

Lot 3, Penny Flats Subdivision, according to the Plat thereof recorded January 30, 2007 at [Reception No. 20070007427](#), County of Larimer, State of Colorado.

For Informational
Purposes Only Tax ID
No.: R1643641 /
Assessor's Parcel#
9711182903



EXHIBIT B

Form of the Special Warranty Deed

THIS **SPECIAL WARRANTY DEED**, made this ____ day of _____, 20__, by and between **CITY OF FORT COLLINS** (hereinafter "**the Grantor**"), whose mailing address for the purposes of this Special Warranty Deed is PO Box 580, Fort Collins, CO 80522 and **HOUSING CATALYST**, whose mailing address, for purposes of this Special Warranty Deed is 1715 West Mountain Avenue, Fort Collins, CO 80521 (hereinafter "**the Grantee**").

WITNESSETH:

That the Grantor, for and in consideration of the sum of FIVE HUNDRED Dollars (\$500.00) and other good and valuable consideration, to the Grantor in hand paid by the Grantee, the receipt of which are hereby confessed and acknowledged, have granted, bargained, sold, and conveyed, and by these presents does hereby grant, bargain, sell, convey and confirm unto the Grantee and Grantee's successors and assigns forever, those certain parcels of real property, together with all improvements, if any, situate, lying, and being in the County of Larimer, State of Colorado, more particularly described on **Exhibit A**, attached hereto, consisting of one (1) page, and incorporated herein by this reference, also known by street and number as 314 North Howes Street, Fort Collins, CO 80521 which real property shall be hereinafter referred to as "**the Property**".

TOGETHER with all and singularly the hereditaments and appurtenances thereto belonging, or in any way appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in or to the Property, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the Grantee, its successors and assigns, forever. The Grantor, for itself, its successors and assigns, does covenant and agree that it shall and will **WARRANT AND FOREVER DEFEND** the above-bargained premises in the quiet and peaceable possession of the Grantee, and Grantee's successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor, free and clear of all liens and encumbrances, except and subject to all existing easements and rights-of-way in place or of record; any restrictions, reservations, or exceptions contained in any United States or State of Colorado Patents of record; all zoning and other governmental rules and regulations; statutory lien rights resulting from the inclusion of the Property in any special taxing or improvement districts; all oil, gas or other mineral reservations or exceptions of record; and general property taxes, assessments and charges for [the year of closing] and all subsequent years. Grantor's warranty of title is further subject to the encumbrances set forth on **Exhibit B**, attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, the Grantor has executed this Special Warranty Deed the day and year first above written.

GRANTOR:
COLORADO, a Municipal Corporation

THE CITY OF FORT COLLINS,

By: _____
Emily Francis, Mayor

ATTEST:

APPROVED AS TO FORM:

City Clerk

Assistant City Attorney

ACCEPTED BY GRANTEE:

HOUSING CATALYST, a body corporate and politic

By: _____
~~Kristin Kransnove Fritz, Chief Real Estate Officer~~
Julie Brewen, Chief Executive Officer

DS
JB

EXHIBIT A to the Special Warranty Deed

Legal Description

Lot 3, Penny Flats Subdivision, according to the Plat thereof recorded January 30, 2007 at [Reception No. 20070007427](#), County of Larimer, State of Colorado.

For Informational
Purposes Only Tax ID
No.: R1643641 /
Assessor's Parcel#
9711182903



Exhibit "C" to the Special Warranty Deed

Special Terms and Conditions

AFFORDABLE HOUSING COVENANT

Pursuant to Section 23-354 of the Code of the City of Fort Collins, the use of the property shall be limited by a covenant requiring the following (the "Covenant").

- (1) Use of the property shall be permanently restricted to affordable housing, as defined in the City's Land Use Code Article 7, with affordability standards as outlined in the City's Land Use Code Section 5.2.1(C) as of the date of the execution of this contract.
- (2) Purchaser shall commence development activities within twenty four (24) months of execution of this contract and shall obtain building permits for the construction of all such housing units within forty eight (48) months of execution of this contract, unless otherwise agreed by the City Manager in accordance with Section 23-354 of the City Code upon a finding that Purchaser has exerted a good faith and diligent effort in pursuing the Development but has suffered delays caused by unforeseen circumstances not reasonably within the control of Purchaser
- (3) The Covenant shall run with the land and shall not be subordinated to other encumbrances on the Property, provided, however, that the Covenant may be subordinated to (i) construction or permanent financing upon terms reasonably acceptable to the Seller, so long as such subordination does not eliminate the long-term affordability requirements or the Seller's enforcement rights; and (ii) affordability covenants required by other governmental agencies or authorities providing grants, loans, and other financing for the Development.
- (4) Repurchase Option. In furtherance of the public purpose of this conveyance and the Affordable Housing Covenant described above, the City shall retain a repurchase option as follows:

If Purchaser:

- a. Fails to commence development activities within twenty-four (24) months of execution of this contract (subject to any approved extensions); or
- b. Fails to obtain building permits within forty-eight (48) months of execution of this contract (subject to approved extensions); or
- c. Fails to record or materially breaches the Affordable Housing Covenant; or
- d. Transfers or encumbers the Property in violation of this Agreement or the Covenant;

then, following written notice from the City and expiration of a reasonable cure period not to exceed one hundred eighty (180) days, the City shall have the option, but not the obligation, to repurchase the Property.

The repurchase price shall be Five Hundred Dollars (\$500.00), together with reimbursement of documented third-party capital improvements approved by the City, if any, but excluding financing costs, internal administrative costs, or projected profits.

This repurchase option shall run with the land and shall be referenced in the Special Warranty Deed delivered at Closing.

The repurchase option may be subordinated to (i) construction and permanent financing upon terms reasonably acceptable to the Seller, and (ii) liens, encumbrances, covenants and agreements of other governmental agencies or authorities providing grants, loans, and other financing for the Development; provided that such subordination does not eliminate the Seller's ability to enforce the Affordable Housing Covenant.