

When Recorded Return To:

COLORADO DIVISION OF HOUSING
ATTENTION: *Alison O'Kelly*
1313 SHERMAN STREET, ROOM 500
DENVER, CO 80203

DOH Contract #H0NSP09302

COLORADO DEPARTMENT OF LOCAL AFFAIRS NSP BENEFICIARY AND RENT USE COVENANT

THIS BENEFICIARY AND RENT USE COVENANT ("Covenant") is made this _____ day of _____, 20___, by the Jefferson County Housing Authority, ("Owner"), fee simple Owner of certain property further described herein.

WHEREAS, the Owner is the beneficiary of funds from the Colorado Department of Local Affairs, a political subdivision of the State of Colorado ("Grantor") to be used for the NSP-funded acquisition and rental redevelopment of the project known as: Lewis Court Apartments located at 2200 Jackson Street, Golden, CO, 80401, otherwise known as real property situate in the Jefferson County, State of Colorado (the "Property"):

BLOCK 21, WELCH ADDITION, AND THE TRI-PORITION IN SOUTHWESTERLY 1/2 OF VACATED WASHINGTON AVE. AND NORTHEASTERLY 1/2 OF VACATED WASHINGTON AVE. EXTENDING FROM CENTER OF VACATED WEST 22ND ST. AND ALONG WEST LINE OF BLOCK 21, WELCH ADDITION, COUNTY OF JEFFERSON, STATE OF COLORADO, TOGETHER WITH THE VACATED ALLEY LYING WITHIN BLOCK 21, WELCH ADDITION AS VACATED BY ORDINANCE NO. 404 DATED JUNE 21, 1957 AND RECORDED MARCH 20, 1985 UNDER RECEPTION NO. 85025648. A.P.N.(s): 30-343-01-001

WHEREAS, as a condition to the receipt of NSP grant funds, Owner has agreed to record a Covenant to run to secure the Property to ensure proposed redevelopment includes certain rental and occupancy limitations associated with the program are met;

NOW, THEREFORE, the following is established as a Covenant running with the Property;

1. Temporary Restriction. This Covenant provides a temporary encumbrance against the property until the property is redeveloped, at which time a new Covenant shall be used primarily to provide housing for Eligible Beneficiaries at Affordable Rents, as defined herein.
2. Eligible Beneficiaries. Upon redevelopment, the Owner, its successors, assignees, heirs, grantees, or lessees shall ensure that the units listed below are affordable to households whose income is equal to or less than the current Area Median Income (AMI) in effect at the time the household initially occupies their rental unit. Income eligibility requirements are defined by the Department of Housing and Urban Development (HUD), or if no longer published, by an equivalent index designated by the Grantor.

| Assisted Units | # of Units | Income of Beneficiaries |
|-------------------------------|------------|-------------------------|
| <u>NSP-Assisted Units</u> | | |
| (1) 1BR, (1) 2BR | 2 | 30% of AMI (\$23,450) |
| (1) 1BR, (1) 2BR | 2 | 40% of AMI (\$31,280) |
| (1) 1BR, (1) 2BR | 2 | 50% of AMI (\$39,100) |
| <u>Other Affordable Units</u> | | |
| (3) 1BR, (1) 2BR | 4 | 30% of AMI (\$23,450) |
| (7) 1BR, (1) 2BR | 8 | 40% of AMI (\$31,280) |
| (9) 1BR, (9) 2BR | 18 | 50% of AMI (\$39,100) |
| (8) 1BR, (6) 2BR | 14 | 60% of AMI (\$46,920) |
| Total Units | 50 | |

Incomes listed in the chart above are for four (4) person families as of 5/31/2011. Income limits are published annually by HUD.

3. Affordable Rents. To ensure the housing is affordable to low income households, the 6 NSP-assisted rental units must have rents that are the lesser of the Section 8 FMR, as periodically established by HUD less the HUD approved utility allowance for tenant paid utilities, or, the HUD AMI rents, less the HUD approved utility allowances. The Property shall also have 4 units = 30% of AMI, 8 units = 40% AMI, 18 units = 50% AMI and 14 units = 60% HUD AMI, less the HUD approved utility allowances, for a total of 50 units, as referenced in the unit mix above.

| Jefferson County | 1-Bedroom | 2-Bedroom | 3-Bedroom | 4-Bedroom |
|------------------------------------|-----------|-----------|-----------|-----------|
| Fair Market Rent (eff. 10/1/2010) | \$796 | \$1,007 | \$1,430 | \$1,667 |
| <30% of AMI Rents (eff. 5/31/2011) | \$440 | \$528 | \$610 | \$681 |
| <40% of AMI Rents (eff. 5/31/2011) | \$587 | \$704 | \$813 | \$908 |
| <50% OF AMI Rents (eff. 5/31/2011) | \$733 | \$880 | \$1,016 | \$1,135 |
| <60% OF AMI Rents (eff. 5/31/2011) | \$880 | \$1,056 | \$1,220 | \$1,362 |

4. Long Term Affordability. The Owner, its successors, assignees, heirs, grantees, or lessees shall ensure that this property remains affordable, without regard to the term of any mortgage or transfer of ownership, for a period of not less than 30 years. The minimum HUD affordability period requirement is 20 years. The Grantor period of affordability is 10 years, to run consecutively with the HUD period, for a total of 30 years following the official project close out date. Re-payment of funds provided does not terminate the affordability period.
5. Termination. This Covenant may terminate upon foreclosure or transfer in lieu of foreclosure, unless the Owner of record, before the foreclosure, or anyone with business or family ties to the Owner, obtains an ownership interest in the property through the foreclosure.
6. Change in Use. If this property is not used for housing the above described beneficiaries, at the above described rents for 30 years following the date of project closeout, the Owner, its successors and assignees, heirs, grantees, or lessees shall be required to repay the State the grant funds attributed to this property, unless the State authorizes the transfer of repaid funds to one or more public housing entities, or private nonprofit corporations.
7. Enforcement. Jefferson County, Colorado Department of Local Affairs and/or HUD, or appropriate representatives thereof may enforce this Covenant.
8. Release. Upon redevelopment of the Property, this temporary Covenant shall be released and replaced with a Beneficiary and Rent Use Covenant describing the unit mix, income and rent thresholds that shall govern the beneficiaries of the Property for the duration of the period of affordability.
9. Upon satisfaction of the terms of this Covenant, the Grantor will record a release of this Covenant against the Property and the Owner, its successors, assignees, heirs, grantees, and lessees shall no longer be bound by the terms of this Covenant.

PROPERTY OWNER'S LEGAL NAME Jefferson County Housing Authority ENTITY TYPE Housing Authority
 TYPED NAME Alan M. Feinstein TITLE Executive Director
 SIGNATURE Alan M. Feinstein DATE 7-19-2011

State of Colorado)
 County of Jefferson) ss.

The foregoing instrument was subscribed to and acknowledged before me this 19th day of July, 20 11, by Alan M. Feinstein as Exec Dir of Jefferson County Housing Authority.

Witness my hand and official seal

Gloria R. Smith

My commission expires: My Commission Expires: 08-07-2012