

**STAPLETON AFFORDABLE HOUSING COVENANT
FOR
UNIT _____ AT _____**

Denver, Colorado

_____, 200__

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**STAPLETON AFFORDABLE HOUSING COVENANT
FOR
UNIT _____ AT _____**

THIS STAPLETON AFFORDABLE HOUSING COVENANT FOR UNIT _____ at _____ (“Covenant”) is made on this _____ day of _____, 20____, by _____, a _____ (“Developer”).

WITNESSETH:

WHEREAS, Developer is the owner of certain real property located in the City and County of Denver, Colorado and further described on Exhibit A attached hereto and incorporated herein by this reference (“Unit”); and

WHEREAS, the Unit is a part of a residential housing [*or mixed-use, if appropriate*] project (“Project”) developed by Developer that is subject to that certain _____ [*insert title of sub-association declaration*] recorded on _____ at Reception No. _____ in the real estate records of the City and County of Denver, Colorado (“Sub-Declaration”), and that certain _____ [*insert title of applicable sub-association map*] recorded on _____ at Reception No. _____ in the real estate records of the City and County of Denver, Colorado; and

WHEREAS, the Developer desires to subject the Unit to the Stapleton Affordable Housing Plan (“Plan”), as such Plan is further defined and described in Exhibit D to the Master Declaration (Master Declaration is defined in Article VI.A.(vii) hereof) and, to this end, desires to encumber the Unit with the occupancy, resale and other conditions and restrictions set forth herein, thereby establishing Affordable Workforce Housing as defined by the Plan; and

WHEREAS, the City of Denver (“City”) (and agencies of the City, including without limitation Denver’s Housing and Neighborhood Development agency) shall be the beneficiary of this Covenant and shall have the authority to administer and enforce certain terms and conditions in this Covenant as specifically set forth herein, and as provided in accordance with that certain Minor Amendment to Development Agreement dated _____, 2005, by and between Forest City Enterprises, Inc., an Ohio corporation, and the City and County of Denver recorded on _____, 2005, at Reception No. _____ in the real estate records of the City and County of Denver; and

WHEREAS, the City has available certain HOME funds (defined below) to provide for downpayment assistance to initial Qualified Buyers (defined below) of certain Units (defined below) in the Project from the Developer in order to assist in preserving affordability of those Units to such Qualified Buyers, and to benefit subsequent Qualified Buyers of those same Units by applying such assistance in the calculation of the resale price hereunder; now therefore

In consideration of the promises and covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby declare, covenant and agree as follows:

ARTICLE I DEFINITIONS

"AMI" shall mean the Area Median Income reported annually for single persons and households of various sizes by HUD for the metropolitan statistical area that includes the County.

"City" shall mean and refer to the City and County of Denver, Colorado, its agencies, and its successors and assigns.

"Control Period" shall mean a period beginning upon the date of the recordation of a deed evidencing the initial sale of the Unit by the Developer to a Qualified Buyer, and terminating thirty (30) years thereafter; *provided, however*, that such termination shall be subject to the continuing obligations specifically set forth under Section VI.D. herein.

"CPI-U" shall mean the most recent United States Department of Labor (Bureau of Labor Statistics) Consumer Price Index for All Urban Consumers for the consolidated metropolitan statistical area that includes the County. In the event that the CPI-U is substantially changed, re-named, or abandoned by the United States Government, then in its place shall be substituted the index established by the United States Government that most closely resembles the CPI-U.

"County" shall mean the City and County of Denver, Colorado.

"Eligible Capital Improvements" shall mean those certain capital improvements to the Unit that are specifically designated by DHND (as defined below) as eligible for purposes of determining the Maximum Sale Price of the Unit pursuant to Article VI hereof. To qualify for an Eligible Capital Improvement the Owner must submit to DHND, in advance of commencing the installation or construction of the improvement, a request for approval of any proposed capital improvement, and obtain that approval from DHND.

"First Mortgage" shall mean and refer to any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the Clerk and Recorder of the County, for the original benefit of an Institutional Lender, encumbering the Unit having priority of record over all other recorded liens except those liens made superior by statute. "Institutional Lender" shall mean a federally or state chartered bank or savings and loan or a recognized mortgage banking institution.

"First Mortgagee" shall mean and include the holder or beneficiary of any First Mortgage.

"DHND" shall mean the City's Division of Housing and Neighborhood Development or any successor agency.

"HOME" funds shall mean funds provided pursuant to the HOME Investment Partnership Act authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, and pursuant to regulations therefore promulgated under 24 CFR Part 92.

"Household" shall mean: (1) a single person; or (2) any number of persons bearing to each other the relationship of husband, wife, mother, father, grandmother, grandfather, son, daughter, brother, sister, stepson, stepdaughter, stepbrother, stepsister, stepmother, stepfather, grandson, granddaughter, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law, uncle, aunt, nephew or niece, living together as a single nonprofit housekeeping unit; or (3) two (2) unrelated adults over the age of eighteen (18) years plus, if applicable, any persons bearing to either of the two (2) unrelated adults the relationship of son, daughter, stepson, stepdaughter, mother, father, grandmother, grandfather, grandson, granddaughter, sister, brother, living together as a single nonprofit housekeeping unit.

"HUD" shall mean the United States Department of Housing and Urban Development, and its successors or assigns.

"Income" shall mean the definition of income set forth pursuant to the United States 1990 Census Long Form, including the income inclusions and exclusions applicable thereto, or any other definition determined by the City pursuant to Denver Revised Municipal Code Section 27-101 *et seq.*

"Market Units" shall mean the residential units in the Project that are not subject to the occupancy and resale restrictions set forth in this Covenant or any other recorded affordable housing covenant that limits the maximum sale price of the residential unit.

"Maximum Sale Price" shall have the meaning set forth in Article VI hereof.

"Mortgage" shall mean and refer to any recorded mortgage, deed of trust or other interest in the Unit held solely as security for the performance of an obligation.

"Mortgagee" shall mean and refer to any person or entity named as the mortgagee or beneficiary under any Mortgage, or their allowed assignees.

"Owner" shall mean and refer to any person or entity at any time being the record owner of the Unit in compliance with the terms and provisions of this Covenant; it being understood that such person or persons shall be deemed an "Owner" hereunder only during the period of his, her or their recorded ownership interest in the Unit. "Owner" does not include a person whose interest is solely that of a Mortgagee.

"Project" shall mean the land and the improvements that are subject to the Sub-Declaration (as defined in the Recitals above), of which the Unit is a part.

"Qualified Buyers" shall mean a person or persons (1) constituting a Household who have a combined annual Income that does not exceed eighty percent (80%) of AMI at the time of the purchase of the Unit, and (2), in connection with sales after the initial sale of the Unit by Developer, holding a valid verification of eligibility from the City (as further described

hereinafter) which entitles the Household to buy the Unit. All governmental or quasi-governmental bodies who purchase, or otherwise take title to, the Unit for the purpose of sale or rental under any government program designed to assist the construction or occupancy of housing for families of low or moderate income are deemed to be “Qualified Buyers”. The verification of eligibility shall be calculated based on Income at the time of execution of a contract for purchase of the Unit.

ARTICLE II AGREEMENT BINDS THE PROJECT

This Covenant shall constitute covenants running with title to the Unit as a burden thereon, for the benefit of, and enforceable by, the City. This Covenant shall bind the Developer and all Owners. Each Owner, upon acceptance of a deed to the Unit, shall be personally obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during the Owner’s period of ownership of the Unit, and the Owner shall execute a Memorandum of Acceptance as set forth on Exhibit B attached hereto. Each and every conveyance of the Unit, for all purposes, shall be deemed to include and incorporate by this reference, the terms and conditions contained in this Covenant, even without reference to this Covenant in any document of conveyance.

ARTICLE III QUALIFIED BUYERS

A. Qualified Buyers. Except as otherwise provided herein, the ownership, use and occupancy of the Unit shall be limited exclusively to housing for natural persons who meet the definition of Qualified Buyers.

B. Exceptions. Notwithstanding the foregoing paragraph, the following transfer of ownership of the Unit from a Qualified Buyer shall not be subject to Article V (Voluntary Sale By Owner) and Section VI.A. (Calculation of Maximum Sale Price), so long as the transferee shall occupy the Unit as his or her permanent residence (as defined in Section IV.B. below): A transfer resulting from the death of an Owner where the transfer is to at least one (1) person taking title by will or by operation of law.

ARTICLE IV RESTRICTIONS

A. Occupancy. Owners shall not engage in any business activity on, in or about the Unit; *provided, however*, that Owners may use the Unit as a home office, except as otherwise limited by or pursuant to local zoning or the Sub-declaration. The Developer and the Owners shall permit no use or occupancy of the Unit that is not in compliance with this Covenant.

B. Unit Must Be Permanent Residence. Pursuant to the City’s affordable housing rules and regulations, the Unit shall be utilized as the permanent residence of the Owner. A “permanent residence” shall mean the home or place in which one’s habitation is fixed and to which one, whenever he or she is absent, has a present intention of returning after a departure or absence therefrom, regardless of the duration of the absence. In determining what is a permanent

residence, the following circumstances relating to the Owner may be taken into account: business pursuits, employment, income sources, residence for income or other tax purposes, age, marital status, residence of parents, spouse and children, if any, location of personal and real property, and motor vehicle registration. This residency requirement does not apply to governmental entities, quasi-governmental entities, or non-profit corporations designated by the City, although such entities shall use the Unit for affordable housing purposes.

C. Rental. The Owner of a Unit shall not rent the Unit; *provided, however*, the Owner may share occupancy of the Unit with non-owners on a rental basis provided that the Owner continues to reside in the Unit and to meet the obligations contained in this Covenant.

D. No Discrimination. In the sale of the Unit, there shall be no discrimination on the basis of age, race, creed, color, sex, gender, familial status, military status, sexual orientation, disability, religion, national origin or marital status. Owners of the Unit shall have the same access to common area amenities at the Project as owners of the Market Units of the Project.

E. Maintenance of Unit. The Owner shall maintain the Unit in good, safe, and habitable condition in all respects, except for normal wear and tear, and in full compliance with all applicable laws, ordinances, and rules and regulations of any governmental authority and any homeowners association(s) with jurisdiction over matters concerning the condition of the Unit.

ARTICLE V VOLUNTARY SALE BY OWNER

A. Notice. In the event that the Owner (other than Developer, it being understood and agreed that the provisions of this Article V shall not apply to Developer's initial sale of the Unit to a Qualified Buyer) desires to sell the Unit, the Owner shall provide written notice to DHND of such Owner's intent to sell at least fifteen (15) days prior to engaging a broker to list the Unit for sale or otherwise offering the Unit for sale. Said notice to DHND shall include the original or duplicate receipts for all claimed Eligible Capital Improvements to verify the costs of such improvements, and an affidavit from the Owner verifying that the receipts are valid and correct. DHND may keep a list of interested purchasers, and may provide same to any selling Owner, in DHND's sole discretion. DHND shall notify the selling owner of the Maximum Sale Price (see below), and the selling owner may then commence to market the Unit as further set forth below.

B. Sales Contract. After providing the notice required in Section V.A. above, the selling Owner may list the Unit for sale with a real estate agent licensed in the State of Colorado or the selling Owner may market the Unit as a so-called "for sale by owner", and may enter into a contract for the sale of the Unit upon such terms and conditions as the selling Owner shall, in the selling Owner's discretion, deem acceptable, *provided, however*, that:

- (i) the purchase price shall not exceed the Maximum Sales Price;
- (ii) the selling Owner must believe in good faith that the purchaser is a Qualified Buyer and that the purchase price does not exceed the Maximum Sales Price; and

(iii) the contract must state as a contingency to closing that the purchaser will submit the application described in Section V.C. below to DHND within three (3) days after contract acceptance, and that the closing of the sale is expressly contingent upon the City's determination that the purchaser is a Qualified Buyer and that the purchase price does not exceed the Maximum Sales Price as evidenced by issuance of the Verification described in Section V.C. below.

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

D. Recordation. Upon the Transfer of the Unit, the Verification shall be recorded in the real estate records of the City and County of Denver, Colorado, along with the deed for the Unit, and if the Verification is not so recorded, then the Transfer shall be null and void, subject to Section VII.E. below.

ADDITIONAL TERMS AND CONDITIONS OF RE-SALE OF THE UNIT MAY BE SET FORTH IN THE CITY'S HOUSING AND NEIGHBORHOOD DEVELOPMENT RULES AND REGULATIONS, IF ANY, AS AMENDED FROM TIME TO TIME.

ARTICLE VI MAXIMUM SALE PRICE

A. Calculation of Maximum Sale Price. During the time that this Covenant is in effect, but excluding the Developer's initial sale of the Unit to a Qualified Buyer, the Unit may be Transferred for no more than an amount calculated in accordance with this Article VI ("Maximum Sales Price"), as follows:

(i) Start with the purchase price paid by the selling Owner, approved by the City and for which such Owner purchased the Unit according to the Owner's purchase contract for the Unit; *provided*, however, that the purchase price paid for the Unit in the original purchase of that Unit from the Developer shall be reduced for purposes of this calculation by the amount of any HOME funds provided as downpayment assistance to the original Qualified Buyer ;

(ii) For each year from the date that the selling Owner acquired the Unit multiply the selling Owner's purchase price by the percentage change over the prior year in the CPI-U up to a maximum increase for any given year of 3.5 percent or a maximum decrease for any given year of 3.5 percent;

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

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

(v) Add the amount of the sale commission paid by the Owner, provided that this amount may not exceed the maximum allowable sales commission published by DHND on an annual basis;

(vi) Add any accrued negative amortization if the Unit was financed with a graduated payment mortgage; and

(vii) Add any applicable transfer assessment to be made, in connection with the sale, by the Master Community Association, Inc. pursuant to the Community Declaration for the Project Area Within the Former Stapleton International Airport recorded on October 4, 2001 at Reception No. 2001167472 in the real estate records of the City and County of Denver, Colorado ("Master Declaration").

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

B. Other Improvements. Nothing in this Covenant shall prohibit an Owner from making an improvement to the Unit which does not qualify as an Eligible Capital Improvement. However, only Eligible Capital Improvements may be included in the calculation of the Maximum Sales Price.

C. Buyers May Not Pay Owner's Costs. No Owner shall permit any prospective buyer to assume any or all of the Owner's customary closing costs or accept any other consideration which would cause an increase in the purchase price above the bid price so as to induce the Owner to sell to such prospective buyer.

D. First Sale After Control Period Ends.

(1) When the Unit is offered for sale for the first time after the expiration of the Control Period, the City shall have the option ("Option") to either (a) purchase the Unit at the Maximum Sale Price, or, in the alternative, (b) permit a sale of the Unit on the open market and

receive one hundred percent (100%) of the Unit sale proceeds that exceed the Maximum Sale Price.

(2) When the Unit is to be offered for sale for the first time after the expiration of the Control Period, the Owner shall notify the City of the intended sale ("Notice of Intent to Sell") at least thirty (30) days prior to the Unit being offered for sale. Such Notice of Intent to Sell, sent to the City, shall set forth: (a) the legal description for the Unit; (b) the Owner's original purchase price for the Unit; (c) the date Owner purchased the Unit; (d) the cost and date of Eligible Capital Improvements undertaken by the Owner, if any, along with supporting documentation of such costs required as described elsewhere in this Covenant; (e) the date on which the Owner intends to offer the Unit for sale on the open market; and (f) an address and phone number at which the Owner may be contacted by the City.

(3) Within thirty (30) days from and after the City's receipt of the Notice of Intent to Sell and all information required by Section VI.D.2. above, the City shall deliver a notice to the Owner ("City's Notice of Maximum Sale Price & Election") setting forth: (a) the Maximum Sale Price (as determined by the City in accordance with Section VI.A.); and (b) a statement regarding whether the City elects to either (i) purchase the Unit at the Maximum Sale Price, or (ii) permit the sale of the Unit on the open market and receive 100% of the proceeds that exceed the Maximum Sale Price ("City's Sale Proceeds"). The Maximum Sale Price set by the City hereunder shall include the Eligible Capital Improvement credits only if the Owner delivers to the City the information required hereunder with the Owner's Notice of Intent to Sell.

(4) In the event that the City elects to purchase the Unit, the City's Notice of Maximum Sale Price & Election shall set forth the terms of the purchase, including the date, time and place of closing. The City shall set the closing no later than forty-five (45) calendar days after the date of the City's Notice of Maximum Sale Price & Election. At the closing of the purchase of the Unit, the City shall pay the Maximum Sale Price determined hereunder, and the Owner shall execute and deliver a special warranty deed to the City and surrender possession of the Unit to the City, free and clear of all encumbrances except any that are expressly assumed in writing by the City. At the closing of the sale of the Unit hereunder, Owner shall also provide and pay for a title insurance policy to the City from a title insurance company acceptable to the City insuring marketable title in the City consistent with the terms of the purchase of the Unit by the City. If the Owner fails or refuses to execute and deliver such a deed and title insurance policy at closing, the City may execute and deliver said deed, and secure such title policy at Owner's cost, on behalf of the Owner as the Owner's attorney-in-fact, and the Owner, by accepting title to the Unit, hereby irrevocably appoints the City as its attorney-in-fact for the herein purposes.

(5) In the event that the City elects not to purchase the Unit and instead permits the sale of the Unit on the open market, as provided in paragraph D(3) above, then the Owner shall promptly deliver to the City any and all contracts for the sale of the Unit, and all amendments thereto. If the Unit sells for more than the Maximum Sale Price as set forth in the City's Notice of Maximum Sale Price & Election (or as otherwise determined by the City), the City shall be entitled to full payment of the City's Sale Proceeds at and upon the closing of the sale of the Unit.

(6) If the City fails to timely deliver the City's Notice of Maximum Sale Price & Election, the City shall have no option to buy the Unit, and it shall be deemed that the City elects to permit the Owner to sell the Unit on the open market, with the City receiving the City's Sale Proceeds in accordance with the foregoing paragraph. If the Owner fails to deliver the Notice of Intent to Sell required hereunder, the City shall have such remedies against the selling Owner as are set forth in Article VII hereof.

(7) The period extending from the end of the Control Period, through the first sale of the Unit after the Control Period, and ending on the date that the City either purchases the Unit or receives the City's Sale Proceeds under this Section VI.D. shall be referred to herein as the "Post-Control Period".

ARTICLE VII REMEDIES IN THE EVENT OF BREACH

A. Inspection. In the event that the City and/or DHND has reasonable cause to believe that Owner is violating the provisions of this Covenant, the City and/or the DHND, by its authorized representative, may inspect the Unit between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, after a reasonable attempt to provide such Owner with twenty-four (24) hours advance written notice.

B. Cure/Hearing. In the event a violation of this Covenant is discovered, the City and/or DHND shall send a notice of violation to Owner detailing the nature of the violation and allowing Owner fifteen (15) days to cure such default. Said notice shall state that Owner may request a hearing before the City or DHND (as determined by the City or DHND) pursuant to Denver Revised Municipal Code Section 27-115 and 27-116 *et seq.* If no hearing is requested and the violation is not cured within the fifteen (15) day period, Owner shall be considered in violation of this Covenant. If a hearing is held before the City or DHND, the decision of the City or DHND based on the record of such hearing shall be final for the purpose of determining if a violation has occurred.

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

D. Voiding Transfers. In the event the Unit is Transferred in a manner that is not in full compliance with the terms and conditions of this Covenant, such Transfer shall be wholly null and void and shall confer no title whatsoever upon the purported transferee. Each and every Transfer of the Unit, for all purposes, shall be deemed to include and incorporate by this reference the covenants herein contained, regardless of reference therein to this Covenant.

E. HUD. Notwithstanding anything in this Covenant to the contrary, in the event that the Unit is encumbered by a HUD-insured mortgage, the City's remedies shall specifically not include remedies prohibited by HUD, such as: (i) voiding a conveyance, including a lease, by the Owner; (ii) terminating the Owner's interest in the Unit; (iii) limiting the amount of sales proceeds retainable by the Owner to an amount less than that set forth pursuant to Article VI; or (iv) subjecting the Owner to contractual liability including damages, specific performance or

injunctive relief, other than requiring repayment at a reasonable rate of interest of assistance provided to make the Unit affordable as low or moderate income housing.

ARTICLE VIII
RELEASE OF COVENANT IN FORECLOSURE: CITY'S OPTION TO BUY

A. Foreclosure. The City shall release this Covenant of record and waive its ability to enforce the provisions of this Covenant with respect to the Unit in the event that title to the Unit is conveyed by way of foreclosure, or delivery of a deed in lieu of foreclosure with respect to the Unit, to a First Mortgagee (which shall be the only party (including HUD as provided below) entitled to take the Unit free of this Covenant pursuant to the provisions of this Article VIII). In the event that the City (or a designee empowered to hold title to real property) purchases the Unit at foreclosure, the City, or its designee, may sell the Unit to Qualified Buyers, or rent the Unit until such time that the Unit can be sold to a Qualified Buyer in accordance with this Covenant. This Covenant shall automatically and permanently terminate upon assignment to HUD of a first deed of trust encumbering the Unit.

B. Notice of Foreclosure. In the event of (i) a foreclosure action being brought by the First Mortgagee (including assigns of the First Mortgagee), or (ii) the request for the First Mortgagee to accept title to the Unit by deed in lieu of foreclosure, the Owner shall deliver a copy of any notice of intent to foreclose or request for deed in lieu to the City within ten (10) days of receipt of such notice or request. Notice to the City shall be to the address of the City as provided in this Covenant. In the event that the First Mortgagee takes title to the Unit pursuant to a deed in lieu of foreclosure, the Owner shall give notice to the City upon the vesting of title to the Unit in the First Mortgagee.

ARTICLE IX
TERM OF RESTRICTION

This Covenant shall be effective and binding during the Control Period, and thereafter for the Post-Control Period, and as provided in Section VI.D., except as otherwise specifically provided herein. Notwithstanding the foregoing, any and all claims of the City available hereunder against the Owner personally shall survive any release or termination of this Covenant.

ARTICLE X
GENERAL PROVISIONS

A. Notices. All notices and demands required or permitted under this Covenant shall be in writing, as follows: (1) by personal delivery of the notice to the party entitled to receive it; (2) by mailing such notice by certified mail, return receipt requested, in which case the notice shall be deemed to be delivered three days after the date of its mailing; or (3) by Federal Express or any other overnight carrier, in which case the notice shall be deemed to be delivered as of the date it is sent. All notices which concern this Covenant shall be sent to the address of the appropriate party as set forth below, except if changed by a party by notice pursuant hereto, and except if a separate memorandum of this Covenant is recorded against the Unit by the City summarizing the City's rights hereunder, then to the address set forth in such memorandum.

To the City: Community Planning and Development
201 W. Colfax Avenue, #209
Wellington Webb Building
Denver, Colorado 80202
Attn: Manager

With a copy to: Housing and Neighborhood Development
201 W. Colfax Avenue, #209
Denver, Colorado 80202
Attn: Director

and a copy to: City Attorney
City of Denver
201 W. Colfax Avenue, Dept. 1207
Denver, Colorado 80202
Attn: Laurie Heydman

To the Developer: _____

To the Qualified Buyer/Owner: To the Unit address.

B. Owner's Disclosure. Each Owner who takes title from Developer and every subsequent Owner of the Unit shall execute and record a Memorandum of Acceptance in the form attached hereto as Exhibit B (completed with the appropriate information relating to the Unit and such Owner) coincident with such Owner's deed to his or her Unit in the real property records of the City and County of Denver, Colorado, and such Owner shall promptly deliver a copy of same to DHND.

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

D. Choice of Law. This Covenant shall be governed and construed in accordance with the laws of the State of Colorado.

E. Waiver. No claim of waiver, consent or acquiescence with respect to any provision of this Covenant shall be valid against the City except on the basis of a written instrument executed by the City.

F. Further Actions. The parties to this Covenant agree to execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent

of this Covenant or any agreement or document relating hereto or entered into in connection herewith.

G. Modifications. Except as otherwise provided herein, any modification to this Covenant shall be effective only when made in a writing signed by the Owner and the City and recorded with the Clerk and Recorder of the County.

H. No Third Party Beneficiaries. This Covenant is made and entered into for the sole protection and benefit of the City and County of Denver, the Owner and the Developer. No other person, persons, entity or entities, including without limitation prospective buyers of the Unit, shall have any right of action with respect to this Covenant or right to claim any right or benefit from the terms provided in this Covenant or be deemed a third party beneficiary of this Covenant.

[Signature on Following Page]

EXHIBIT A
Unit Description

UNIT _____, _____ [*INSERT NAME OF PROJECT*],
County of _____, State of Colorado, according to the Map thereof recorded on
_____, 200__, at Reception No. _____, and the Declaration
recorded on _____, 200__, at Reception No. _____, in the
records of the Clerk and Recorder of the County of _____, Colorado,

also known by street and number as: _____

EXHIBIT B
Memorandum of Acceptance

_____ (Project Name)

WHEREAS, _____, the Buyer, is purchasing from _____, the Seller, at a price of \$ _____, a home described as:

UNIT _____, _____ *[INSERT NAME OF PROJECT]*,
County of _____, State of Colorado, according to the Map thereof
recorded on _____, 200 __, at Reception No. _____,
and the Declaration recorded on _____, 200 __, at Reception
No. _____, in the records of the Clerk and Recorder of the County of
_____, Colorado,
also known by street and number as: _____
(the "Unit"); and

WHEREAS, the Seller of the Unit is requiring as a prerequisite to the sale transactions that the Buyer acknowledge and agree to the terms, conditions and restrictions found in that certain instrument entitled "STAPLETON AFFORDABLE HOUSING COVENANT FOR UNIT _____ at _____", recorded on _____, 200 __, under Reception No. _____, in the real property records of the City and County of Denver, Colorado ("Covenant").

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

1. Acknowledges that Buyer has carefully read the entire Covenant, has had the opportunity to consult with legal and financial counsel concerning the Covenant and fully understands the terms, conditions, provisions, and restrictions contained in the Covenant.
2. Understands that resale pricing is restricted and profits may be required to be shared after the termination of the Covenant; and that the Covenant provides that the owner of the Unit must occupy the Unit as his/her permanent residence.
3. Directs that this memorandum be placed of record in the real estate records of the City and County of Denver, Colorado and a copy provided to Denver's Division of Housing and Neighborhood Development.

