper jurisdiction to be invalid, illegal or unenforceable, the remaining provisions shall survive, and their validity, legality or unenforceability shall not in any way be affected or impaired thereby.

17. **Compliance with Laws.** The Owner shall comply with all laws and regulations of the City, State, and Federal governments.

18. **Enforcement.** The City shall have the right to enforce, by proceeding in law or in equity, all conditions, covenants, requirements, and obligations imposed by the provisions of this Covenant.

19. **Recitals.** The recitals are incorporated into the terms of this Covenant.

**BALANCE OF PAGE INTENTIONALLY LEFT BLANK**
IN WITNESS WHEREOF, the Owner has caused this Covenant to be duly executed as of the day and year first above written.

OWNER

OWNER NAME
a _______________________

By: _______________________
   Name: ___________________
   Title: ___________________

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

The foregoing instrument was acknowledged before me this ___ day of ____________, 202_ by ______________ as ______________ of ______________, a ____________________________.

Witness my hand and official seal.

My commission expires: ___________________.

________________________
Notary Public
EXHIBIT A
LEGAL DESCRIPTION

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

[Insert legal description]

For informational purposes only:
Appendix I
HOST’s Affordable Housing Prioritization Policy

Affordable Housing Prioritization Policy

Many Denver households have been displaced from their neighborhoods to other parts of the city or have left Denver entirely, and many others continue to be at risk of these same outcomes. Today, more than 115,000 Denver households are housing cost burdened, meaning they spend more than 1/3 of their income on housing alone – putting them at risk of displacement.

To address this, HOST is proposing a prioritization policy that would provide households at risk of or who have been displaced from their neighborhood or from Denver priority access to newly developed or preserved affordable housing.

After reviewing approaches taken by peer cities and examining Denver data on involuntary displacement, HOST is proposing a policy to help displaced residents and those at risk of displacement access to any qualifying affordable housing citywide, with higher priority given to neighborhood residents.

Policy details

- **Percentage of units prioritized:** 30% of units will be set aside for residents at-risk of or who have experienced displacement. The legal standard for determining the percentage of units the policy applies to is that it must be “rationally related” to the incidence of involuntary displacement in Denver. To develop a rationally related standard, HOST reviewed existing data on housing needs and prevalence of involuntary displacement. 115,000 households – 35% of all households in Denver – are experiencing housing cost burden, which is a primary indicator of housing instability. Additionally, 30% of City and County of Denver renters reported experiencing displacement as identified in Metro Denver’s Analysis of Fair Housing Impediments study. As both indicators demonstrate a similar proportion, we have determined 30% as the rationally related percentage for this policy.

- **Project applicability:**
  
  o **For affordable rental units:** The prioritization policy would apply to new and newly preserved affordable rental units, including all residential units that are regulated through negotiated agreements, HOST funding, or required through applicable policy. The policy would apply to mandatory housing when the building is a minimum of 100 units or when it is built in an area vulnerable to displacement.

  o **For affordable home ownership units:** The prioritization policy would apply to newly built affordable home ownership units, including residential units that are regulated through negotiated agreements, HOST funding, or required through applicable policy. Entities may be eligible for an exemption if they can demonstrate they are already
meeting the goals of the policy, provide extensive services to prospective homeowners, and can demonstrate continued compliance with policy goals.

- **Marketing period for prioritized units:** The prioritization policy would require units made available through the policy to be marketed for at least 14 days. After that period, property managers/sales teams must review applicants who apply under the prioritization policy first to identify eligible applicant(s).

- **Applicant selection:** If property managers/sales teams receive an application from a prioritized household who meets the other eligibility requirements, that applicant should be offered the unit. If multiple applicants meet these criteria, the applicant who scores the highest on the scoring system should be offered the unit.

- **Duration of policy applicability:**
  - **For affordable rental units:** The prioritization policy requirements would apply to initial lease-ups and subsequent lease-ups of vacant units for the affordability period of rental developments.
  - **For affordable homeownership units:** The policy requirements would only apply at first sale and not on subsequent sales.

- **Policy compliance:**
  - **For affordable rental units:** Developers and property managers will be accountable for ultimately leasing units to prioritized households and would need to demonstrate that 30% of the units were occupied by prioritized households as measured and assessed at least every three years.
  - **For affordable homeownership units:** Developers would need to demonstrate that 30% of the units were sold to prioritized households in the initial sales. Exempted partners will need to provide reports to show that at least 30% of their new home sales went to Denver residents.

**Eligibility Requirements**
To be eligible for the program, applicants must have been displaced or at risk of displacement between 2000 and today. Displacement and vulnerability can include and be demonstrated by evidence of:

- Rent or mortgage is more than 40 percent of household income
- Renter must move because property owner selling or has sold their rental unit
- Renter must move because property owner is moving into the rental unit
- No cause eviction
- Eviction for nonpayment of rent
- Foreclosure
- Costly code violations

**Scoring System for Priority List**
Applicant priority would be determined by the following conditions:
1) The applicant is or was a Denver resident for 5-9 continuous years – 10 points.
2) The applicant is or was a Denver resident for 10-14 continuous years – additional 5 points.
3) The applicant is or was a Denver resident for 15 or more continuous years – additional 5 points.
4) The applicant was displaced or is at risk of displacement from a neighborhood where they have lived for at least 5 years where an affordable housing development is being built – additional 5 points.
5) The applicant has generational ties to a neighborhood where their parent, grandparent, or primary guardian was displaced – additional 5 points.
6) The applicant is currently doubled up in housing or is experiencing homelessness – additional 3 points.
7) The applicant or member of the household has a disability —additional 2 points.
8) The applicant has children in their household eligible to be in Denver Public Schools—additional 2 points.