

LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT ("Agreement") is made October 22, 2025 ("Effective Date"), at Grand Junction, Colorado by GRAND JUNCTION HOUSING AUTHORITY, a body corporate and politic ("GJHA") and CITY OF GRAND JUNCTION, ("City"). The City and GJHA may be referred collectively as the Parties.

RECITALS

A. The City conveyed to GJHA, on the terms and conditions stated in that certain Contract to Buy and Sell Real Estate dated August 17, 2023 and amended by Agreement to Amend/Extend Contract dated October 27, 2023 (both agreements are collectively referred to as the "Contract"), certain real property (collectively the "Property") located in the City of Grand Junction, Mesa County, Colorado, referred to by street addresses 674 23³/₄ Road, Grand Junction, Colorado 81505 and legally described as follows:

LOT 1 OF CENTENNIAL COMMERCIAL CENTER FILING TWO, COUNTY OF MESA, STATE OF COLORADO

B. As a material and valuable consideration for sale of the Property by City to GJHA on the terms and conditions stated in the Contract, GJHA agreed to execute and deliver this Agreement, and that this Agreement will be recorded in the real estate records of the office of the Clerk and Recorder of Mesa County, Colorado, in order to create covenants running with the land for 40 years from the Effective Date for the purpose of restricting the use and occupancy of the Property, subject to the terms and conditions stated in this Agreement.

IN CONSIDERATION of their mutual promises and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by execution of this Agreement, GJHA and the City agree as follows:

DEFINITIONS

1. "AMI" means Area Median Gross Income as defined below.
2. "Area Median Gross Income" means the median gross income of the area in which the Property is located as determined by the Secretary for purposes of Section 42 of the Code, including adjustments for family size.
3. "Code" shall mean the Internal Revenue Service Code.
4. "IRS" means Internal Revenue Service.
5. "Qualified Low-Income Housing Project" means a "qualified low-income housing project" as defined in Section 42(g)(1) of the Code.
6. "Rent Restricted" a unit is "rent restricted" if the gross rent with respect to such unit does not exceed thirty percent (30%) of the imputed income limitation applicable to such unit as determined in accordance with Section 42(g)(2) of the Code.

7. "Secretary" means the Secretary of the United States Department of the Treasury.
8. "Tax Credit Units" means any rent-restricted units.

TERMS

1. The Recitals above are incorporated in and made a part of this Agreement.
2. The term of this Agreement ("Term") shall be for a period of forty (40) years from the Effective Date. During the Term, the Property shall be used solely for rental housing and services commonly accessed by low-income persons.
3. The Parties agree and intend that, throughout the entire Term, all Units, intended for occupancy by low income individuals or families, constructed on the Property shall be both rent restricted and occupied by low-income individuals and families whose incomes meet the requirements specified in this Section; provided that household members over the age of 18 shall be required to comply with the income requirements of this Agreement only at the time of their initial lease of a Unit. (GJHA is not required, for example, to re-certify tenants or households to ensure that all household members over the age of 18 remain Qualified Tenants throughout the term and any extended or holdover term(s) of a lease). All leases of Units (including without limitation renewals or extensions of existing leases) entered into during the Term shall be required to meet the rent restrictions of paragraph (b) below. Unless otherwise expressly stated in this Agreement, "Lease" (collectively "Leases") refers to every lease of a Unit, whether an initial lease or the extension or renewal of an existing lease of a Unit.
 - a. At the time of a tenant's initial Lease of a Unit, the combined annual gross income of all persons aged 18 and over who will occupy that Unit as household members (for example, including adult children of tenant(s) but not including live-in aide(s)), and whose income would be required to be included in determining household income, shall not exceed eighty percent (80%) of AMI as determined by The U.S. Department of Housing and Urban Development ("HUD") and Colorado Housing and Finance Authority ("CHFA") regulations in effect at the time of their initial lease of that Unit (a household meeting this income restriction is referred to as a "Qualifying Tenant" and a household that does not meet the qualifications, a "Non-qualifying Tenant").
 - b. Each Lease of a Unit during the Term shall specify that the tenant contract rent will not exceed the maximum rent allowable for a dwelling unit with that number of bedrooms for a family with an income of 80% of AMI under the annually updated Income Limit and Maximum Rent Table for Mesa County ("Guidelines"), as illustrated in Attachment 1 to this Agreement. The tenant's rent under the Lease may be adjusted once annually to align with the annually updated Guidelines.
 - c. During the Term, each and every contract, deed or other instrument hereafter executed conveying the Property or portion thereof shall expressly provide that such conveyance is subject to this Agreement; provided, however, the covenants contained in this Agreement shall survive and be effective as to successors and/or assigns or all or any portion of the Property, regardless of whether such contract, deed or other instrument conveying the Property or portion thereof provides that such conveyance is subject to this Agreement.

4. GJHA will determine whether each household meets the income requirements of this Agreement prior to entering into a lease with the prospective tenant(s). As a condition of occupancy, except as indicated above, each individual or a family who will be a tenant will be required to sign and deliver to GJHA a fully completed certification of eligibility in a form promulgated by GJHA reasonably calculated to determine and disclose the income information required to make the determination of eligibility under this Agreement. Each Lease and certification of eligibility form shall provide for mandatory termination of tenancy for any material misrepresentation of information utilized to make the determination of income qualification required by this Agreement. The certification of eligibility form and documents and information utilized by GJHA to affirm that prospective Tenants comply with the income restrictions stated in Section 4 of this Agreement are together referred to in this Agreement as the "Certification Materials."

5. Code Requirements that Survive Foreclosure

- (a) This Agreement shall terminate upon foreclosure or transfer in lieu of foreclosure, unless, before the foreclosure or transfer in lieu of foreclosure, the owner of record, or any entity that includes the former owner or with whom the former owner has or had family or business ties, obtains an ownership interest in the Property through the foreclosure.
- (b) If this Agreement terminates due to foreclosure of deed in lieu of foreclosure, the Owner shall not evict or terminate the tenancy of an existing tenant of any Tax Credit Unit other than for good cause and shall not increase the gross rent above the maximum allowed under the Code with respect to such Tax Credit Unit for a period of three (3) years following the termination of this Agreement.
- (c) This subsection (c) and the rights granted to the City and past, present, and future tenants of the Property to enforce this Agreement shall survive any such termination.
- (d) In the event foreclosure proceedings are initiated, the City shall receive notice of such foreclosure no less than fifteen (15) days prior to such foreclosure.

6. By signing this Agreement, the Parties consent to the jurisdiction of, and propriety of venue in, the Mesa County District Court for any action or proceeding concerning this Agreement and waive any right to a jury in such action or proceeding to the maximum extent permitted by law.

7. GJHA shall not discriminate based on disability, race, creed, color, religion, sex, sexual orientation, gender identify, gender expression, age, national origin, ancestry, source of income, marital status, familial status, or other applicable protected class in the lease, use or occupancy of the Property or any of the Units. GJHA shall not refuse to lease a unit on the Property to the holder of a voucher for federal housing assistance payments pursuant to Section 8 of the United States Housing Act of 1937, or a successor federal program, on account of the status of the prospective tenant as such holder.

8. The Parties intend and agree that all terms and conditions of this Agreement shall constitute restrictive covenants running with the land together constituting all of the Property, or, in the alternative, an equitable servitude upon all of the Property for the entire Term. This

Agreement shall automatically expire and terminate and shall no longer constitute a restrictive covenant running with the Property at the expiration of the Term.

9. All notices under this Agreement shall be in writing and shall be delivered by personal delivery, by United States certified mail, return receipt requested and postage prepaid, or by a nationally recognized overnight courier service (for example, Federal Express). Notice shall be effective when received, refused or unclaimed. The addresses of the Parties for purposes of notice shall be as stated below, except that either party may change the address to which notice is to be given by notice of change of address given in the manner specified in this Section:

To GJHA: Grand Junction Housing Authority
ATTN: Chief Executive Officer
8 Foresight Circle
Grand Junction, CO 81505

With a Copy to: Grand Junction Housing Authority
ATTN: General Counsel
8 Foresight Circle
Grand Junction, CO 81505

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

With a Copy to: City Attorney
City of Grand Junction
250 N. 5th Street
Grand Junction, CO 81501

10. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and, to any extent applicable, laws of the United States of America.

11. This Agreement states the entire understanding of the Parties concerning its subject matter, supersedes any prior concurrent understandings, agreements or negotiations concerning its subject matter, and shall be modified only by additional written agreement signed by both GJHA and CITY. All terms and conditions of this Agreement shall bind and benefit GJHA, CITY, and their respective successors and assigns.

12. This Agreement will be recorded in the real property records where the Property is located, and the covenants contained herein shall run with the land and shall bind, and the benefits shall inure to the City and its successors and assigns, GJHA and its successors and assigns, and all subsequent owners of the Property or any interest therein, for the Term.

13. The City agrees that any and all requirements of the laws of the State that must be satisfied in order for the provisions of this Agreement to constitute restrictive covenants running with the land shall be deemed to be satisfied in full, and any requirements of privity of estate are intended

to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the land.

14. During the Term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Property or portion thereof shall expressly provide that such conveyance is subject to this Agreement; provided, however, the covenants contained herein shall survive and be effective as to successors and/or assigns of all or any portion of the Property, regardless of whether such contract, deed or other instrument conveying the Property or portion thereof provides that such conveyance is subject to this Agreement.

GRAND JUNCTION HOUSING AUTHORITY,
a body corporate and politic

By: 
Scott Aker, CEO

By: 
Richard H. Krohn, Vice Chair of Board of
Commissioners

CITY OF GRAND JUNCTION

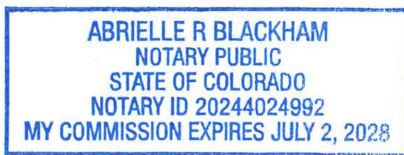
By: 
Michael P. Bennett, City Manager

STATE OF COLORADO)
)ss.
County of MESA)

The foregoing was acknowledged before me this 27 day of October, 2025 by
Scott Aker as CEO of Grand Junction Housing Authority, a body corporate and politic

Witness my hand and official seal.

My commission expires: July 2, 2028





Notary Public

STATE OF COLORADO)
)ss.
County of MESA)

The foregoing was acknowledged before me this 27 day of October, 2025 by
Richard H. Krohn as Vice Chair of the Board of Commissioners of Grand Junction Housing
Authority, a body corporate and politic

Witness my hand and official seal.

My commission expires: July 2, 2028





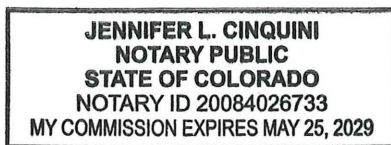
Notary Public

STATE OF COLORADO)
)ss.
County of Mesa)

The foregoing was acknowledged before me this 22 day of October, 2025 by Michael P. Bennett as City Manager of the City of Grand Junction.

Witness my hand and official seal.

My commission expires: May 25, 2029



Jennifer L. Cinquini
Notary Public