

WHEN RECORDED RETURN TO:
Housing Program Manager
City and County of Broomfield
One DesCombes Drive
Broomfield, CO 80020

SUBORDINATE LIEN AND DEED RESTRICTION AND COVENANT CONCERNING LIMITATIONS ON RESALE PRICE AND BUYER INCOME

*Compliance with the provisions of this Covenant shall be
deemed to be a requirement of title.*

INCLUSIONARY FOR-SALE HOUSING COVENANT

This Subordinate Lien and Deed Restriction and Covenant Concerning Limitations on Resale Price and Buyer Income (this “Covenant”) is entered into as of the ____ day of _____, 20__ (the “Effective Date”), by and between _____ (the “Grantor”), and the City and County of Broomfield, a Colorado municipal corporation and county (the “City” or “Grantee”), collectively, the “Parties,” or individually, a “Party.”

This Covenant applies to the real property commonly known as [address], which is more fully described as [insert legal description - can be an exhibit - set forth in Exhibit A], and incorporated herein by this reference (the “Property”).

This Covenant shall be effective as of the Effective Date set forth above and shall continue to be effective for a period of no less than **thirty (30) years**.

RECITALS

- A. The City has approved a **PUD Plan Amendment and Site Development Plan** to allow **residential units in _____**, including, for-sale **—description of homes -single family detached homes and townhomes or multi-family units**.
- B. Subsequent purchasers will benefit from the limitation on the purchase price which this Covenant requires.

- C. The community and future owners benefit from a property that is maintained in a good, safe and habitable condition.
- D. The intent of the Grantor is to preserve through this Covenant the affordability of the Property for persons at or below **ninety percent (90%)/one hundred percent (100%)** of Area Median Income, as defined for a 4-person household based on the Colorado Housing & Finance Authority (“CHFA”) Rent and Income Table, **commencing on the Effective Date** and continuing for a period of no less than **thirty (30) years** (the “Restricted Period”), and to assign to the City the right to enforce compliance with this Covenant.

AGREEMENT

In consideration of the benefits received by the Parties, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

- 1. **Definitions.** The following terms shall have the following meanings herein:
 - A. “Area Median Income” (AMI) means the area median income amounts reported annually for single persons and households of various sizes by the United States Department of Housing and Urban Development, or by any successor United States Government department, agency, or instrumentality or the Colorado Housing & Finance Authority, for the metropolitan statistical area which includes the City. In the event that the Area Median Income 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 Area Median Income.
 - B. “CPI-U” means 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 which includes the City. 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.
 - C. “Eligible Buyer” means a person who is certified by the City and qualified as described in Section 3 below.
 - D. “First Deed of Trust” means a deed of trust or mortgage which is recorded senior to any other deeds of trust or liens against the Property to secure a loan made by an Institutional Lender used to purchase the Property by an Eligible Buyer. The definition of “First Deed of Trust” does not include any subsequent deeds of trust for refinancing or increasing the debt encumbrance on the Property which may be recorded against the Property pursuant to the provisions of Section 8, or any deed of trust made by a person who is not an Eligible Buyer.

- E. "Household" means the definition of household under 24 CFR 92.2 and includes all the people who intend to occupy a housing unit. A Household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as domestic partners or roommates are also deemed to be a "Household" as defined in this Covenant.
- F. "HUD" means the United States Department of Housing and Urban Development.
- G. "Income" means the definition of income under HUD income qualifying guidelines as defined in 24 CFR 5.609 "Annual Income" and 24 CFR 5.611 "Adjusted Income" as modified by the City to operate a homeownership program. In the event that the above is not in effect or the definition of income under the above is substantially modified, then "Income" shall mean the anticipated total income for the next 12 month period received from all sources by each member of the Household, excluding, however, temporary or non-recurring income (including gifts), income from the employment of children under age 18, payments for the care of foster children or foster adults, amounts received specifically for the reimbursement of medical expenses for a member of the Household, and other City allowed deductions.
- H. "Institutional Lender" means any bank, savings and loan association, or any other institutional lender which is licensed to engage in the business of providing purchase money mortgage financing for residential real property.
- I. "Owner" means the Grantor and any subsequent certified buyer, devisee, transferee, grantee, owner or holder of title of the Property or any portion of the Property.
- J. "Primary Residence" means the residence which the Owner occupies for a minimum of 10 full months out of every calendar year as the Owner's sole, exclusive and permanent place of residence. A permanent place of residence means the home or place in which one's habitation is fixed and to which one, whenever one is absent, has a present intention of returning after a departure or absence therefrom. In determining what is a permanent residence, the following circumstances, as applicable, relating to the Owner shall be taken into account: business pursuits, employment, income sources, residence for income or other tax purposes, age, marital status, residence of parents, spouse and children, if any, location of personal and real property, driver's license, motor vehicle registration, Colorado state identification card, voter registration, tax documents, school registration records, employment records, phone bill, credit card bills and utility bills. A person can only have one Primary Residence. The Housing Program Manager for the City and County of

Broomfield, may, in the Housing Program Manager's sole discretion, grant a temporary hardship exemption for instances such as, but not limited to, a temporary relocation due to school or work, military service, or caring for a loved one or family member.

- K. "Real Property" means land and improvements or common interest ownership and improvements.
 - L. "Transfer" means any sale, assignment or transfer, voluntary, involuntary or by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee's sale, deed in lieu of foreclosure, or otherwise) of any interest in the Property, including but not limited to a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, a leasehold interest or any interest evidenced by a land contract by which possession of the Property is transferred and Owner retains title.
2. Requirement of Title. Compliance with the provisions of this Covenant shall be deemed to be a requirement of title. The Property may not be transferred to anyone other than an Eligible Buyer except as provided in Section 5 below. Eligible Buyers must have a current and valid certification from the City in order to be eligible to purchase the Property.
3. Eligible Buyers.
- A. Title to the Property may only be transferred to a buyer or buyers with a Household projected Income that may not be more than **90 percent/100 percent** of the Area Median Income as shown in the Broomfield income tables set by the Colorado Housing and Finance Authority, as established for a four (4) person Household. The Income and assets of all persons in the Household shall be used in determining the buyer's Income, assets, and eligibility. Potential buyers will be required to submit the following to the City in order to qualify as Eligible Buyers:
 - i. Verification of current residency;
 - ii. Copies of state and federal income tax returns, including W-2 forms, for the previous two years all employed household members are required;
 - iii. Verification of employment and pay stubs for the most recent three months from each employed household member;
 - iv. Two months of the most recent and complete bank issued statements for all bank accounts held by each household member 18 and over;
 - v. Provide a copy of the Court Orders when applicable for a divorce decree, child support orders, and maintenance/alimony orders (Note: Court proceedings must be finalized prior to purchasing an affordable unit. An order is not official without a judge's signature.);

- vi. A completed loan application form from the lender (Form 1003 or similar);
- vii. Financial gifts are restricted to 20% of the purchase price of the affordable home. The potential buyer must provide documentation of bank statements or other acceptable verification showing deposit of funds equal to the gift. Gift funds must be solely used towards the purchase of the affordable home (i.e. down payment) and the gift letter must include the following information:
 - 1. Who is receiving the gift funds;
 - 2. The name and relationship of the person giving the gift funds;
 - 3. The exact dollar amount of the gift funds; and
 - 4. A statement that no repayment is required and that the gift funds will be used solely for the purchase of an affordable home.
- viii. Any other documentation reasonably necessary to establish the prospective buyer's annual income and eligibility for the program;
- ix. Sales/Purchase contract (fully signed);
- x. A certificate of homebuyer education for the persons purchasing the home (this is a certificate that is provided after a potential buyer has completed a HUD-certified Homebuyer Counseling Class which can be completed online or in-person); and
- xi. Signed Acknowledgment of For-Sale Inclusionary Housing Covenant.

B. The following transfers are exceptions to the above requirement, provided that the new Owner, other than an estate, shall use the Property as its Primary Residence:

- i. A transfer resulting from the death of an Owner where the transfer is to the spouse or domestic partner who is also an Owner.
- ii. A transfer to the Owner's estate following the Owner's death for the purpose of administering the estate and distributing the assets thereof during a limited period of time.
- iii. A transfer resulting from the death of an Owner when the transfer is to one or more children of the deceased Owner.
- iv. A transfer by an Owner where the spouse or domestic partner of the Owner becomes the co-owner of the Property.

- v. A transfer resulting from a decree of dissolution of the marriage or legal separation or from a property settlement agreement incidental to such a decree by which a spouse who is an Owner becomes the sole Owner of the Property.
 - vi. A transfer directly to a domestic partner who is an Owner and the domestic partner becomes the sole Owner of the Property.
- C. Good Faith Marketing and Selection Process. Prior to marketing the Property for sale, the Owner shall provide the City written notice of their intent to sell the Property (“Intent to Sell Notice”). Additionally, the Owner shall, for a minimum of ninety (90) days, engage in good faith marketing efforts (the “Good Faith Marketing Period”) such that members of the public have a fair chance to become informed of the availability of the Property as an income-aligned home. The Owner shall maintain a marketing log that shows the advertisements and other information that was submitted to the public about the Property being an income-aligned home and keep a list of prospective buyers who have expressed an interest in and visited the Property. To the extent the Owner is not complying with the terms of the Good Faith Marketing Period, the time period shall be extended one day for each day of non-compliance. At any time prior to the conclusion of the Good Faith Marketing Period, the Owner shall coordinate with the City to sell to an Eligible Buyer or coordinate on a fair selection process if several Eligible Buyers are identified as potential purchasers. Prospective Eligible Buyers must have reviewed the provisions of this Covenant and expressed their willingness to accept them. When a contract-to-purchase has been executed, a copy of the contract shall be submitted to the City within two business days.

4. Resale Price Limit.

- A. The Grantor purchased the Property for \$_____.
- B. The Property may not be transferred for more than an amount (the “Resale Price Limit”) calculated in accordance with this Section 4(B) as follows:
 - i. Start with the contracted purchase price approved by the City which the Grantor or subsequent Owner paid for the Property (Note: The purchase price including any concessions may not exceed the purchased price approved by the City);
 - ii. Each year multiply the original purchase price by the percentage change in the most recent CPI-U or in the most recent Area Median Income, whichever is less - up to a maximum increase for any given year of three-and one-half percent or a minimum increase for any given year of one percent;

- iii. Each year add the product of the multiplication described in Section 4(B)(ii) to the original purchase price;
- iv. Add the amount of eligible capital improvement credit that has been approved by the City up to the commencement of the Good Faith Marketing Period. Eligible capital improvement credits are only those improvement of greater than \$5,000 for any single project, and shall not include the purchase or replacement of mechanical equipment or appliances (unless considered a substantial upgrade that contributes to environmental sustainability (e.g. electric heat pumps to replace boiler, furnace, water heater), or other improvement which are necessitated by and result from normal wear and tear to the Property (“Eligible Capital Improvements”). Moreover, to qualify for an Eligible Capital Improvement the Owner must submit to the City receipts or paid invoices for the work completed and the improvement must be approved by the City as being appropriate for an income restricted property, based upon criteria as set forth in this Section 4(B)(iv). Eligible Capital Improvements must be completed in a professional manner. If it is discovered at the time the work is done, or at a later point that the work was not done in a professional manner, the amount of credit will be reduced or eliminated;
- v. Deduct the amount of any excessive damage assessment (the “Excessive Damage Assessment”) determined by the City. Prior to closing, the City shall have the right to inspect the Property or use a report prepared by a professional home inspector hired by either the Owner or potential buyer to determine whether the Owner has complied fully with the maintenance obligations set forth in Section 9 below. If, after such an inspection, the City determines in its reasonable judgment based on the City’s inspection policy that the Owner has not fully complied with this obligation, the City shall determine in its reasonable judgment the cost to complete such repairs, replacement, and other work necessary to restore the Property to a good, safe, and habitable condition in compliance with the maintenance obligations set forth in Section 9 below. In calculating the Resale Price Limit, the City may factor into the calculation any agreement by the Owner to make repairs. The City may adjust the Excessive Damage Assessment up until the date of sale based on changes in the condition of the Property or the Owner’s failure to comply with agreements to make repairs; and

- vi. Add the amount of the sales commission paid by the Owner, provided that this amount may not exceed the actual amount paid or the average commission paid within the local real estate market, whichever is less.
 - C. Nothing in this Covenant represents or guarantees that the Property will be re-sold at an amount equal to the Resale Price Limit. Depending upon conditions affecting the real estate market, the Property may be re-sold for less than the Resale Price Limit, at the option of the Owner.
 - D. Nothing in this Covenant shall prohibit an Owner from making an improvement to the Property which does not qualify as an Eligible Capital Improvement. However, only Eligible Capital Improvements may be included in the calculation of the Resale Price Limit, as set forth herein.
 - E. If the Owner reasonably disputes the City's determination of the amount of an Eligible Capital Improvement or of an Excessive Damage Assessment, the Owner may request that the dispute be arbitrated. The Owner shall choose the arbitrator from a list provided by the City, and the arbitration shall be conducted in accordance with the applicable rules of the American Arbitration Association, or of any similar successor organization. The decision of the arbitrator shall be final and binding upon the parties. The Owner shall pay for all costs of the arbitration, whatever the arbitrator's decision may be.
 - F. The Housing Program Manager, after consulting with City Manager and the City and County Attorney's Office, may waive the restrictions on the resale prices for the Property if the Housing Program Manager finds that the restrictions conflict with regulations of federal or state housing programs and thus prevent Eligible Buyers from buying dwelling units under the City's Inclusionary Housing Program. Any waiver shall be in writing, shall reference the recorded covenant, and shall be recorded in the records of the Clerk and Recorder for the City and County of Broomfield, Colorado.
5. City's Purchase Right. In order to preserve the affordability of the Property in accordance with this Covenant, in the event the Owner is not able to find an Eligible Buyer within the Good Faith Marketing Period, the City, or its assignee, shall have the right to purchase the Property ("Purchase Right") at the Resale Price Limit as calculated in Section 4, provided that the Resale Price Limit shall not include any sales commission mentioned in Section 4(B)(vi).
- A. If the City, or its assignee, elects to purchase the Property, it shall exercise the Purchase Right by notifying the Owner, in writing, of such election ("Notice of Exercise of Right") within 30 days of the expiration of the Good Faith Marketing Period, or the Purchase Right shall expire. Having given such notice, the City, or its assignee, may either proceed to exercise the Purchase Right directly by purchasing the Property, or may assign the Purchase Right to an Eligible Buyer.

In either case, the City or its assignee shall complete the sale within thirty (30) days of the date of the Notice of Exercise of Right. The time permitted for the completion of the purchase may be extended by mutual written agreement of the Owner and the City, such extension not to be unreasonably withheld. The Parties acknowledge that the City's right to assign may be provided to a local housing authority, such as the Broomfield Housing Alliance, or similar entity.

- B. If the City assigns its Purchase Right to an Eligible Buyer, the Resale Price Limit shall be increased by Five Hundred and 00/100 dollars (\$500) (the "Assignment Fee") to cover the City's administrative costs of assigning its Purchase Right, and the City shall be paid such Assignment.
 - C. In either event above, the fees at the closing shall be split equally among the Parties and consistent with real estate closings in Colorado.
 - D. If the Purchase Right has expired or if the City, or its assignee, has failed to complete the purchase within the permitted 30-day period together with any extensions thereof, the Owner may sell the Property on the open market at market rate. If the home is sold at market rate, any balance between the actual sales price and the Resale Price Limit shall be paid to the City for deposit in the Housing Development Fund account, for use in other inclusionary housing programs in the City. Upon receipt of such payment, this Covenant shall be deemed released and the City shall record documentation confirming the release of the Covenant.
6. Complete Consideration Stated on Deed. The Resale Price Limit for any transfer of the Property shall be stated on the deed transferring title. The Owner shall not accept any consideration above the Resale Price Limit, except as otherwise provided herein.
7. Release of Covenant in Foreclosure.
- A. The Owner agrees to give immediate notice to the City upon the first to occur of:
 - i. The date any notice of foreclosure is provided to the Owner or any foreclosure is commenced against the Property under the First Deed of Trust; or
 - ii. The date when Owner becomes 21 days late in making a payment on any indebtedness encumbering the Property where such payment is required to avoid foreclosure of the First Deed of Trust.
 - B. The City, pursuant to the process and rights described in Section 7(C) below, shall release this Covenant of record and waive its ability to enforce the provisions of this Covenant with respect to a Property in the event of foreclosure or the acceptance of a deed in lieu of foreclosure with respect to

the Property by the holder of a First Deed of Trust against the Property (which shall be the only party entitled to take the Property free of this Covenant pursuant to the provisions of this Section 7. In the event a foreclosure is initiated by the beneficiary of the First Deed of Trust, the City's rights in the foreclosure - including without limitation the right of redemption under §38-38-302 C.R.S. or any successor statute - shall be those of a junior lien holder. In the event that the City purchases the Property at foreclosure, the City or its designee may sell the Property to Eligible Buyers, or rent the Property until such time that the Property can be sold to an Eligible Buyer in accordance with this Covenant. As to any Property encumbered by a HUD-insured mortgage, this Covenant shall automatically and permanently terminate upon foreclosure of a deed of trust by the holder of a First Deed of Trust, acceptance of a deed in lieu of foreclosure by a holder of a First Deed of Trust, or assignment to HUD of a purchase money first priority deed of trust encumbering such Property.

- C. In the event of (i) a foreclosure action being brought by the holder of a First Deed of Trust, or (ii) the request for the holder of a First Deed of Trust to accept title to the Property by deed in lieu of foreclosure, the Owner shall give a copy of any notice of intent to foreclose or request for deed in lieu to 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 with a copy to the City and County Attorney's Office. In the event that the holder of the First Lien Deed of Trust takes title to the Property pursuant to a deed in lieu of foreclosure, the Owner shall give notice to the City with a copy to the City and County Attorney's Office upon the vesting of title to the Property in the holder of the First Deed of Trust. This Covenant shall be subordinate only to the lien of a First Deed of Trust to secure a loan to purchase the Property made by the Institutional Lender of the First Deed of Trust. From and after foreclosure of the Property or acceptance of a deed-in-lieu of foreclosure, this Covenant shall be forever terminated and shall have no further force or effect as to the Property, nor shall it bind any transferee thereafter.

8. Post Purchase Financing.

- A. The Owner may only refinance the First Deed of Trust or encumber the Property with any other post purchase financing if the following requirements are met:
 - i. If all financing recorded against the Property has a fixed interest rate, then the total amount of all financing must be less than or equal to 93% of the Resale Price Limit in effect at the time of new encumbrance.
 - ii. If any financing recorded against the Property has a variable interest rate or is a Home Equity Line of Credit (HELOC), then

the total amount of all financing must be less than or equal to 90% of the Resale Price Limit in effect at the time of new encumbrance.

- B. All refinancing and/or additional financing must be with an Institutional Lender.
9. Maintenance of Property. The Owner shall maintain the Property in a condition consistent with the standards of the neighborhood and in good, safe, and habitable condition in all respects and in full compliance with all applicable policies, laws, ordinances, rules and regulations of any governmental authority with jurisdiction over matters concerning the condition of the Property. If the Owner fails to properly maintain the Property, any costs needed to rectify such deficiencies may be factored into the Resale Price Formula as described in Section 4(B)(v) of this Covenant. The Owner shall suffer no mechanics' liens to be recorded against the Property.
10. Use of Property as Owner's Primary Residence. The Owner shall use the Property as its Primary Residence. At or before the time when title is transferred to the Property, each new Owner shall certify to the City in writing its intent to occupy the Property as its Primary Residence. Upon written request of the City, the Owner shall provide the City with such information as the City may reasonably request to satisfy itself that the Property is being used as the Owner's Primary Residence. Failure to comply with this provision shall result in actions described in Section 12, Enforcement of Covenant, including without limitation injunction or loss of appreciation.
11. Rental Prohibited. The Property shall be Owner occupied as a Primary Residence and shall not be rented. Notwithstanding the foregoing, the Owner may rent the Property in accordance with the City's short term rental restrictions or accessory dwelling unit regulations (if applicable) or to any individuals who are part of the Owner's Household.
12. Enforcement of Covenant.
- A. Right to Enforce. The Grantor and each Owner hereby grants and assigns the City the right to review and enforce compliance with this Covenant. Compliance may be enforced by the City by any lawful means, including without limitation specific performance, injunction and/or damages to reimburse the City for its enforcement costs. If the Owner violates the terms of this Covenant, the Owner agrees to repay the City any costs incurred in enforcing this Covenant.
- B. Inspection. In the event that the City has reasonable cause to believe that the Owner is violating the provisions of this Covenant, the City, by its authorized representative, may inspect the Property after a reasonable attempt to provide such Owner with 24 hours advance written notice.
- C. Voiding Transfers. In the event the Property 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. During the Restricted Period, each and every transfer of the Property, for all purposes, shall be deemed to include and incorporate by this reference the covenants herein contained, regardless of reference therein to this Covenant.

D. Federal Housing Administration (“FHA”). Notwithstanding anything in this Covenant to the contrary, in the event that the Property is encumbered by a FHA-insured mortgage, the City’s remedies shall specifically not include remedies prohibited by FHA, such as:

- i. Acceleration of the mortgage;
- ii. Voiding a conveyance by the Owner;
- iii. Terminating the Owner’s interest in the Property; or
- iv. Subjecting the Owner to contractual liability other than that set forth above.

E. Eminent Domain. The Owner acknowledges and agrees to the following:

- i. Compliance with the terms of this Covenant is necessary for the public purpose of supplying inclusionary housing opportunities in the City.
- ii. This Property serves a public purpose in providing a homeownership opportunity for the Restricted Period to individuals who would otherwise have difficulty purchasing a home in the City due to market conditions.
- iii. Violation of this Covenant may result in the City bringing an eminent domain proceeding which would result in the City taking ownership of the Property in return for paying fair market value to the Owner.
- iv. In an eminent domain proceeding, the Owner agrees that the highest and best use of the Property will be calculated as restricted by this Covenant. The fair market value will be based on the Resale Price Limit as calculated in Section 4 of this Covenant.

F. Venue. Venue for a suit enforcing compliance shall be proper in the City and County of Broomfield, Colorado, and service may be made or notice given by posting such service or notice in a conspicuous place on the Property. As part of any enforcement action on the part of the City, the Owner shall pay all court costs and reasonable attorney’s fees incurred by the City in connection with

these claims, actions, liabilities or judgments, including an amount to pay for the time, if any, of the City and County Attorney's Office spent on such claims at the rates generally charged for similar services by private practitioners within the greater Denver metropolitan area.

13. Miscellaneous.

- A. This Covenant shall run with the land. It shall bind the Owner for the entirety of the Restricted Period, and the benefit hereof shall inure for a period of no less than the Restricted Period to the Owner, its heirs, legal representatives, executors, successors in interest and assignees, and to the City, its successors, designees, or assignees.
- B. The Owner shall only permit the Property to be used in compliance with all applicable laws and regulations of the United States, State of Colorado, and City and County of Broomfield.
- C. The Property is held and hereafter shall be held, conveyed, hypothecated, encumbered and occupied subject to these covenants, conditions, restrictions and limitations. All of the herein-stated covenants, conditions, restrictions and limitations are intended to constitute both equitable servitudes and covenants running with the land.
- D. Any buyer or transferee of the Property or of any portion of or interest in the Property, by acceptance of a deed therefor, or by the signing of a contract or agreement to purchase the same, shall, by acceptance of such deed or by the signing of such contract or agreement be deemed to have consented to and accepted the covenants, conditions, restrictions and limitations set forth herein.
- E. Notices to the City shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by the City by like notice:

City and County of Broomfield
One DesCombes Drive
Broomfield, CO 80020
Attn: Housing Policy Manager

Notices to the Owner may be given in like manner addressed to the Property.

- F. 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.

- G. The captions of the sections in this Covenant are for convenience only and shall not be used to interpret the meaning of any provision hereof.
- H. The conditions of this Covenant shall be interpreted so as to avoid speculation on the Property and to insure to the greatest extent possible that its purchase price and mortgage payments remain affordable for a period of no less than the Restricted Period to persons and families with incomes at the Area Median Income identified above.
- I. This Covenant is prior and superior to the Owner's right of a homestead exemption under Article XVIII, Section I of the Colorado Constitution and under Part 2, Article 41, Title 38 of the Colorado Revised Statutes or any successor statutes. The Owner waives its homestead rights to the full extent that they conflict with or impair the City's rights and remedies under this Covenant.
- J. The City and County Manager or a designee thereof shall have the right to modify this Covenant to deal with exigent circumstances.
- K. If any terms of this Covenant conflict with any prior permanently affordable housing covenant recorded against the Property for the benefit of the City, the terms in this Covenant shall apply.

