CITY OF GRAND JUNCTION, COLORADO

ORDINANCE NO. 5262

AN ORDINANCE LEASING 2.9 ACRES OF CITY PROPERTY TO VOLUNTEERS OF AMERICA LOCATED AT 450 28 RD GRAND JUNCTION, COLORADO PURSUANT TO VOTER APPROVAL

RECITALS:

In 2024 the City acquired property known as the Salt Flats (Property) for the development of affordable housing. Pursuant to this Ordinance and the lease approved hereby and herewith a portion of the Property, 2.9 acres is leased ("Property Lease 1") to Volunteers of America (VOA) for the development of 110 units of affordable rental units to households earning less than 60% AMI.

In November 2023 City voters approved an amendment to the City Charter which allowed the City to lease property by and with adoption of an ordinance for affordable housing and/or workforce housing, as those terms are defined by the City Council for a term not to exceed ninety-nine years. The City Council having been duly advised in the premises does find that that development that will be facilitated with Property Lease 1 is for affordable and/or workforce housing as defined by the Council.

The City Council, by and with approval of this Ordinance does confirm and ratify the actions heretofore taken and more particularly described in Property Lease 1, and specifically finds, determines, and affirms that the lease is for and advances public purposes and advances community interests, all of which are in furtherance of the development/redevelopment of the Property for the purposes for which it was acquired, the purposes authorized by the voters, and in turn for the general community well-being.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

Incorporating the foregoing Recitals, the City Council does confirm and ratify the actions heretofore taken and more particularly described in the lease agreement by and between VOA/MGL and the City of Grand Junction (Property Lease 1), a copy of which is attached and incorporated by this reference as if fully set forth, leasing the property therein described.

AND FURTHERMORE, BE IT ORDAINED, that this Ordinance, together with Property Lease 1, is deemed by the City Council to discharge the City Charter, as amended, and the laws and ordinances of the City of Grand Junction, Colorado and overall support and advance the public health, safety, and welfare.

Introduced on first reading this 4th day of June 2025 and ordered to be published in pamphlet form.

Adopted on second reading the 18 th day of June 2025 and ordered published in pamphlet form.

Cody Kennedy
President of the City Council

ATTEST:

Selestina Sandoval
City Clerk

I HEREBY CERTIFY THAT the foregoing Ordinance, being Ordinance No. 5262 was introduced by the City Council of the City of Grand Junction, Colorado at a regular meeting of said body held on the 4th day of June 2025, and the same was published in The Daily Sentinel, a newspaper published and in general circulation in said City, in pamphlet form, at least ten days before its final passage.

I FURTHER CERTIFY THAT a Public Hearing was held on the day of the 18th of June 2025, at which Ordinance No. 5262 was read, considered, adopted, and ordered published in pamphlet form by the Grand Junction City Council.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 25th day of June 2025.

Deputy City Clerk

Published: June 7, 2025
Published: June 21, 2025
Effective: July 21, 2025

RECEPTION#: 3149201
1/30/2026 2:23:22 PM, 1 of 50
Recording: $43.00,
Bobbie Gross, Mesa County, CO.
CLERK AND RECORDER

GROUND LEASE OPTION AGREEMENT

This Ground Lease Option Agreement ("**Agreement**"), dated June 18, 2025 ("**Effective Date**"), is between the City of Grand Junction, a Colorado home rule municipality (the "**City**"), and Volunteers of America National Services, ("**VOANS**").

Background

A. The City owns certain real property ("**Property**") located in the City of Grand Junction, County of Mesa, State of Colorado described as follows:

> Beginning at the NW corner of said Lot 4, whence the NE corner of Lot 4 bears S89°49'36"E as a basis of bearing; running thence S89°49'36"E 430.00 feet along the north line of Lot 4; thence S00°00'17"E 145.00 feet; thence N89°49'36"W 175.00 feet; thence S00°00'17"E 252.00 feet; thence N89°49'36"W 255.00 feet to the west line of Lot 4; thence N00°00' 17"W 397.00 feet along said west line to the NW corner of Lot 4 and the Point of Beginning.

The Property consists of an approximately 2.91-acre portion of a larger parcel of property ("**the Larger Parcel**"). The Larger Parcel is described as follows:

> LOT 4, GRAND VIEW COMMONS SUBDIVISION, AS PER PLAT RECORDED SEPTEMBER 24, 2024 UNDER RECEPTION NO. 3105054, COUNTY OF MESA, STATE OF COLORADO.

The City acquired the Larger Parcel by warranty deed dated January 9, 2025, Mesa County reception no. 314329. The City intends to use the Larger Parcel, including the Property, to facilitate the development of affordable housing.

B. VOANS desires to obtain from the City an exclusive, irrevocable option to enter into a ground lease ("**Ground Lease**") of the Property, and the City is willing to grant VOANS such an option, subject to the terms and conditions of this Agreement. The land subject to the Ground Lease is more particularly described in **Exhibit A: Description of the Property** and depicted in **Exhibit B: Depiction of the Property.**

C. VOANS desires to potentially lease the Property from the City with the intention of developing affordable rental housing on the Property in two phases (the "**Project**"). To facilitate development of the Project, VOANS will be applying for tax credits administered through the Colorado Housing and Finance Authority ("**CHFA**"). CHFA imposes certain requirements ("**Ground Lease Requirements**") upon any ground lease in which it will have a security interest.

D. By and through that Declaration of Restrictive Covenants recorded January 9, 2025 under reception no. 3114330, County of Mesa, State of Colorado (the "**Declaration**"), the City as Declarant subjected the Larger Parcel to certain restrictive covenants for the benefit of CHFA.

E. The City applied for a grant (the "**Program Grant**") from CHFA in its capacity as the Program Administrator for the Affordable Housing Financing Fund (the "**Fund**"), managed by the Colorado Office of Economic Development and International Trade ("**OEDIT**") through the

Fund's Land Banking Program (the "**Program**") to fund acquisition and development of the Larger Parcel. Accordingly, the City has certain commitments relevant to the Project, as articulated in the Amended and Restated Grant Commitment between the City and CHFA, dated November 24, 2024

Now, therefore, the parties agree as follows:

1. **Grant of Option.** In consideration of a nonrefundable payment from VOANS to the City of $100.00 ("**Option Fee**"), the City hereby grants to VOANS an exclusive, irrevocable option to enter into the Ground Lease, subject to the terms, conditions, and covenants set forth in this Agreement ("**Option**"). As of the Effective Date, the City acknowledges that the Option Fee has been paid.

2. **Option Term.** The term of the Option commences on the Effective Date and shall expire two years from the Effective Date unless this Agreement is extended by mutual agreement or terminated. Upon mutual execution of the Ground Lease, this Agreement shall automatically terminate.

3. **Materials to be Delivered.** City agrees to provide VOANS with the following:

A. Any, and all, written information in the possession of the City concerning the Property, including but not limited to, public works, planning and building department files;

B. Any, and all, vendor, contractor, lease or other agreements between the City and any third party relating to the Property; and

C. The most current version of the applicable Colorado Real Estate Commission's Seller's Property Disclosure form completed by the City to the City's actual knowledge, current as of the date of this Agreement.

4. **Property Inspection.** On and after the Effective Date, the City shall provide VOANS, its employees and agents, with ongoing access to the Property to, at VOANS' sole cost and expense, inspect it, conduct any due diligence, tests, surveys, or other studies or analysis, or to collect any data, samples, specimens or information as VOANS deems necessary, in its sole discretion. All inspections must be conducted at such times as are mutually agreeable to minimize the interruption of the City's use of the Property. VOANS shall not permit claims or liens of any kind against the Property for work performed on the Property at VOANS' request. VOANS agrees to indemnify, protect and hold City harmless from and against any liability, damage, cost or expense incurred by City and caused by any such work, claim or lien. This indemnity includes the City's right to recover all costs and expenses incurred by the City to defend against any such liability, damage, cost or expense, or to enforce this section, including the Town's reasonable attorney fees, and other legal fees and expenses. The provisions of this paragraph shall survive the termination of this Agreement.

5. **Environmental Review Contingency.** VOANS has no obligation to enter into the Ground Lease, or obtain any interest in the Property, unless and until the Responsible Entity under the applicable regulations has provided VOANs with a written notification that:

A. the Responsible Entity has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other contingencies in this Agreement;

(a) the lease may proceed, or

(b) the lease may proceed only if certain conditions to address issues in the environmental review are satisfied before or after the lease of the Property; or

B. the Responsible Entity has determined that the lease is exempt from federal environmental review and a request for release of funds is not required.

6. **Ground Lease.** The Ground Lease will be substantially similar to **Exhibit E: Form of Ground Lease** and the City will reasonably cooperate, consistent with the authority proscribed by the City Council, with VOANS to accommodate such modifications to the Form of Ground Lease as are reasonably required by CHFA or a tax credit award. City shall not unreasonably withhold, condition, or delay its consent to such modifications. The City Manager following consultation with the City Attorney and the City Attorney rendering an opinion that the City Manager has such authority is authorized to execute the final Ground Lease on behalf of the City without further approval by the City Council. The Ground Lease Shall:

A. Have a term of no less than 99 years.

B. Have a rental payment of $100 per annum.

7. **Covenants.** The City acknowledges that, in the event VOANS receives a tax credit allocation, VOANS may be required to record restrictive covenants as proscribed by CHFA (including those contained in the CHFA land use restriction agreement) that encumbers title to the Property and all improvements thereon. Notwithstanding any other provision herein to the contrary, the City agrees that in the event of a termination of a future Lease that no tenant may be evicted or rent raised for the three year period following foreclosure if such eviction or increase in rent would be contrary to the provisions of Section 42(h)(6)(E) of the Internal Revenue Code of 1986, as may be amended, and a future Lease is expressly subordinate to this provision.

8. **City's Obligations.**

A. During the term of this Agreement, the City shall carry on its business and activities relating to the Property substantially in the same manner as it did before the Effective Date, except as otherwise provided herein.

B. During the term of this Agreement, the City will not enter into any contract that will be an obligation affecting the Property subsequent to execution of the Ground Lease without the prior written consent of VOANS. Not later than execution of the Ground Lease, the City will terminate all contracts relating to the Property and any charges or costs due or arising thereunder shall be paid by the City in full.

9. **Exercise of the Option.** VOANS may exercise the Option at any time during the Option Term. To exercise the Option, VOANS must provide written notice of its election to exercise the Option (the "**Option Notice**") to the City. VOANS must use a form substantially similar **Exhibit C: Form of Option Notice** as its Option Notice.

10. **Casualty or Condemnation.** If a fire, earthquake, accident, or other casualty event damages or destroys the Property during the term of this Agreement, or if a governmental entity condemns all or any part of the Property, VOANS may cancel this Agreement by giving written notice to the City.

11. **Ground Lease Closing.** Should VOANS exercise the Option, at closing, the following will occur, each being a condition precedent to the others and all being considered as occurring simultaneously:

A. City shall execute, have acknowledged and deliver to VOANS: (i) the Ground Lease conveying a leasehold interest in the Property to VOANS; (ii) a certification that all representations and warranties made by the City in this Agreement are true, accurate, and complete as of the date of the closing; (iii) an affidavit certifying that the City is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Internal Revenue Code of 1986, as amended, and the corresponding income tax regulations; and (iv) such affidavits and agreements to or with a title company as title company shall require to issue to VOANS a policy of owner's title insurance.

B. VOANS will: (i) provide the City a certification that all representations, warranties, and covenants made by VOANS in this Agreement are true, accurate and complete as of the date of the closing; and (ii) pay the title company's closing costs and will execute settlement sheets, closing instructions, and such other agreements and documents (with customary pro-rations in accordance with local practice for commercial property transactions) as may be required to implement and to carry out the intent of this Agreement.

12. **Assignment.** VOANS is entitled to assign this Agreement to an Affiliate (defined below) without the prior written consent of the City. Any permitted assignee must agree to assume all of VOAN' obligations hereunder from and after the date of any such assignment, and VOANS shall remain liable for all obligations hereunder arising prior to the date of any such assignment. For purposes hereof, a person or entity shall be deemed an "**Affiliate**" of VOANS if VOANS shall, directly or indirectly through one or more intermediaries, control such entity and own at least fifty percent (50%) of the stock, membership, or partnership units of such entity or if the person or entity is a member of VOANS. In the case of a partnership or limited liability company formed to develop and lease the Property, the partnership or limited liability company shall be "affiliated" with VOANS if a general partner or managing member, as applicable, is an Affiliate. Any purported assignment by VOANS to a non-Affiliate without the City's consent, which may be withheld in the City's sole discretion, shall be null and void. VOANS shall provide the City with a written request for approval at least 10 business days prior to the effectiveness of any proposed assignment to a non-Affiliate.

13. **Exclusivity.** During the term of this Agreement, neither the City nor any agent or consultant of the City shall market, negotiate, investigate, contact, or discuss a possible sale, lease

or option of the Property or any development concepts or proposals relating to the Property with any person other than VOANS.

14. **Notices.** The parties shall send any notice, demand, or other communication under this Agreement to the parties at the following addresses:

If to VOANS:

Volunteers of American National Services
Attention: Debashish Chakravarty
1600 Duke Street
Alexandira, VA 22314
Email: dchakravarty@voa.org

with an email copy to:

Mitzie Smith-Mack
Msmith-mack@voa.org

Ben Doyle
ben.doyle@newcommunitieslaw.com

If to the City:

City of Grand Junction
Attn: City Manager
250 N. 5th Street
Grand Junction, CO 81501
Email: citymanager@gjcity.org

with an email copy to:

Grand Junction City Attorney
cityattorney@gjcity.org

The parties shall give all notices in writing. The parties shall deliver notices by hand, through an overnight courier service for next business day delivery, by e-mail, or through the U.S. Mail, postage prepaid, registered or certified. Notices are to be deemed received as of the date of hand delivery, the next business day if sent via overnight courier, upon e-mail transmission, or three days after depositing same in the United States Mail if sent via certified or registered mail. A party may change its address for notices by giving written notice to the other party in accordance with this Section.

15. **Default.**

A. Except as otherwise expressly addressed in this Agreement (which provisions shall control), with respect to a breach or failure by VOANS to abide by the terms and conditions of this Agreement, the City shall provide written notice to VOANS of such failure and shall allow VOANS 15 days to cure such failure; provided, however, that if the breach does not involve the payment of money, the breach does not place the Property in jeopardy of suffering physical harm or danger of being seized or forfeited, and if VOANS is diligently and in good faith pursuing the cure of such breach, then VOANS shall have an additional 30 days to cure such breach and the expiration of such 30 days, without cure, shall be an immediate event of default hereunder without the need to give additional notices pursuant to this Section. In the event VOANS fails to timely cure as provided in this Section, at its election, the City, as its sole remedies, may (a) terminate this Agreement, seek recovery of its reasonable out-of-pocket costs and expenses incurred in connection with this Agreement, and retain the Option Fee, or (b) waive the uncured default and proceed with the transaction contemplated by this Agreement.

B. Except as otherwise expressly addressed in this Agreement (which provisions shall control), with respect to a breach or failure by the City to abide by the terms and conditions of this Agreement, VOANS shall provide written notice to the City of such failure and shall allow the City 15 days to cure such failure; provided, however, that if the breach does not involve the payment of money, the breach does not place the Property in jeopardy of suffering physical harm or danger of being seized or forfeited, and if the City is diligently and in good faith pursuing the cure of such breach, then the City shall have an additional 30 days to cure such breach and the expiration of such 30 days, without cure, shall be an immediate event of default hereunder without the need to give additional notices pursuant to this Section. In the event the City fails to timely cure as provided in this Section, at its election, VOANS, as its sole remedies, may (a) treat this Agreement as being in full force and effect and proceed with the transaction contemplated by this Agreement, thereby waiving such default and any right to terminate this Agreement; or (b) treat this Agreement as canceled, in which case, as VOANS' sole recoverable damages, within 30 days after receipt of documentation from VOANS including invoices and proof of payment, the City shall pay to VOANS the actual out-of-pocket costs and expenses (including reasonable attorney fees, costs and disbursements) incurred by VOANS in connection with negotiation of this Agreement and the transactions contemplated hereby and VOANS' due diligence activities, which damages shall not exceed $75,000 in the aggregate; or (c) treat this Agreement as being in full force and effect and seek specific performance to compel the City to execute and deliver the Ground Lease and to close the transaction contemplated by this Agreement by filing suit within 60 days following notice of the City's default, in addition to damages; provided, however, in the event specific performance is not an available remedy as a result of any action taken by the City, then VOANS may elect to terminate this Agreement, and the City shall reimburse VOANS within 30 days for VOANS' direct and indirect damages, including without limitation all costs and expenses (including reasonable attorneys' fees, costs and disbursements) related to the negotiation of this Agreement and the transactions contemplated hereby and VOANS' due diligence, which damages shall not exceed $75,000 in the aggregate.

16. **Attorneys' Fees and Costs.** If any litigation or arbitration arising out of or relating to this Agreement is commenced, regardless of whether it is later dismissed, the non-prevailing party shall pay the prevailing party's reasonable attorney fees, costs, and expenses, including

expert witness fees and expenses, in addition to any other relief to which the prevailing party is granted.

17. **Successors and Assigns.** This Agreement binds and inures to the benefit of the parties and their respective successors and permitted assigns.

18. **Governing Law.** The laws of the State of Colorado govern this Agreement and the legal relations between the parties, without reference to conflicts of law principles.

19. **Time of the Essence.** Time is of the essence in the performance of this Agreement.

20. **Severability.** If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the legality, validity, and enforceability of the remaining provisions are not to be affected unless the severance of the invalid, illegal, or unenforceable provision eliminates the material benefit of this Agreement for either party.

21. **Construction.** The parties acknowledge that this Agreement has been negotiated at arm's length and in good faith. Each party has been represented by or has been given the opportunity to be represented by, legal counsel. The default rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

22. **Calculation of Time Periods.** Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday, or legal holiday for national banks in Colorado, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, or legal holiday.

23. **No Joint Venture.** Nothing contained in this Agreement is to be construed to create a partnership, an agency relationship, a joint venture or any similar relationship between the City and VOANS, or any implied duties.

24. **No Third Party Beneficiaries.** The parties enter into this Agreement for the sole benefit of VOANS and the City. No other parties are intended to be direct or indirect beneficiaries, and no third party has any rights in, under, or to this Agreement.

25. **Waiver.** The failure of either party to require performance of any provision of this Agreement does not limit that party's right to enforce the provision in the future. Waiver of any breach of any provision are not to be deemed a waiver of any other breach of the provision or a waiver of the provision itself or any other provision.

26. **Amendments.** Any amendment to this Agreement must be in writing and signed by both parties.

27. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be delivered by electronic mail

to each party as electronically imaged signatures such as .pdf files or by any other method which complies with the Uniform Electronic Transactions Act, C.R.S. §§ 24-71.3-101 et seq. (e.g., www.docusign.com).

28. **No Brokers.** Each of the parties represents and warrants to the other that notwithstanding any provision contained in this Agreement, neither party has dealt with, negotiated through or communicated with any broker in connection with the Transaction, and each party shall indemnify, defend and hold harmless the other party from and against any and all claims, loss, costs and expenses, including reasonable attorneys' fees, resulting from any claims that may be made against the indemnified party by any broker claiming a commission or fee by, through or under the indemnifying party or otherwise. The parties' obligations under this section shall survive Closing or termination of this Agreement.

29. **Recording.** Neither party shall record this Agreement without the prior written consent of the other party. If requested by VOANS, the City shall execute and deliver to VOANS a memorandum of this Agreement in substantially the form attached hereto as **Exhibit D: Memorandum of Ground Lease Option,** which VOANS may record in the real property records of the county in which the Property is located. Upon termination of this Agreement, VOANS will promptly provide to the City such documents as are reasonably requested by the City to remove from title to the Property the effect of recording the memorandum.

30. **No Survival.** Except as otherwise expressly provided in this Agreement or in the Ground Lease, upon execution of the Ground Lease, any and all rights of action of either party for any breach by the other party, and any representation, warranty, covenant, or other obligation contained in this Agreement merge with the Ground Lease and do not survive execution of the Ground Lease, and neither party may commence any action based on this Agreement after the commencement of the Ground Lease.

31. **Entire Agreement.** This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to its subject matter or the Property.

(Remainder of page intentionally left blank; signature page(s) follow.)

The parties have executed this Ground Lease Option Agreement effective as of the Effective Date.

Volunteers of America National Services,
a Minnesota nonprofit corporation

By: _____

Name: Debashish Chakravarty

Title: Assistant Secretary/Assistant Treasurer

The City of Grand Junction,

a Colorado home rule municipality

By: _____
Michael P. Bennett, City Manager

Attest: _____
Selestina Sandoval, City Clerk

EXHIBIT A

TO

GROUND LEASE OPTION AGREEMENT

DESCRIPTION OF THE PROPERTY

A parcel of land located in Lot 4 of the Grand View Commons Subdivision 9 as recorded at Reception No. 3105054 In the Mesa County Clerk and Recorders office, situated in the SW1/4NW1/4 of Section 18, Township 1 South, Range 1 East, of the Ute Meridian, Grand Junction, Mesa County, Colorado, described as:

Beginning at the NW corner of said Lot 4, whence the NE corner of Lot 4 bears S89°49'36"E as a basis of bearing; running thence S89°49'36"E 430.00 fest along the north line of Lot 4; thence S00°00'17"E 145.00 feet; thence N89°49'36"W 175.00 feet; thence S00°00'17"E 252.00 feet; thence N89°49'36"W 255.00 feet to the west line of Lot 4; thence N00°00'17"W 397.00 foot along said west line to the NW corner of Lot 4 and the Point of Beginning.

Parcel contains 2.91 acres.

Exhibit A

to

MEMORANDUM OF GROUND LEASE OPTION

LEGAL DESCRIPTON

A parcel of land located in Lot 4 of the Grand View Commons Subdivision 9 as recorded at Reception No. 3105054 In the Mesa County Clerk and Recorders office, situated in the SW1/4NW1/4 of Section 18, Township 1 South, Range 1 East, of the Ute Meridian, Grand Junction, Mesa County, Colorado, described as:

Beginning at the NW corner of said Lot 4, whence the NE corner of Lot 4 bears S89°49'36"E as a basis of bearing; running thence S89°49'36"E 430.00 fest along the north line of Lot 4; thence S00°00'17"E 145.00 feet; thence N89°49'36"W 175.00 feet; thence S00°00'17"E 252.00 feet; thence N89°49'36"W 255.00 feet to the west line of Lot 4; thence N00°00'17"W 397.00 foot along said west line to the NW corner of Lot 4 and the Point of Beginning.

Parcel contains 2.91 acres.

Exhibit B

TO

GROUND LEASE OPTION AGREEMENT

DEPICTION OF THE PROPERTY

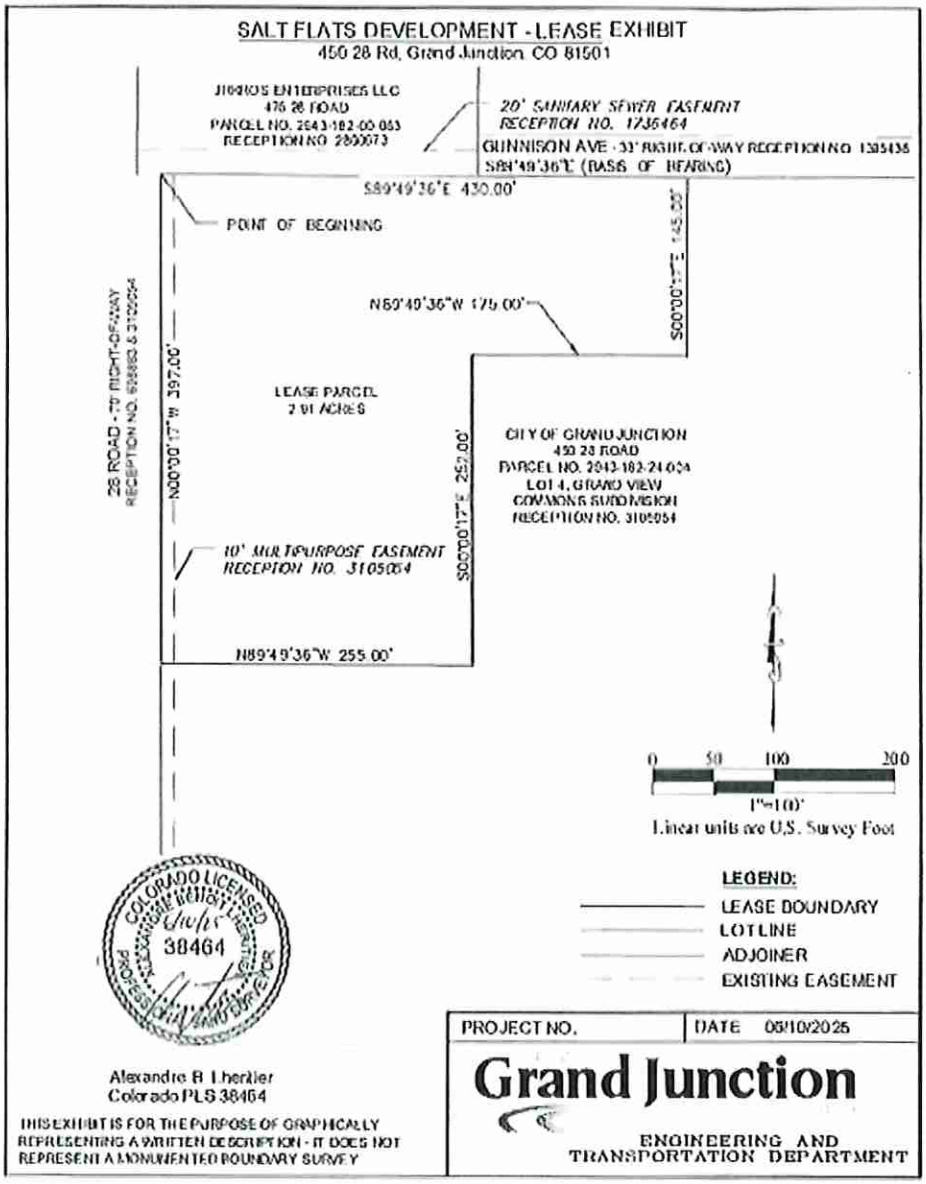


EXHIBIT C

TO

GROUND LEASE OPTION AGREEMENT

FORM OF OPTION NOTICE

[Date]

City of Grand Junction
250 N. 5th Street
Grand Junction, CO 81501
Attn: City Manager

RE: Exercise of Option to Ground Lease

City Manager:

Pursuant to that certain Ground Lease Option Agreement by and between the City of Grand Junction and Volunteers of America National Services ("VOANS"), effective June 18, 2025, VOANS hereby gives notice of its exercise of the option granted under such agreement.

Volunteers of America National Services
a Minnesota nonprofit corporation

By: _____

Name: Debashish Chakravarty

Title: Assistant Secretary/Assistant Treasurer

EXHIBIT D
TO
GROUND LEASE OPTION AGREEMENT
MEMORANDUM OF GROUND LEASE AGREEMENT

MEMORANDUM OF GROUND LEASE OPTION

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Volunteers of America National Services
Attention: Debashish Chakravarty
1600 Duke Street
Alexandira, VA 22314

MEMORANDUM OF GROUND LEASE OPTION

This Memorandum of Ground Lease Option ("**Memorandum**") is between City of Grand Junction, a Colorado home rule municipality ("**CITY**"), and Volunteers of America National Services, a Minnesota nonprofit corporation ("**VOANS**").

1. The City and VOANS entered into a Ground Lease Option Agreement dated June 18, 2025 ("**Option**"), pursuant to which the City granted VOANS an exclusive option to lease the real property described on **Exhibit A: Legal Description**.

2. The Option remains in effect through June 18, 2027, unless sooner extended or terminated in accordance with its terms.

3. As long as the Option remains in effect, any conveyance of any nature to any party other than VOANS or its assigns without VOANS' consent is void.

4. This Memorandum has been executed, acknowledged and recorded solely for the purpose of providing constructive notice of the Option. This Memorandum may be executed in any number of counterparts, and all of such counterparts so executed together shall be deemed to constitute one and the same agreement, and each such counterpart shall be deemed to be an original. If any inconsistency or conflict exists between the provisions of this Memorandum and the Option, the terms, covenants and conditions of the Option shall control. This Memorandum shall inure to the benefit of and be binding upon the Parties and their respective heirs, personal representatives, successors and permitted assigns.

(*Signature pages follow.*)

The parties have agreed to this Memorandum of Ground Lease Option as of the first date set forth above.

City of Grand Junction,
a Colorado home rule municipality

By: _____
Michael P. Bennett, City Manager

Attest: _____
Selestina Sandoval, City Clerk

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 13 day of January, 2026 by Mike Bennett, City Manager of City of Grand Junction, a Colorado home rule municipality.

Witness my hand and official seal.

My commission expires: 4/4/2029

_____
Notary Public

KERRY GRAVES
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214013283
MY COMMISSION EXPIRES 04/04/2029

Volunteers of America National Services,
a Minnesota nonprofit corporation

By: _____
Debashish Chakravarty
Assistant Treasurer/Assistant Secretary

STATE OF Virginia)
) ss
COUNTY OF Alexandria)

The foregoing instrument was acknowledged before me this 19 day of December, 2025 by _Debashish Chakravarty_ of Volunteers of America National Services, a Minnesota nonprofit corporation.

Witness my hand and official seal.

BRITTANY ANAIYA LEWIS
Notary Public
Commonwealth of Virginia
Registration No. C0354506
My Commission Expires May 31, 2029

My commission expires: 05.31.2029

_____
Notary Public

Exhibit E

TO

GROUND LEASE OPTION AGREEMENT

Form of Ground Lease

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement" or "Lease") is hereby made and entered into this ____ day of _____, 20___, by and between the City of Grand Junction, a Colorado home rule municipality ("City"), and Volunteers of America National Services ("Lessee") or any successor to Lessee, whose legal address is 1660 Duke Street Alexandria, VA 22314 (hereinafter collectively referred to as the "Parties").

RECITALS

A. The City is the owner of that certain real property located in the City of Grand Junction, County of Mesa, State of Colorado, described as follows:

> Beginning at the NW corner of said Lot 4, whence the NE corner of Lot 4 bears S89°49'36"E as a basis of bearing; running thence S89°49'36"E 430.00 feet along the north line of Lot 4; thence SOO°00'17"E 145.00 feet; thence N89°49'36"W 175.00 feet; thence SOO°00'17"E 252.00 feet; thence N89°49'36"W 255.00 feet to the west line of Lot 4; thence N00°00'17"W 397.00 feet along said west line to the NW corner of Lot 4 and the Point of Beginning. Parcel contains 2.91 acres. subject to final subdivision approval and less and except any roadways or rights of way dedicated to the City ("Property"), subject to final subdivision approval, and less and except any roadways or rights of way dedicated to the City ("Property")

The Property consists of an approximately 3.0-acre portion of a larger parcel of property ("the Larger Parcel"). The Larger Parcel is described as follows:

> LOT 4, GRAND VIEW COMMONS SUBDIVISION, AS PER PLAT RECORDED SEPTEMBER 24, 2024 UNDER RECEPTION NO. 3105054, COUNTY OF MESA, STATE OF COLORADO.

The City acquired the Larger Parcel by warranty deed dated January 9, 2025, Mesa County reception no. 3114329. The City intends to use the Larger Parcel, including the Property, to facilitate the development of affordable housing.

B. Lessee desires to lease the Property from the City with the intention of developing affordable rental housing on the Property in two phases (the "Project"). To facilitate development of the Project, Lessee will be applying for tax credits administered through the Colorado Housing and Finance Authority ("CHFA"). CHFA imposes certain requirements ("Ground Lease Requirements") upon any ground lease in which it will have a security interest.

C. By and through that Declaration of Restrictive Covenants recorded January 9, 2025 under reception no. 3114330, County of Mesa, State of Colorado (the "Declaration"), the City as Declarant subjected the Larger Parcel to certain restrictive covenants for the benefit of CHFA.

D. The City applied for a grant (the "Program Grant") from CHFA in its capacity as the Program Administrator for the Affordable Housing Financing Fund (the "Fund"), managed by the Colorado Office of Economic Development and International Trade ("OEDIT") through the Fund's Land Banking Program (the "Program") to fund acquisition and development of the Larger Parcel. Accordingly, the City has certain commitments relevant to the Project, as articulated in the Amended and Restated Grant Commitment between the City and CHFA, dated November 24, 2024.

E. The City agrees to lease, as allowed by voter approval for a term of 99 years, the Property to the Lessee and any authorized successor(s) as specified in this Agreement.

NOW, THEREFORE, for and in consideration of the payment of rent and the performance of the promises, covenants, conditions, restrictions, duties, and obligations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Grant and Acceptance of Lease. The City hereby leases the Property to the Lessee, as more particularly described in **Exhibit E1: Legal Description and depicted in Exhibit E2: Depiction of Lease Area**, which are attached to this Lease and incorporated by this reference. Lessee hereby accepts and leases the Property from the City, for the Term (defined in Section 2 below).

2. Term. The term of this Lease shall commence upon its execution by the Parties ("Term Commencement Date") and shall continue for ninety-nine (99) years ("Term"), at which time this Lease shall expire, if not extended by voter approval. In the event that Lessee fails to secure an award of tax credits from CHFA, site plan approval, or sufficient funding for the construction of the Project prior to the fifth anniversary of the date of this Lease, Lessee may terminate this Lease by notice to the City, and thereafter all obligations of Lessee will cease except those specifically stated to survive the expiration of this Lease.

3. Rent. Rent for the Property specified in **Exhibit E1: Legal Description** during the Term shall paid in accordance with the following schedule:

$100 per annum

Rent shall be due and payable, without the City's demand, on or before each anniversary of the Term Commencement Date, until the termination of the Term without proration for the number of days and/or months remaining in such calendar year during which the Lease becomes

effective. Should payment of Rent not be received by the City on or before such date, Lessee hereby agrees to pay the City a late charge of $75.00, which amount shall be added to the amount of Rent(s) due.

4. Use and Condition of the Property.

4.1 Lessee agrees that its use and occupancy of the Property and development of the Project shall be subject to all applicable laws, rules, regulations, codes, rulings, and ordinances of any governmental authority, either now in effect or hereafter enacted, having jurisdiction over the Property and Lessee's use, occupancy, and operations thereon. Lessee agrees that it shall not use nor permit the Property to be used for any other purpose or in any other fashion or manner contrary to the provisions of this Lease or the laws, ordinances, codes, or regulations of any governmental unit or agency exercising jurisdiction over the Property or any use thereon.

4.2 Lessee agrees to construct the Project and maintain, clean, and repair all aspects of the Property at Lessee's sole cost and expense, including, but not limited to, driveways, fences, parking spaces, lights, or gates located or hereafter constructed by Lessee on the Property, and to not cause damage to the Property. Lessee agrees that the City shall not be obligated or required to repair damages to any portion or aspect of the Property.

4.3 Lessee has inspected the Property, the rights, and privileges appurtenant thereto, and the laws, rules, regulations, codes, and ordinances governing Lessee's use, occupancy and operations thereon. Lessee agrees that the condition of the Property and such rights, privileges, rules, regulations, codes, and ordinances are sufficient for the Lessee's purposes. The City makes no warranties, promises, or representations, express or implied, oral, or written, that the Property is sufficient for the purposes of the Lessee. If the Property is damaged due to fire, flood, or other casualty, or if the Property or any aspect thereof is damaged or deteriorates to the extent that it is no longer functional for the purposes of the Lessee, the City shall have no obligation to repair the Property or to otherwise make the Property usable or occupiable, and damages shall be at Lessee's own risk.

4.4 Lessee agrees to make a reasonable effort to keep the Property free from noxious weeds. Lessee further agrees that it shall not commit waste nor permit waste, damage, or injury to the Property.

4.5 The Property, as a portion of the Larger Parcel, is subject to all terms, conditions, restrictions, and covenants of the Declaration. To the extent that any provision of this Lease Agreement is more restrictive than the terms of the Declaration, the more restrictive terms of this Lease Agreement shall govern the Property.

4.6 All improvements currently existing on the Property or constructed on the Property by Lessee as permitted by this Lease shall be owned by Lessee for income tax purposes until expiration of the Term or sooner termination of this Lease. Lessee alone will be entitled to all of the tax attributes of such ownership including, without limitation, the right to claim depreciation or cost recovery deductions, and the right to claim Federal low income housing tax credits, and Lessee shall have the right to amortize capital costs and to claim any other Federal or state tax

benefits attributable to the ownership of all improvements and renovations constructed on the Property.

4.7 All improvements on or to the Property (other than signs and personal property of Lessee located on the Property) shall become the City's property, free and clear of all encumbrances placed by or through Lessee, at the expiration of the Term or sooner termination of this Lease. No additional compensation shall be due Lessee from the City, with any value for such having been included in the Lease consideration.

4.8 The City will cooperate with Lessee to the extent that City's consent or signature is required to join in applications or agreements required by any governmental authority or the utilities serving the Project, and all documents, agreements, applications, and related documents required for the platting, construction, development, and operation of the Project, including any land use restriction agreements, provided that such actions by the City shall be at no cost or liability to the City.

5. Non-Liability of the City for Damage. The City shall not be liable for damage claims for injury to persons or property, from any cause relating to the occupancy and use of the Property by Lessee or any person or interest claiming by or through the Lessee or any successor(s) thereto, including those arising out of damages or losses occurring on areas adjacent to the Property or easements used for the benefit of the Property during the Lease Term or any extension thereof, nor for any injury or damage to any property of the Lessee or any other party, from any cause whatsoever. Lessee and any successor(s) thereto agree to indemnify the City, its officers, employees, and agents, and hold the same harmless from all liability, loss, or other damage claims or obligations resulting from any injuries, including death, or losses of any nature except as results from the gross negligence or willful misconduct of the City.

Furthermore, the City shall not be liable to Lessee for any damages, or any loss of profits or loss of opportunities claimed by Lessee or any successor(s) thereto or for interruption of Lessee's or any successor's(s') business or operations resulting from the environmental condition of the Property, fire, the elements, or casualty, of any kind.

6. Hazardous Substances.

6.1 The term "Hazardous Substances" as used in this Agreement, shall mean any substance which is defined as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law enacted by any federal, state and local governmental agency or other governmental authority; a petroleum hydrocarbon, including, but not limited to, crude oil or any fraction thereof; hazardous, toxic or reproductive toxicant; regulated pursuant to any law; any pesticide or herbicide regulated under state or federal law, but excluding any substance in quantities consistent with residential household usage.

The term "Environmental Law", as used in this Lease Agreement, shall mean each and every federal, state and local law, statute, ordinance, regulation, rule, judicial or administrative order or decree, permit, license, approval, authorization or similar requirement of each and every federal, state and local governmental agency or other governmental authority, pertaining to the protection of human health and safety of the environment, either now in force or hereafter enacted.

6.2 Lessee shall not cause or permit to occur by Lessee or Lessee's agents, guests, invitees, contractors, licensees, or employees the following:

(a) Any violation of any Environmental Law on, under or about the Property or arising from Lessee's use and occupancy of the Property, including, but not limited to, air, soil and groundwater conditions; or

(b) the use, generation, accidental or uncontrolled release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance on, under or about the Property, or the transportation to or from the Property of any Hazardous Substance in any case in violation of any federal state or local law, ordinance or regulation either now in force or hereafter enacted.

7. Environmental Clean-Up.

7.1 The following provisions shall be applicable to Lessee and to Lessee's agents, guests, invitees, contractors, licensees, and employees:

(a) Lessee shall, at Lessee's sole cost and expense, comply with all Environmental Laws and laws regulating the use, generation, storage, transportation, or disposal of Hazardous Substances;

(b) Lessee shall, at Lessee's sole cost and expense, make all submissions and provide all information required by and/or to comply with all requirements of all governmental authorities (the "Authorities") under Environmental Laws and other applicable laws,

(c) Should any Authority or the City demand that a clean-up plan be prepared and that a clean-up plan be undertaken because of any deposit, spill, discharge or other release of Hazardous Substances on, under or about the Property occurring during the Term and arising from Lessee's, its agents', guests', invitees', contractors', licensees' or employees' use of the Property, Lessee shall, at Lessee's sole cost and expense, prepare and submit the required plan(s) and all related bonds and other financial assurances, and Lessee shall carry out all such clean-up plan(s) in compliance with the Authorities and all Environmental Laws and other applicable laws.

(d) Lessee shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances requested by any Authority. If Lessee falls to fulfill any duty imposed hereunder within a reasonable time, the City may do so on Lessee's behalf and, in such case, Lessee shall cooperate with the City in the preparation of all documents the City or any Authority deems necessary or appropriate to determine the applicability of Environmental Laws to the Property and Lessee's use thereof, and for compliance therewith. Lessee shall execute all of the aforementioned documents promptly upon the City's request. No such action by the City and no attempt made by the

City to mitigate damages under any Environmental Law or other applicable law shall constitute a waiver of any of Lessee's obligations hereunder.

(e) Lessee's obligations and liabilities hereunder shall survive the expiration or termination of this Lease Agreement.

7.2 Lessee shall indemnify, defend and hold the City, its officers, employees and agents harmless from all fines, suits, procedures, claims and actions of every kind, and all costs associated therewith (including the costs and fees of attorneys, consultants and experts) arising out of or in any way connected with any deposit, spill, discharge or other release of Hazardous Substances and the violation of any Environmental Law and other applicable law by Lessee and/or Lessee's agents, guests, invitees, contractors, licensees and employees that occur during the term of this Lease or any extension thereof, or from Lessee's failure to provide all information, make all submissions, and take all actions required by all Authorities under the Environmental Laws and other applicable laws. Lessee's obligations and liabilities hereunder shall survive the expiration or termination of this Lease Agreement.

8 Lessee's Obligation to Produce Affordable Housing Units

8.1 As a condition of the Program Grant, the City is subject to certain milestones that must be met for development of 324 affordable-housing units on the Larger Parcel. To enable the City to meet those milestones, Lessee's development of the Property shall be subject to certain conditions.

8.2 Lessee shall produce on the Property affordable housing units, defined as rental units that are restricted to households with annual incomes at or below sixty percent (60%) of Area Median Income ("AMI"), under the following timetable: 110 units shall be developed in two phases within 7 years of January 9, 2025, the day the City purchased the Larger Parcel. Development of the 110 units shall be considered complete under this Lease Agreement if and only if both phases of development have been fully funded, and fully permitted by the City.

8.3 AMI, as well as the maximum rental rates that can be charged to tenants of the Project, shall be determined periodically as set by the United States Department of Housing and Urban Development (HUD) and/or CHFA.

8.4 Failure by the Lessee to adhere to the timetable of section 8.2 shall be deemed a default under the terms of this Lease Agreement entitling the City to terminate this Lease as to any undeveloped portion of the Property and reversion of that portion of the Property to the City, at the City's sole discretion and as its sole remedy.

8.5 Lessee may request in writing, and the City may grant in its commercially reasonable discretion, a single, one-year extension on the timetable identified in section 8.1 above.

9 Reporting Obligations

9.1 As a condition of the Program Grant, the City is obligated to adhere to certain quarterly reporting requirements. In order for the City to meet those requirements, Lessee is obligated to report the necessary information to the City.

9.2 Reports from Lessee to the City shall be due on the 15th day of the month immediately following the conclusion of each quarter, with the first report being due on or before October 15, 2025. Reporting requirements are enumerated in the attached **Exhibit E3:CHFA Agreement**, which is incorporated into this Lease by this reference.

9.3 The City may also request additional reporting to ensure compliance with Proposition 123 and may conduct periodic audits in its discretion and as deemed necessary to ensure compliance with the terms of this Lease. Agreement.

10 CHFA Ground Lease Requirements

10.1 The requirements imposed by CHFA upon Lessee and City referenced in Recital above are enumerated in the attached **Exhibit E4: CHFA Exhibit E**, which is incorporated into this Lease Agreement by this reference. Such provisions will be binding on Lessee and the City and the rights of CHFA included therein will run to the benefit of CHFA or any other construction or permanent lender selected by Lessee. To the extent there is a conflict between the terms of Exhibit E4 and this Lease, the terms of Exhibit E4 will control.

11 Environmental Sustainability Standards

11.1 Pursuant to the terms of the Program Grant, the City must ensure that the Project meets certain Environmental Sustainability Standards (the "Standards"). Accordingly, Lessee is required under the terms of this Lease to meet these Standards.

11.2 To meet these Standards, the Project must achieve certification from one of the following:

- 2020 Enterprise Green Communities (EGC)
- Leadership in Energy and Environmental Design LEED v.4.1 (LEED)
- National Green Building Standards NGBS ICC-700-2020 (NGBS)
- Zero Energy Ready Homes standard (US DOE)

11.3 Additionally, buildings in the Project must be all-electric, using high efficiency electric appliances such as heat pumps and heat pump water heaters, or a mixed-fuel building that includes pre-wiring for efficient electric heating and appliances and includes pre-wiring to enable future installation of EV charging station(s) of at least 10% of parking spots.

11.4 Finally, buildings in the Project must utilize water-efficient design inside and outside. Full guidance can be found at coloradowaterwise.org.

12 Default; Sublet; Termination; Assignment.

12.1 Should Lessee: (a) default in the performance of its agreements or obligations herein and any such default continue for a period of ninety (90) days after written notice thereof is given by the City to Lessee; or (b) abandon or vacate the Property; or (c) be declared bankrupt, insolvent, make an assignment for the benefit of creditors, or if a receiver is appointed; the City, at the City's option, may cancel and annul this Lease at once and immediately enter and take possession of the Property without any previous notice of intention to reenter, and such reentry shall not operate as a waiver or satisfaction in whole or in part of any claim or demand arising out of or connected with any breach or violation by Lessee of any covenant or agreement to be performed by Lessee. Upon reentry the City may remove the personal property and personnel of Lessee and store Lessee's personal property in a warehouse or at a place selected by the City, at the expense of Lessee and without liability to the City. Any such reentry shall not work a forfeiture of nor shall it terminate the rent(s) to be paid or the covenants and agreements to be performed by Lessee for the full term of this Lease; and, upon such reentry, the City may thereafter lease or sublease the Property for such rent as the City may reasonably obtain, crediting Lessee with the rent so obtained after deducting the cost reasonably incurred in such reentry, leasing or subleasing, including the costs of necessary repairs, alterations and modifications to the Property. Nothing herein shall prejudice or be to the exclusion of any other rights or remedies which the City may have against Lessee, including, but not limited to, the right of the City to obtain injunctive relief based on the irreparable harm caused to the City's reversionary rights.

12.2 If Lessee is in default in the performance of any term or condition of this Lease Agreement, the City may, at its option, terminate this Lease upon giving thirty (30) days written notice. If Lessee fails within any such thirty (30) day period to remedy each and every default specified in the City's notice, this Lease shall terminate. Notwithstanding the foregoing, City agrees not to exercise this right as to any portion of the Property that has been awarded tax credits during any "compliance period" (as defined under Section 42 of the Internal Revenue Code of 1986, as amended).

12.3 Subject to the specific exception described in Section 12.4, Lessee shall not assign or sublease the Property, or any right or privilege connected therewith, or allow any other person, except officers, employees, agents, and clientele of Lessee, to occupy the Property or any part thereof without first obtaining the written consent of the City, which consent must be approved and ratified by the City Council of the City, and the written consent of CHFA. Any attempt to sublet, assign or transfer without the prior written consent of the City and CHFA shall be void *ab initio*. In the event an assignment of this Lease or a sublease is authorized by the City and CHFA, Lessee shall not be released from Lessee's obligations and duties under this Lease and this Lease shall remain in full force and effect. Any consent by the City and CHFA shall not be a consent to a subsequent assignment, sublease, or occupation by any other party. Any unauthorized assignment, sublease, or permission to occupy by Lessee shall be

void and shall, at the option of the City and CHFA, provide reasonable cause for the City to terminate this Lease. The interest of Lessee in this Lease is not assignable by operation of law without the formal approval and ratification by the City Council of the City and written approval by CHFA.

12.4 Notwithstanding Section 12.3, Lessee may assign and/or sublease the Property to a Single Purpose Entity (SPE) without the City's consent. The SPE shall be a unique entity created by Lessee for the sole purpose of developing the property. The SPE shall be controlled by Lessee as the SPE's managing General Partner. No other exceptions to Section 12.3 shall be permitted.

12.5 Notwithstanding Section 12.3, Lessee may at any time, and from time to time, enter into dwelling leases with residential tenants and subject the leasehold estate, and any or all of Lessee's improvements situated on the Property, to one or more mortgages, deeds of trust, security agreements, or financing statements as security for a loan or loans or other obligation of Lessee (each a "Leasehold Mortgage"), provided that Lessee shall give Landlord notice of such Leasehold Mortgage. Notwithstanding anything to the contrary, the parties hereto agree that the City's consent shall not be required for (a) the removal and replacement of Lessee's general partner by any Lessee investor limited partner, or (b) the transfer by Lessee's investor limited partner of its interest in Lessee.

12.6 Lessee shall not engage or allow any contractor, material man or supplier to perform any work or supply any materials or other goods or services on any portion of the Property which could be the subject of a mechanic's lien.

13 Lessee hereby authorizes CHFA, OEDIT, and the City to use information regarding or relating to the Project to publicize and/or report on their financing activities in any manner of communication or media including, but not limited to, in press releases, websites, social media, flyers, advertisement, community reports, etc., without further authorization or the consent of Lessee, provided that confidential or other proprietary information is not shared. Lessee agrees to obtain prior written approval from CHFA, OEDIT and/or the City prior to using the name or logo of CHFA, OEDIT and/or the City in any press release, media events, website, social media or any other public communication.

14 Fees or Commissions. The parties to this Lease warrant that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. The City and Lessee agree to defend, indemnify and hold the other harmless from any claim for real estate brokerage commissions or finder's fees asserted by any other party claiming to be entitled to brokerage commissions or finder's fees arising out of this Lease.

15 Notices. All notices to be given with respect to this Lease shall be in writing delivered either by United States mail or Express mail, postage prepaid, by email, or by hand or courier service as follows:

If to VOANS:

Volunteers of American National Services
Attention: _____
1600 Duke Street
Alexandira, VA 22314
Email: _____

with an email copy to:

Mitzie Smith-Mack
Msmith-mack@voa.org

Ben Doyle
ben.doyle@newcommunitieslaw.com

If to the City:

City of Grand Junction
Attn: City Manager
250 N. 5th Street
Grand Junction, CO 81501
Email: citymanager@gjcity.org

with an email copy to:

Grand Junction City Attorney
cityattorney@gjcity.org

All notices shall be deemed given: (1) if sent by mail, when deposited in the mail; (2) if delivered by hand or courier service, when delivered or attempted delivery is made; or (3) if sent via email, when transmitted. The parties may, by notice as provided above, designate a different address to which notice shall be given.

16 Not a Partnership.

16.1 The City, by entering into this Lease Agreement, does not part with its entire possession of the Property, but only so far as it is necessary to enable Lessee to use the Property and carry out the terms and provisions of this Lease. It is expressly agreed between the Parties that this Agreement is one of lease and not of partnership and that the City shall not be or become responsible for any debts contracted or incurred by Lessee. Lessee shall save, indemnify and hold the City, its officers, employees and agents harmless against all liability and loss, and against all claims or actions based upon or arising out of any claim, lien, damage or injury (including death), to persons or property caused by Lessee or sustained in connection with Lessee's performance of the terms and conditions of this Agreement or the conditions created thereby, or based upon any violation of any statute, ordinance, code or regulation, either now in force or hereinafter enacted, and the defense of any such claims or actions, including the costs and fees of attorneys, consultants and experts. Lessee shall also save, indemnify, and hold the City, its officers, employees and agents harmless from and against all liability and loss in connection with, and shall assume full responsibility for the payment of, all federal, state and local taxes, fees or contributions imposed or required under unemployment insurance, social security and income tax laws with respect to employees engaged by Lessee.

16.2 The City hereby reserves the right to at all times have its officers, employees and agents enter into and upon the Property and to do such acts and things as may be deemed necessary for protection of the City's interests therein, provided that City may not enter into any residential unit in the Project without prior notice to the tenant of such unit (except in the event of emergency).

17 Enforcement; Partial Invalidity; Governing Law.

17.1 If the Parties are required to commence or prosecute any legal action to determine the rights, duties, and obligations hereunder or to otherwise enforce this Agreement, then the prevailing party shall be entitled to the payment of their reasonable attorneys' fees and court costs, including those incurred for any successful appeal.

17.2 In case any one or more of the terms or provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement, and this Agreement shall be construed and given effect as if such invalid or illegal or unenforceable term or provision had never been contained herein. Upon such determination that any term or provision is invalid, illegal or unenforceable, the court or other tribunal making such determination is authorized and instructed to sever the invalid, illegal or unenforceable term or provision and modify this Agreement

so as to give effect to the original intent of the Parties as closely as possible so that the transactions, agreements, covenants and obligations contemplated herein are consummated as originally intended to the fullest extent possible.

17.3 This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Venue for any action to enforce any covenant or agreement contained in this Agreement shall be in Mesa County, Colorado.

18 Surrender; Holding Over. Lessee shall, upon the expiration or termination of this Lease, surrender the Property to the City in good order, condition and state of repair, reasonable wear and use excepted. In the event Lessee fails, for whatever reason, to vacate and surrender the Property upon the expiration or termination of this Lease and the parties have not reached an agreement which would allow Lessee to continue to occupy any portion of the Property, Lessee agrees that Lessee shall pay to the City the sum of **$100.00** per day for each and every day thereafter until Lessee has effectively vacated and surrendered the Property. The parties agree that it would be difficult to establish the actual damages to the City in the event Lessee fails to vacate and surrender the Property upon the expiration or termination of this Lease, and that said **$100.00** daily fee is an appropriate liquidated damages amount.

19 Total Agreement; Applicable to Successors. This Lease contains the entire agreement between the parties and, except for automatic expiration or termination, cannot be changed or modified except by a written instrument subsequently executed by the parties hereto. This Lease and the terms and conditions hereof apply to and are binding upon the successors and authorized assigns of both parties. The parties hereto have each executed and entered into this Lease Agreement as of the day and year first above written.

20 Execution in Counterparts. This Agreement may be executed in one or more counterparts including scanned and emailed counterparts each counterpart to be considered an original portion of this Agreement, and all of which together shall constitute a single instrument. A photocopy of this Agreement may be used in lieu of an original in any action or proceeding brought to enforce or construe this Agreement.

21 Headings Not Part of Agreement. The headings contained in this Agreement are for convenience only, do not constitute part of this Agreement, and shall not limit, affect the interpretation of, or otherwise affect in any way the provisions of this Agreement.

22 Interpretation of the Agreement. This Agreement was drafted jointly by the Parties and shall not construed against any party hereto.

23 Further Assurances. The Parties shall execute such further documents and do any and all such further things as may be necessary to implement and carry out the intent of this Agreement.

24 Short Form. The City and Lessee will record a Short Form of this Lease in the public records of Mesa County.

IN WITNESS WHEREOF, the Parties have caused for the execution and made this Lease effective as of the date first set forth above.

Volunteers of America National Services,
a Minnesota nonprofit corporation

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025 by _____ of Volunteers of America National Services, a Minnesota nonprofit corporation.

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public

The City of Grand Junction,
a Colorado home rule municipality

By: _____
Michael P. Bennett, City Manager

Attest: _____
Selestina Sandoval, City Clerk

STATE OF COLORADO)

) ss.

COUNTY OF MESA)

The foregoing instrument was acknowledged before me this _____day of _____, 202_ by _____, City Manager of City of Grand Junction, a Colorado home rule municipality.

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public

EXHIBIT E1
Legal Description

A parcel of land located in Lot 4 of the Grand View Commons Subdivision as recorded at Reception No. 3105054 in the Mesa County Clerk and Recorders office, situated in the SW1/4NW1/4 of Section 18, Township 1 South, Range 1 East, of the Ute Meridian, Grand Junction, Mesa County, Colorado, described as:

Beginning at the NW corner of said Lot 4, whence the NE corner of Lot 4 bears S89°49'36"E as a basis of bearing; running thence S89°49'36"E 430.00 feet along the north line of Lot 4; thence S00°00'17"E 145.00 feet; thence N89°49'36"W 175.00 feet; thence S00°00'17"E 252.00 feet; thence N89°49'36"W 255.00 feet to the west line of Lot 4; thence N00°00'17"W 397.00 feet along said west line to the NW corner of Lot 4 and the Point of Beginning.

Parcel contains 2.91 acres.

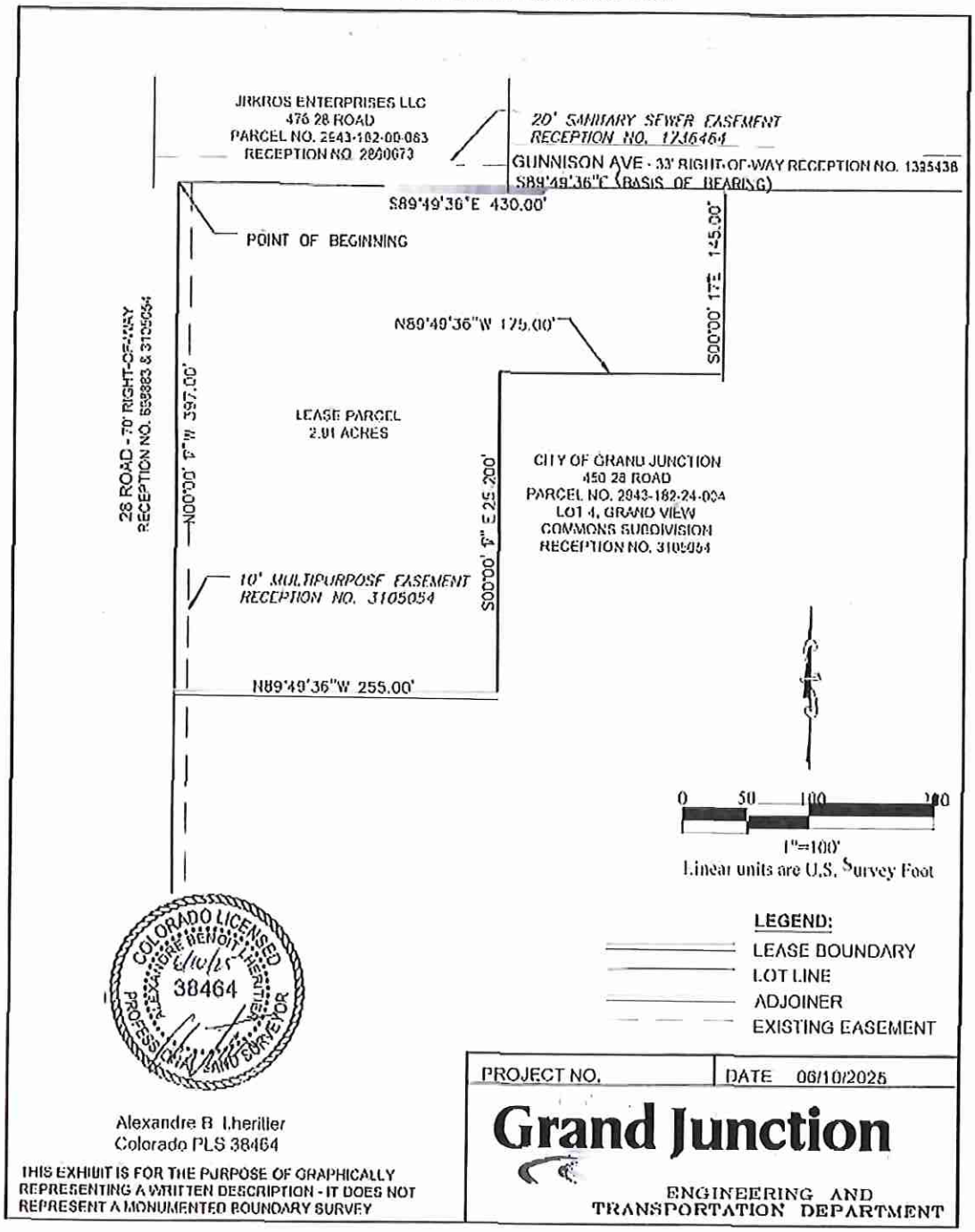
Description prepared by:
Alexandre B. Lheritier, PLS 38464
City of Grand Junction
244 N. 7th St.
Grand Junction, CO 81051



EXHIBIT E2

Depiction of Lease Area

SALT FLATS DEVELOPMENT - LEASE EXHIBIT
450 28 Rd, Grand Junction, CO 81501



Alexandre B Lheriller
Colorado PLS 38464

THIS EXHIBIT IS FOR THE PURPOSE OF GRAPHICALLY REPRESENTING A WRITTEN DESCRIPTION - IT DOES NOT REPRESENT A MONUMENTED BOUNDARY SURVEY

PROJECT NO.	DATE 06/10/2025

Grand Junction

ENGINEERING AND TRANSPORTATION DEPARTMENT

EXHIBIT E3
CHFA Agreement

Docusign Envelope ID: 1D799490-C2A9-4A1E-8024-267B3529AC05

chfa

denver
1981 Blake Street
Denver, CO 80202
303.297.chfa (2432)
800.877.chfa (2432)

PO Box 60
Denver, CO 80201
800.659.2656 tdd
www.chfainfo.com

western slope
348 Main Street
Grand Junction, CO 81501
970.241.2341
800.877.8450

AFFORDABLE HOUSING FINANCING FUND
LAND BANKING PROGRAM

AMENDED AND RESTATED GRANT COMMITMENT

November 26, 2024

Via Email Only
City of Grand Junction
250 North 5th Street
Grand Junction, CO 81501
Attention: Ashley Chambers
Email: ashleyc@gjcity.org

Re: Grant in the amount of $2,200,000

Dear Ms. Chambers:

Colorado Housing and Finance Authority ("**Authority**") has been retained by the Colorado Office of Economic Development and International Trade ("**OEDIT**") as the administrator of the Affordable Housing Financing Fund ("**Fund**"). The Fund was created by the Affordable Housing Statute (CRS 29-32-101 et seq) ("**Statute**") which was voted on and approved by Colorado voters in a November 2022 ballot measure commonly known as Proposition 123. The Land Banking Program ("**Program**"), as part of Proposition 123, provides funding for the acquisition and preservation of land for the development of affordable rental housing, affordable homeownership, and/or mixed commercial use (if the predominate use is affordable housing).

The Authority hereby notifies you of its approval of your request for a grant ("**Grant**") for the Project (as hereinafter defined) under the Program. As used herein, the "**Project**" shall refer to the acquisition of land for, and the development of at least three hundred twenty-four (324) units as part of, the Salt Flats Project, which is Grand View Commons Subdivision, Lot 4, an approximate 21.45 acres of the SW4NW4 SEC 18 1S 1E EXC E 25FT FOR RD EXC PORTION ON S END LYING IN HWY 6 + 24, Common address: 450 28 RD. The Project must comply with the terms and conditions provided herein, the Program Guidelines (as defined below), and the Statute, as applicable.

This grant commitment ("**Commitment**") is subject to the terms and conditions of the Land Banking Program Guidelines issued September 18, 2023 ("Program Guidelines"), and to the terms and conditions contained herein.

1. Grantee. City of Grand Junction, Colorado.

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2. Grant. The grant shall be in an amount not to exceed Two Million Two Hundred Thousand and no/100 Dollars ($2,200,000), provided that the final grant amount shall be determined after the Authority reviews a satisfactory appraisal of the land being acquired in connection with the Project (21.45 acres) (in accordance with the Authority's appraisal guidelines, to be ordered by the Grantee at Grantee's expense). The final grant amount may be lower than the amount set forth above based on the Authority's review of such appraisal.

3. Milestones. As a condition of the Grant, Grantee must meet the following milestones:

   a. Initial Milestones. Within five (5) years of the Grant closing ("**Initial Deadline**"), the Project must be properly zoned for the proposed Project use, and a development plan (per the Development Plan Appendix published in the Land Banking Program Guidelines August 21, 2024) contemplating the construction of at least three hundred twenty-four (324) units in connection with the Project must be submitted to and approved by the Authority (collectively, "**Initial Milestones**"); and

   b. Final Milestones. Within ten (10) years of the Grant closing ("**Final Deadline**"), the Project must obtain all necessary permits, and the Grantee must close and receive funding for one or more construction loans, grants or other financing sources in an amount needed to complete at least three hundred twenty-four (324) units in connection with the Project on or before the expiration of ten (10) years from the Grant closing date (collectively, the "**Final Milestones**"). The Initial Milestones and Final Milestones are collectively referred to herein as the "**Milestones**".

   Failure to meet the Initial Milestones or Final Milestones could impact future award(s) under the Program.

4. Grant Repayment. Grantee must repay the Grant in full if the Authority determines that Grantee failed to timely and properly meet each of the Milestones. If the Initial Milestones are not timely or properly met, then repayment is due within six (6) months of the Initial Deadline. If the Final Milestones are not timely or properly met, then repayment is due within six (6) months of the Final Deadline. If the Grant is repaid in full prior to the Final Deadline, the Restrictive Covenant (defined below) will be released and the Program's restrictions on the Project's use will terminate.

5. Grant Fees. The Grantee shall pay any and all of the Authority's and OEDIT's third-party costs, including but not limited to, attorneys fees and costs, title company premiums and closing fees, environmental search charges, recording costs, and UCC search charges, as applicable ("**Closing Costs**").

6. Commitment Expiration. May 31, 2025.

7. Program Requirements. Grantee must meet all Program requirements including, but not limited to the following:

   a. Reporting. Grantee must comply with the Program reporting requirements described on Exhibit B.

   b. Grantee Eligibility. Grantee must be either a local or tribal government.

   c. Project Eligibility. The Project must be developed as affordable rental housing, affordable for sale housing, or commercial mixed use with a residential component. The Predominate Use (as hereinafter defined) of the total site must be affordable housing consistent with the income requirements set forth in paragraph 8.b. of this Commitment, though commercial uses, market rate or non-restricted housing or rent restricted housing above 60% area median income ("**AMI**") may be included in the remaining space. "**Predominate Use**" as used herein means at least 70% of the improved square footage or units on the 21.45 acres comprising the Project, unless otherwise agreed to in writing by the Authority. The commercial use of a mixed-use project must be compatible with the affordable housing use and must be approved by the Authority in advance in the Authority's sole discretion.

   d. Environmental Sustainability Requirements. The Project must meet environmental sustainability requirements as more fully set forth in Paragraph 10.b.

   e. Restrictive Covenant. A restrictive covenant as set forth in Paragraph 8 ("**Restrictive Covenant**") shall be recorded against the Project at the closing of the Grant.

8. Restrictive Covenant. A Restrictive Covenant shall be recorded against the Project in the official records of the county where the Project is located at the closing of the Grant. All covenants and payment liens shall be subordinate to the Authority's Restrictive Covenant. The Restrictive Covenant shall include, but not be limited to, the following provisions:

   a. Affordability Term.

      (i) The Restrictive Covenant will be required to remain of record so long as the Grant remains outstanding. The Restrictive Covenant may be released if the Grant is repaid.

      (ii) If the Project as developed includes rental units, the Restrictive Covenant shall restrict the affordability of such rental housing units as set forth in paragraph 8.b below for at least 40 years after the final improvements are constructed and have received a permanent certificate of occupancy, unless otherwise agreed to by the Authority.

(iii) If the Project as developed includes homeowner units, the Restrictive Covenant will restrict the homeowner units to remain affordable as set forth in paragraph 8.b below for at least 40 years after the final improvements are constructed and have received a permanent certificate of occupancy, through a ground lease or similar structure each as approved by the Authority, unless otherwise agreed to by the Authority.

(iv) The Project may request a reduction to the term of the Covenant as stated in 8.a.(ii) and/or 8.a.(iii) to twenty (20) years by providing a market analysis that supports such reduction. The Authority may grant or deny this request in the Authority's sole discretion.

b. AMI. If the Project includes rental units, then the annual income of such households to meet the Affordability requirements may not exceed 60% AMI. If the Project includes homeowner units, then the annual income of such households to meet the Affordability requirements may not exceed 100% AMI.

c. Other Conditions. The Restrictive Covenant shall include the requirements set forth in paragraph 7.c. of this Commitment.

9. Documents. The Authority will prepare the closing documents and coordinate the closing with Grantee as set forth herein. Exhibit A to this commitment lists certain documents that: (i) must be provided by the Grantee to the Authority prior to closing ("**Pre-closing Documents**"); and (ii) must be signed and delivered by the Grantee to the Authority at closing ("**Closing Documents**"). The Pre-Closing Documents must be delivered to the Authority by the Grantee in form satisfactory to the Authority.

When the Pre-Closing Documents have been received and approved by the Authority, the Authority will prepare the Closing Documents for review by the Grantee and schedule a closing date, which will be no sooner than ten (10) business days after receipt of complete and satisfactory Pre-Closing Documents and satisfaction of all closing conditions to be completed prior to Closing.

10. Closing; Source of Funds and Condition of Funding. As a condition precedent to the closing of the Grant, all conditions hereunder shall have been met, each of the Pre-Closing Documents shall be received, reviewed and approved by the Authority, and each of the Closing Documents listed in Exhibit A, in form and substance satisfactory to the Authority, in its sole discretion, shall be executed and delivered to the Authority. In addition, at the Closing, the Grantee shall pay Closing Costs by wire transfer. The Authority reserves the right at all times to decline to close the Grant if the Authority determines, in its sole judgment, that the Grantee or the Grant does not strictly conform to the requirements of this Commitment, the Program, the Program Guidelines, any related requirements of OEDIT or the Authority and any and all other applicable legal and regulatory requirements

relating to Proposition 123 or otherwise ("**Regulations**"). Further, the Grant will be funded with Program funds. If all or a portion of the Program funds allocated for the Grant ("**Funds**") are withheld or revoked prior to Closing, the Authority would not be willing to provide the Grant to the Grantee at the terms set forth herein; therefore, the Authority reserves the right, at all times, to decline to close and fund the Grant if the Authority has not received all or a portion of the Funds, or if all or a portion of the Funds have been revoked.

The Closing Documents may include, without limitation the following provisions:

a. The following uses and activities shall not be conducted in or on the Project: (i) activities which are illegal under federal, state or local laws; (ii) selling, producing, or displaying sexually oriented material (e.g., adult book stores, adult video stores, adult theaters, etc.); (iii) non-medical massage services; (iv) a business generating greater than twenty-five percent (25%) of its revenues from the sale of alcoholic beverages not manufactured on-site or from selling alcoholic beverages for consumption off premises; (v) a business or organization that discriminates in its membership or facility usage on the basis of race, color, national origin, religion, gender, age, disability, citizenship status, marital status, sexual orientation, or any other status protected by law; (vii) gambling activities (not including sale of state sanctioned lottery tickets); (viii) selling or dispensing products illegal under federal, state or local laws; (ix) religious services, instruction or overtly sectarian activities; (x) pawn brokering; (xi) making "payday" or short term loans by an entity that is not a bank, credit union, savings and loan or other banking institution; and (xii) escort services.

b. Each of the following is required to meet the Environmental Sustainability Standards for the Project and the Project shall be designed to meet the requirements as follows:

   (i) Certification from one of the following*:
      1. 2020 Enterprise Green Communities (EGC)
      2. Leadership in Energy and Environmental Design LEED v.4.1 (LEED)
      3. National Green Building Standards NGBS ICC-700-2020 (NGBS)
      4. Zero Energy Ready Homes standard (US DOE)

   (ii) All-electric building using high efficiency electric appliances such as heat pumps and heat pump water heaters, or a mixed-fuel building that includes pre-wiring for efficient electric heating and appliances and includes pre-

wiring to enable future installation of EV charging station(s) for at least 10% of parking spots or greater if required under local codes.

*Developments that achieve all-electric construction with high-efficiency electric appliances may opt-out of a formal green building certification.

(iii) Utilize water-efficient design inside and outside. Full guidance can be found at coloradowaterwise.org.

(iv) Developments must be located within a half-mile of existing or planned transit corridors. The Authority acknowledges and agrees that the location of the Project satisfies this requirement.

11. Conditions. This Commitment and closing of the Grant shall be subject to the provisions of the Guidelines, the Regulations, the Statute and to the following conditions:

a. A satisfactory appraisal of the Project (in accordance with the Authority's appraisal guidelines, to be ordered by the Grantee at Grantee's expense).

b. Evidence satisfactory to the Authority that the Grantee and the Project are and will be in compliance with applicable environmental laws, regulations, permits, orders or other environmental requirements and that the real and personal property, if any, comprising the Project do not contain hazardous waste(s) or other adverse environmental conditions. Such evidence shall include a Phase 1 ordered by the Grantee to assist the Authority in making a determination of environmental risks in connection with this Project. The Phase 1 will combine information compiled internally by the Authority and information obtained from Grantee and other independent sources.

c. All representations made by or on behalf of Grantee to the Authority in connection with its application for the Grant and in connection with the closing shall be true and correct as of the date of funding of the Grant.

d. No litigation shall be pending or threatened calling into question or which, if adversely determined, would affect (i) the creation, organization or existence of the Grantee; (ii) the validity of the Grant documents; or (iii) the authority of the Grantee to enter into the Restrictive Covenant against the Project's real property or to otherwise make or perform the Grant documents. No proceedings shall be pending or threatened against or affecting the Grantee which involve the possibility of materially and adversely affecting the properties, business, prospects, or financial condition of the Grantee, nor shall the Grantee be in default with respect to any

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order of any court, governmental authority or arbitration board or tribunal or any prior grant or loan made to it by the Authority.

e. Such other conditions as the Authority may deem necessary or prudent to assure repayment of the Grant or compliance with the Statue, the Regulations or the Guidelines.

12. Grantee Representations, Warranties and Covenants. This Commitment is issued on the basis of certain information and materials provided to the Authority by Grantee, including, without limitation, the Grant application, financial information, all representations, information, exhibits, data and other materials. Any intentional misinformation or withholding of material information incident thereto shall, at the option of the Authority and without limitation to any other right or remedy of the Authority, void all of the Authority's obligations hereunder. Furthermore, Grantee represents, warrants and covenants that:

a. Grantee is a local government located in Colorado and has the necessary power, authority and licenses to operate its properties and transact business including in Colorado.

b. Grantee has the full power and authority to accept the Grant and to undertake the obligations as contemplated by this Commitment, to execute and deliver the Grant Documents, and to perform Grantee's obligations under this Commitment and the Grant Documents. The execution and delivery of the Grant Documents will be duly authorized by all necessary action on the part of Grantee, its officers, and/or directors, as applicable, and the Grant Documents will be valid, binding and enforceable obligations of Grantee.

c. There is no action, suit or proceeding at law or in equity, or by or before any governmental instrumentality or agency, or to the knowledge of Grantee, threatened against or affecting it, which, if adversely determined, would materially impair its right or ability to carry on business substantially as now conducted, or as contemplated to be conducted under this Commitment, or that would materially adversely affect Grantee's financial condition.

d. To the best of Grantee's current knowledge, the transactions contemplated herein will not cause a default under any other agreement and will not conflict with or violate any organizational document or agreement to which Grantee is a party or by which Grantee is bound.

e. To the best of Grantee's current knowledge, Grantee has not executed and will not execute any agreement(s) with provisions contradictory or in opposition to, the provisions of this Commitment.

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f. All information given to the Authority is accurate and Grantee has not omitted any material facts.

g. Grantee will comply with the provisions of any federal, state, or local law prohibiting discrimination on the grounds of race, color, religion or creed, sex, marital status, national origin, familial status or disability, sexual or gender preference, political opinion or affiliation, in all Grantee operations and shall provide prompt written notice to the Authority of the filing of any complaints of discrimination with respect to any Grantee operations.

h. Grantee will certify at closing of the Grant that the Project is located in a jurisdiction that has filed a commitment to increase affordable housing and opted into Proposition 123 funding. Failure of the Project to be in a jurisdiction that has filed a commitment to increase affordable housing and opted into Proposition 123 will be considered an immediate event of default. In addition to a certification, the Authority may require, in the Authority's sole discretion, an attorney opinion that the Project is located in jurisdiction that has opted into Proposition 123 funding.

13. Assignment. This Commitment shall not be assignable or transferable without the prior written consent of the Authority.

14. Reliance by Grantee and Third Parties. This Commitment is not intended to benefit any person or entity other than the Grantee and no other person or entity may rely on the terms hereof. Further, the Grantee acknowledges and agrees that (a) any report, inspection, review, acceptance or other due diligence activity regarding the Project, Grantee or other matters performed by or at the direction of the Authority, its legal counsel or consultants shall be solely for the purpose of satisfying the Authority's investment criteria and may not be relied on by the Grantee or any other party in making decisions regarding the Project or for any other reason; and (b) the Authority, its legal counsel and consultants shall have no responsibility or liability for the sufficiency, accuracy completeness of the items or information so inspected, reviewed or accepted or for the environmental condition or structural soundness of the Project.

15. Advice to Seek Legal Counsel. The Authority has advised the Grantee to obtain legal counsel in connection with the Grant.

16. Governing Law. This Commitment and all matters of performance relating thereto shall be governed by and construed and interpreted in accordance with the laws of the State of Colorado. All suits or actions related to this Commitment shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

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17. Time is of the Essence. Time is of the essence hereof. Grantee shall provide requested documentation and information in a timely manner. To the extent that documentation and information is not provided by the Grantee in a timely manner, the Authority is not obligated to extend the initial term of the Commitment if Closing has not occurred.

18. Modification. Modification or amendment of this Commitment is effective only if made in writing and signed by the parties hereto.

19. Publications. Grantee hereby authorizes OEDIT and the Authority to use information regarding or relating to the Project to publicize and/or report on their financing activities in any manner of communication or media including, but not limited to, in press releases, websites, social media, flyers, advertisements, community reports, etc. without further authorization or the consent of the Grantee, *provided* that confidential or other proprietary information is not shared. Grantee agrees to obtain prior written approval from OEDIT and the Authority before using the name or logo of OEDIT or the Authority in any press release, media events, website, social media or any other public communication.

20. Counterparts. This Commitment may be executed in counterpart and all signatures when taken together shall constitute one and the same instrument.

21. Entire Agreement. This Agreement constitutes the entire agreement of the parties concerning the subject matter hereof and all prior or contemporaneous understandings, oral representations or agreements among the parties with respect to the subject matter hereof, including that certain Grant Commitment dated May 31, 2024, are superseded by this Agreement.

22. Electronic Signatures. The electronic signatures of the parties included in this Commitment, in any form, are intended to authenticate this writing, bind the parties hereto, and to otherwise have the same force and effect as manual signatures. Delivery of a copy of this Commitment bearing an original or electronic signature by electronic mail in portable document format (.pdf) form, or by any other electronic means intended to preserve the original form of the document, will have the same effect as physical delivery of the paper document bearing an original or electronic signature.

23. Effectiveness of Commitment. This Commitment shall not become effective unless a duplicate copy hereof is returned to the Authority within ten (10) business days of the date hereof with acceptance endorsed on said copy by the signature of an authorized representative of the Grantee.

COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado, solely in its capacity as the Program Administrator for the AFFORDABLE HOUSING FINANCING FUND,

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managed by the Colorado Office of Economic Development and International Trade, a Colorado state agency

DocuSigned by:

By: _____
646C2D83B82C4BA...
Steve Boice, Manager of Business Finance
Colorado Housing and Finance Authority

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Amended and Restated Grant Commitment
City of Grand Junction
December 2, 2024

ACCEPTED:

CITY OF GRAND JUNCTION, COLORADO

By: Andrea Phillips Date: 11/26/2024
Andrea Phillips, Interim City Manager

(CHFA Exhibit B)
Program Reporting Requirements

Quarterly Reports are due the end of the first month after the end of each quarter, with the first report due on or before April 30, 2025.

The quarterly report will include:

1. Project-level details for each funding award:
    a. Grantee/Recipient Name
    b. The following Property Information, to the extent applicable:
        i. Project name (At the time of application & upon completion, if changed)
        ii. Project Street Address
        iii. City and county location
        iv. Housing type (homeownership and/or rental)
        v. Unit count and bedroom count for deed-restricted units. Unit count will be used to determine anticipated or actual households served.
        vi. Unit count and bedroom count for market-rate units.
        vii. Proposed units in each AMI Level and average AMI of the project. Land Banking projects - indicate the proposed percentage of mixed-use.
        viii. Mixed-use properties provide a category of non-residential uses.
        ix. Environmental Sustainability Certification
        x. Electrification Level
        xi. Meets the transit-oriented development (TOD) definition (0.5 miles from public transit).
        xii. Meets the walkable neighborhood definition (0.5 miles from public transit).

2. Additional Project Details:
    Confirm the following statutory priorities are satisfied by the Project: high density, mixed-income, and environmentally sustainable.
        -high-density-informed by local density definitions and maximum allowable density based on local conditions
        -mixed-income-commitment to serving a broad range of income levels within the development (70% of units must be affordable housing)
        -environmental sustainability-environmental sustainability standard met

3. Project Status Details:
    Confirm status of Project development and construction and inform the Authority of any update to number of planned affordable units. Once available, submit copy of complete development plan.

Exhibit E4

(CHFA EXHIBIT E)

Ground Lease Requirements

The following is a general discussion and comments regarding provisions which the Colorado Housing and Finance Authority (the "**Authority**") requires to be included in Ground Leases where the Authority will have a security interest only in the leasehold interest of the Borrower:

1. Any existing mortgage on the fee estate of the Ground Lessor must be subordinate to the leasehold estate of the lessee under the Ground Lease. The Ground Lease must prohibit the Ground Lessor from mortgaging the fee estate at a later date unless there is an express subordination of the Ground Lessor's fee mortgage to the lessee/borrower's interest under the Ground Lease. The Ground Lease must also prohibit the lessee/borrower from subordinating its leasehold estate to a subsequent mortgage of the fee obtained by the Ground Lessor. Ground Lessee's leasehold interest may not be subject to any encumbrances without Lender consent.

2. There must be no defaults pending under the terms of the Ground Lease, and an estoppel certificate must be obtained from the ground lessor to that effect. The Ground Lease must obligate the ground lessor to provide "estoppel" certificates when requested by a lender, to establish that there have been no unapproved changes in the Ground Lease, that the Ground Lease is in full force and effect, there are no known defaults, the date through which rent has been paid and other requirements established by the Authority. The Ground Lease may not be a sublease.

3. The Ground Lease must be in full force and effect. The remaining term of the Ground Lease, at the time of loan origination, must be at least ten years longer than the maturity date of the Loan. The Ground Lease or a Memorandum of Ground Lease must be recorded.

4. The Ground Lease must contain a non-merger clause providing that the Ground Lease does not terminate as to the Authority as leasehold mortgagee because of conveyance of the lessee/borrower's leasehold interest to the lessor or conveyance of the lessor's interest to the lessee/borrower.

5. Both the lessee/borrower's leasehold estate under the Ground Lease and the lessee/borrower's option to purchase the fee interest in the land, if any, must be assignable or transferable without the consent of the Ground Lessor, or, if assignment or transfer is limited, must permit assignment or transfer to the Authority as leasehold mortgagee and permit assignment or transfer by the Authority as leasehold mortgagee (after a foreclosure or a deed-in-lieu of foreclosure) to a purchaser at a foreclosure sale (other than the Authority) without the lessor's consent.

6. The Ground Lease must authorize a mortgage lien, and evidence must be provided which demonstrates that any consent, approval, or other action required under the Ground Lease in connection with the lien has been obtained or taken.

7. The Ground Lease must provide for written notice of default from the lessor to the Authority as leasehold mortgagee and a reasonable time (in addition to the time given to the lessee/borrower) and opportunity for the Authority as leasehold mortgagee to cure any default under the Ground Lease that may allow the Ground Lessor to terminate the leasehold, including, in the case of a default that can be cured by the leasehold mortgagee only by obtaining possession, a sufficient period of time for the Authority as leasehold mortgagee to obtain possession. The Ground Lease must require the Ground Lessor to give notice of all Borrower defaults to the Ground Lease mortgagee as a condition of the validity of the Ground Lessor's exercise of remedies for such default. The Ground Lessor must forward to the Ground Lease mortgagee a copy of any notices it sends to the Ground Lessee other than rent and other periodic billing notices. The Ground Lease must also obligate the lessor to enter into a new lease on the same terms with the same priority with the leasehold mortgagee if the original lease terminates because of default not curable by the leasehold mortgagee, or provide for no termination for any non-curable default so long as no default in rental payment exists. The Ground Lease should not contain any obligations or requirements that the Authority as leasehold mortgagee could not cure, such as the lessee/borrower's bankruptcy, or condemnation or casualty loss or a change in management.

8. The Ground Lease must provide that leasehold mortgagee receive notice upon commencement of condemnation proceedings. The Deed of Trust must provide for and the Ground Lease must permit payment to the Authority as leasehold mortgagee of any condemnation award to which the lessee/borrower is entitled. The Ground Lease must set forth the formula for allocating the condemnation award between the Ground Lessor, the tenant and the Ground Lease mortgagee for both partial and total condemnation. The formula must be acceptable to the Ground Lease mortgagee. This payment must not be less than the total award, minus the value of the remainder interest in the land considered as unimproved. The Ground Lease must provide that a Ground Lease mortgagee has the right to supervise and control the receipt and disbursement of condemnation awards. The Ground Lease must provide that a Ground Lease mortgagee has a right to participate in any condemnation proceedings and settlement discussions.

   In the event of a partial taking, the Ground Lease must not terminate and must permit, and the Deed of Trust must require the lessee/borrower to rebuild and restore the improvements on the mortgaged premises unless the Authority as leasehold mortgagee consents to distribution of the proceeds. In that event, the proceeds must be applied as provided in the Loan Documents.

9. The Ground Lease must provide for the Authority's or Leasehold Mortgagee's right to foreclose without Ground Lessor consent and acquire the lease in its own name or in the name of a nominee upon foreclosure or assignment in lieu of foreclosure.

10. The Ground Lease must provide that it cannot be amended, modified, cancelled or terminated without the consent of the Authority or leasehold mortgagee. The Ground Lease must allow amendments to be made upon request by leasehold mortgagee if such requested amendment does not materially adversely affect the Ground Lessor's rights.

11. The Ground Lease must provide that the Ground Lessor agrees not to accept a voluntary surrender of the lease or termination of the Ground Lease at any time when the leasehold estate is encumbered by a leasehold mortgage.

12 If the Ground Lease contains a renewal option or an option to purchase, the Authority or leasehold mortgagee must have the right to receive notice from the lessor in the event the lessee fails to exercise the option and, for 30 days thereafter, to exercise the option itself. The Authority or leasehold mortgagee must have the right to exercise any option to purchase without the joinder of Borrower.

13. The leasehold mortgagee should have no personal liability under the lease, at least until it becomes a mortgagee in possession or the tenant under a new lease. The Ground Lease must provide for an automatic release of a foreclosing ground leasehold mortgagee and purchasers at a foreclosure sale or transferee who receives an assignment in lieu of a foreclosure.

14. In the event of a partial casualty or condemnation, the Ground Lease must provide that it cannot be terminated and that the insurance proceeds or condemnation award will be paid to the Authority or leasehold mortgagee. Authority/Leasehold mortgagee must have control of insurance proceeds and can apply to pay loan in full. The Ground Lease must provide that a Ground Lease mortgagee has the right to participate in adjustment of losses as to casualty proceeds. Insurance proceeds that remain after the restoration is completed must go to Borrower (subject to the Ground Lease mortgagee's lien) rather than to the Ground Lessor. Must have reasonable time limit for commencing restoration or opting out of restoration.

15. A default under the Ground Lease will be a default under the lessee/borrower's loan documents.

16. Rent under the Ground Lease should be a fixed amount (not a percentage rent). The Ground Lease must not contain rent escalation provisions based on the cost of living (or other indices) and rent may not increase so that the Debt Service Coverage Ratio applicable to the Loan falls below the debt service coverage used in the calculation of the Loan amount. Any rent increase should be for a sum certain at a specific date or time interval.

17. An ALTA Leasehold Loan Policy or an ALTA Loan Policy with a CLTA 107.5 endorsement must be obtained. The Policy must: (i) reflect the status of the fee interest as well as insure the lessee's interest and the lessee's option, if any, to purchase the fee interest in the related land; (ii) insure that the lease is not subordinate to any lien or encumbrance (other than the deed of trust of the Authority) and (iii) otherwise satisfy any other Authority requirements..

18. The Ground Lease should not contain any unreasonable restriction on the use of the real property, such as maintaining the property for affordable housing purposes only.

19. The Ground Lease must provide that all Improvements belong to the Ground Lessee and that the Ground Lessee has the right to alter, improve and modify the Improvements without the Ground Lessor's consent.

20. If the Property contains commercial space, the Ground Lease must contain reasonable, objective standards requiring the Ground Lessor to grant non-disturbance and attornment agreements to commercial tenants.

21. Subleases should be specifically permitted under the Ground Lease. Ground Lease Lessor must agree to non-disturbance of sublessees.

22. The Ground Lease must contain no other terms or conditions that, although not specifically set forth in this Exhibit E, would be unacceptable to a prudent commercial lender in the area in which the Property is located.