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Taryn Power - Summit County Recorder

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**RESTRICTIVE HOUSING COVENANT AND NOTICE OF LIEN
FOR STABLES VILLAGE,
SUMMIT COUNTY, COLORADO**

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THIS RESTRICTIVE HOUSING COVENANT AND NOTICE OF LIEN (the "Covenant") is made and entered into this 10th day of October, 2023 (the "Effective Date"), by and between the Town of Breckenridge, a Colorado municipal corporation, hereinafter referred to as the "Town" and Stables Village Homes LLC, a Colorado limited liability company, hereinafter referred to as the "Developer" (individually a "Party" and collectively the "Parties").

RECITALS

WHEREAS, the Town is the owner of certain real property more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (the "Property");

WHEREAS, the Property is subject to the terms of the Stables Village Project Agreement between Developer and the Town, which is dated May 15th, 2023. Pursuant to that agreement the Town will convey the property via Special Warranty Deed to the Developer for development of Stables Village; and

WHEREAS, the Property is also subject to a Master Plan (PL-2023-0034) approved by the Town on April 11th, 2023 which restricts the use of the Property to 61 workforce housing units; and

WHEREAS, the Parties agree to restrict the 61 units under the terms of this Restrictive Housing Covenant and Notice of Lien; and

WHEREAS, under this covenant Developer intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use of the units described and provided for herein shall be and are hereby made covenants running with the land and are intended to be and shall be binding upon the Developer and all subsequent owners and occupiers of such units for the stated term of this covenant, unless and until this covenant is released and terminated in the manner hereafter described.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
PURPOSE

The purpose of this covenant is to restrict ownership, occupancy, use and sale of the

units in such a fashion as to provide, on a permanent basis, workforce housing and to help establish and preserve a supply of workforce housing to help meet the needs of the locally employed residents of Summit County. This restrictive covenant is governed by title 9, chapter 16 of the Town municipal code , and the Workforce Housing Administrative Rules and Regulations (Administrative Rules and Regulations), as amended from time to time, and officially promulgated by the housing division. The municipal code and the rules and regulations have the force and effect of law. For the purpose of this covenant terms are defined in the Administrative Rules and Regulations as amended from time to time and located at <https://breckenridge.town.codes/AdminRules>.

ARTICLE II
BINDING EFFECT

This restrictive housing covenant shall constitute covenants running with title to the property as a burden thereon, for benefit of, and enforceable by the Town. This covenant shall bind Developer and all subsequent owners and occupants of a unit. Each owner and authorized lessee, upon acceptance of a deed or lease to a unit, shall be personally obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during the owner's period of ownership or authorized lessee's tenancy, as may be appropriate. Each and every transfer or lease of a unit, for all purposes, shall be deemed to include and incorporate by this reference the terms and conditions contained in this covenant, even without reference to this covenant in any document of conveyance.

ARTICLE III
OWNERSHIP, OCCUPANCY AND USE RESTRICTIONS

3.1 Ownership. Ownership of a unit is hereby limited exclusively to Developer, Town and qualified owners, which shall include the parties described and approved as set forth in the Administrative Rules and Regulations. For the purposes of The Restrictive Covenant and Notice of Lien for Stables Village a local employer is not considered a qualified owner. In the event that a unit is owned without compliance with this covenant, the Town shall have the remedies set forth herein.

3.2 Occupancy. Except as otherwise provided in this covenant, each unit shall, at all times, be occupied as a primary residence by the owner (along with dependents), or as the case may be an authorized lessee, pursuant to the terms of rental in section 3.6 (along with dependents). Notwithstanding anything contained herein to the contrary, all occupants must meet and continue to meet the definition of qualified occupant for the entire period of their occupancy of the unit. The only exceptions to the occupancy criteria are those exceptions provided for in the Administrative Rules and Regulations.

3.3 Ownership Interest in Other Residential Property. Additional ownership in other developed residential properties is deemed to include entities, partnerships, trusts and the like in which the owner is either a party to the entity in any part or a trustee and/or

beneficiary of a trust. In the event said other property has not been sold within ninety (90) days of its listing or offering for sale as required hereunder, then the owner shall immediately list his or her Stables Village unit for sale pursuant to the provisions of this covenant. It is understood and agreed between the parties hereto that, in the case of an owner whose business is the construction and sale of residential properties, the properties which constitute inventory in such owner's business shall not constitute "other developed residential property" as that term is used in this section.

- A. Triplex Units. If at any time an owner of a triplex owns any interest alone, or in conjunction with others in any other developed residential property within Summit County, Colorado, the owner shall immediately disclose such ownership to the Town, and promptly list or otherwise offer through sale by owner such other property interest for sale.
- B. Duplex and Single Family Units. If at any time an owner of a duplex or single family owns more than one additional interest alone, or in conjunction with others in any other developed residential property within Summit County, Colorado, the owner shall immediately disclose such ownership to the Town, and promptly list or otherwise offer through sale by owner such other property interest for sale.

3.4 Maintenance Responsibilities. The owner(s) is responsible for maintaining the unit in good working order and good repair throughout the length of the owner's ownership of the unit, and adhering to all homeowner's association requirements for maintenance, upkeep, and appearance during such tenure of ownership.

3.5 Vacancy. In the event that a qualified owner ceases to occupy a unit as his or her primary residence for a period of ninety (90) consecutive days (as reasonably determined by the Town), the Town may, in its sole discretion and in addition to any other remedies the Town may have hereunder, determine that the unit shall be offered for sale pursuant to the provisions of this covenant.

3.6 Rentals. Units shall not be rented for any period of time without the prior written approval of the Town. Owners are permitted one 12 month cumulative period of rental during their ownership of the unit. Any tenancy approved by the Town shall be to a natural person meeting the definition of authorized lessee. No tenancy period shall be less than six (6) months or longer than twelve (12) months. No unit or portion of a unit may be rented for periods of time of less than six (6) months. The maximum rental fee for such approved rentals shall be at a rental rate established by the Town. In the event that any unit, or any portion thereof, is leased or rented without compliance with this covenant, the Town shall have the remedies set forth by law, including but not limited to the rights set forth in this covenant.

3.7 Roommates. The requirements of this article shall not preclude a qualified owner from sharing occupancy of the unit with other natural persons on a rental basis provided the owner continues to meet the obligations, including primary residency, set forth in this covenant. All roommates charged rent by the owner are required to have written

approval by the Town, and shall meet the definition of qualified occupant. The maximum rental fee for such approved roommates shall be at a rental rate established by the Town.

3.8 Refinance Restriction. An owner shall not encumber a unit with debt, exclusive of interest, in any form which exceeds, at any time the maximum resale price as determined in accordance with this covenant.

3.9 Records and Inspection. An owner's records with respect to the owner's use and occupancy of a unit shall be subject to examination, inspection and copying by the Town upon reasonable advance notice. The Town shall also have the right to enter into or upon a unit for the purpose of determining compliance with the provisions of this covenant; provided, however, that the Town shall first attempt to secure the permission of any occupants of the unit no less than 48 hours in advance prior to making entry. An owner shall submit any information, documents or certificates requested from time to time by the Town with respect to the occupancy and use of the owner's unit which the Town reasonably deems necessary to substantiate the owner's continuing compliance with the provisions of this covenant. Documents may include, but are not limited to: Federal and State Income Tax Returns, W2s, 1099s, bank statements, and invoices for utility payments. Such information shall be submitted to the Town within such reasonable time period as the Town may establish. All lessees of a unit shall be bound by the terms of this section and shall cooperate with all requirements herein. The Town shall maintain confidentiality of financial information as provided by law.

ARTICLE IV SALE OF A UNIT

4.1 Notice of Sale and Lottery Requirement. In the event that an owner shall desire to transfer a unit, or in the event that an owner shall be required to transfer such unit pursuant to the terms of this covenant, the owner shall notify the Town in writing of the owner's intention to transfer such unit. All units shall be sold pursuant to a lottery as provided in the Administrative Rules and Regulations. The unit shall not be transferred to: (i) any person, entity, or entities other than a qualified owner, and (ii) for consideration to be paid by such qualified owner that exceeds the maximum resale price as such is determined pursuant to the provisions of this article.

4.2 Income Testing (Triplex units only). A household's income for purposes of determining whether such household meets this definition of eligibility shall be determined at the time of purchase. Income testing shall be done only at the time a person purchases a unit. Additional income obtained by persons in an eligible household after purchasing the unit shall not have any effect on the household's qualifications or income classification under this covenant.

At the time of entering into any purchase contract for a triplex unit, individuals or households, as applicable, shall be subject to the following income categories for these units, as set forth in **Exhibit C**:

- A. 80% AMI units shall be available to those earning up to 140% AMI.
- B. 100% AMI units shall be available to those earning up to 140% AMI.
- C. 110% AMI units shall be available to earning up to 140% AMI.

4.3 Original Sale of a Unit. Upon completion of construction of each unit by the Developer the unit shall be sold to a qualified owner at a purchase price as set forth in **Exhibit C.**

4.4 Resale. No unit shall be transferred subsequent to the original purchase from the Developer, except upon full compliance with the procedures set forth in this article.

A. Maximum Resale Price. The maximum resale price may not exceed the sum of: (i) the purchase price paid by the owner of the unit, plus (ii) an increase of 3% of such purchase price per year (pro-rated at the rate of 1/12 for each whole month for any part of a year, but not compounded annually) from the date of the owner's purchase of the unit to the date of the owner's execution of the listing contract, plus (iii) permitted capital improvements subject to the limitations in sub-section B below, plus (iv) maintenance items subject to the Administrative Rules and Regulations, plus (v) a maximum of one percent (1%) of the sum of items (i), (ii), and (iii) of this sub-section C below to provide the selling owner with assistance in paying any sales commissions to a licensed real estate broker, attorney's fees, and closing costs incurred by the owner in connection with the sale of the unit. Nothing herein shall be construed to constitute a representation or guarantee by the Town or the Developer that upon resale the owner shall obtain the maximum resale price.

B. Allowance for Permitted Capital Improvements. Subject to the limitations of this Section, for the purpose of determining the maximum resale price in accordance with this covenant, the owner may add to the amount specified in Section 4.4 A, the cost of approved and permitted capital improvements (PCI) as set forth in the PCI schedule contained in the Administrative Rules and Regulations, as amended from time to time.

C. Real Estate Sales Commission. The owner of a unit may list the unit with the Summit Combined Housing Authority (SCHA) or a private real estate broker licensed according to the laws of the State of Colorado. Regardless of whether the unit is listed with the SCHA or through a private real estate broker, the owner may add the amount paid in sales commission, up to 1%, to the maximum resale price, as described in Section 4.4 A. This covenant does not mandate what commissions and sales fees an owner may pay, it merely specifies the maximum amount that may be added to the resale price of the unit. All real estate commissions and other sale-related costs shall be paid by the owner of a unit, and shall not be transferred to the buyer by including these costs in the resale calculation, with the exception stated above for a maximum of 1% to be added to the maximum resale price. The ability to increase the maximum resale price by

the allowable sales commission amount does not apply to units for sale by owner unless owner is a real estate broker licensed according to the laws of the State of Colorado.

D. Closing Costs, No Additional Consideration. Owner shall not permit any prospective buyer to assume any or all of the owner's customary closing costs, including but not limited to, title insurance, sales fee, prorated taxes attributed to the property prior to the date of sale, homeowner's dues, existing obligations for special assessments, including any installments due and owing prior to the date of closing, etc.; nor shall owner accept any other consideration which would cause an increase in the purchase price above the bid price so as to induce the owner to sell to such prospective buyer.

4.5 Condition of Unit at Resale. Each owner shall be responsible for ensuring that the unit is in good condition at the time of resale, with reasonable wear and tear acceptable. This obligation includes all matters which are in the control and responsibility of an owner, and includes but is not limited to: cleaning the unit; making necessary improvements to repair and maintain plumbing and mechanical fixtures, appliances, carpets or other flooring; interior painting and other work, and ensuring that there are no health and safety violations regarding the unit. If the unit is not in good condition, the Town has the right to bring the unit into saleable condition and collect the costs of taking such efforts, by means of a lien upon the property, and the accordant right to collect upon such lien through appropriate means, including the right to deduct the cost of any expenses incurred from the owner's proceeds at closing for the sale of the unit.

4.6 Non-Qualified Transferees. In the event that title to a unit vests in a party that is not a qualified owner (a "non-qualified transferee") by descent, by foreclosure and/or redemption by any lien or mortgage holder (except any holder of a HUD-insured First Mortgage), or by operation of law or any other event, the Town will notify the non-qualified transferee that it must either attain qualified occupant status or sell the unit within a specific period of time. The non-qualified transferee(s) shall not: (i) occupy the unit; (ii) rent all or any part of the unit; (iii) engage in any business activity on or in the unit; (iv) sell or otherwise transfer the unit, except in accordance with this covenant; or (v) sell or otherwise transfer the unit for use in trade or business.

ARTICLE V **INSURANCE**

5.1 Owner Insurance Requirements. Each owner, shall in conjunction with the purchase or acquisition of a unit, keep the unit and its improvements now existing or hereafter erected, insured against loss or casualty by fire or hazards included within the term "extended coverage" in an amount equal to the replacement costs of returning the unit to its condition prior to loss (property insurance). The insurance carrier providing the insurance shall be qualified to write property insurance in Colorado and shall be chosen by owner subject to the Town's right to reject the chosen carrier for objectively reasonable

cause. The Town shall have the right, but not the obligation, to request proof of insurance and/or continued coverage limits from owner by written request, at any such time(s) as the Town deems appropriate. In the event of loss, owner shall give prompt notice to the insurance carrier and the Town. Insurance proceeds shall be applied to the restoration or repair of the unit damaged, provided such restoration or repair is economically feasible and the security of any existing deed of trust or mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of an existing deed of trust would be impaired, the insurance proceeds shall be applied to the sums secured by the deed of trust, with the excess, if any, paid to the owner. If the total unit insurance payment in such case exceeds the maximum resale price at the date of loss, the excess above the maximum resale price shall be paid by the owner to the Town, excluding all compensation for personal property, ancillary compensation for casualty such as rent stipends, and other such proceeds not related to the value of the unit itself.

ARTICLE VI

DOCUMENTATION REQUIRED FOR SALE OF A UNIT

6.1 Memorandum of Acceptance and Notice of Lien. Along with the recorded instrument of conveyance evidencing a transfer of a unit, any such transfer of a unit shall include a completed copy of the "Memorandum of Acceptance of Residential Housing Covenant and Notice of Lien for the Stables Village Development" attached hereto as **Exhibit B**, which copy is executed by the transferee and acknowledged by a notary public.

6.2 Appreciation Limiting Promissory Note and Deed of Trust.

- A. At the time of each sale of a unit, beginning with the first such sale by the Developer to a unit owner, the purchaser(s) of each unit shall execute an Appreciation Limiting Promissory Note in the form provided for in the regulations, together with a form of Appreciation Limiting Deed of Trust to a public trustee in the form provided for in the regulations; with said deed of trust intended to encumber the unit to secure strict compliance with the terms of the Note.
- B. The Appreciation Limiting Deed of Trust shall contain a strict due on sale provision, and shall be in form and substance acceptable to the attorney for the Town.
- C. At the time of closing of each transfer of title to a unit subsequent to the first transfer by Developer, the Town shall determine whether the transfer complies with the requirements of this covenant. If the transfer complies with the requirements of this covenant, the Town shall mark the selling unit owner's Appreciation Limiting Promissory Note as paid and execute a request for release of the Appreciation Limiting Deed of Trust upon verification to the Town, by the title company or other independent agent responsible for closing on the transfer of title to a unit, that the amount paid for the purchase of the unit does not exceed the maximum resale

price or that, if the price exceeds the maximum resale price, the amount of such excess will be paid to the Town.

- D. At the time of each subsequent closing of the transfer of title to a unit, the standing Note and Deed of Trust shall be extinguished, and a new Appreciation Limiting Promissory Note shall be executed by the purchaser(s) and delivered to the Town, and a new Appreciation Limiting Deed of Trust shall be executed by the purchaser(s) and recorded at the Summit County Clerk and Recorder's office.
- E. If title to a unit is transferred without obtaining the release of an Appreciation Limiting Deed of Trust securing an Appreciation Limiting Promissory Note in favor of the Town, and/or a new such Note and Deed of Trust, the Town, among other rights available to it, shall have the right to foreclose said Appreciation Limiting Deed of Trust.

ARTICLE VII TOWN'S LIEN

7.1. Town Lien Priority. Town shall have, and is hereby granted, a lien against the unit to secure payment of any amounts due and owing the Town pursuant to this covenant including without limitation all sales proceeds and/or amounts due to the Town in the event of a foreclosure of a first mortgage and to secure the obligations to the Town hereunder. The Town's lien on the respective unit shall be superior to all other liens and encumbrances, except the following:

- A. Liens and encumbrances recorded prior to the recording of this covenant;
- B. Real property ad valorem taxes and special assessment liens duly imposed by Colorado governmental or political subdivision or special taxing districts;
- C. Liens given superior priority by operation of law; and
- D. The lien of any first mortgage against such unit.

7.2. Rights of Town Lien. Recording of this covenant in Summit County constitutes record notice and perfection of the Town's lien. No further recordation of any claim of lien is required. By virtue of the Town's lien, the Town shall have all of the rights that a mortgage holder may have against a unit, including, but not limited to, the right to judicially foreclose upon a unit. The Town shall be entitled to file such notices and other information necessary to preserve its rights, as a lienor, and to cure and redeem in foreclosure of a unit, as provided by C.R.S. § 38-38-101, *et seq.*, and any other applicable law. In addition, unless otherwise instructed by the Town in writing, the owner shall sign, acknowledge, and cooperate in the Town's recording in the County Clerk and Recorder's Office immediately subsequent to the recording of the first mortgage, a notice of the Town's lien,

substantially in the form attached hereto as **Exhibit B**, in order to assure that the Town receives notice in the event of the foreclosure of the first mortgage pursuant to this article. The notice shall not alter the priority date of the Town's lien as established herein.

7.3. Binding Effect of Lien. The sale or other transfer of a unit shall not affect the Town's lien. No sale or deed in lieu of foreclosure shall relieve the owner from continuing personal liability for payment of their obligations hereunder. The Town's lien does not prohibit actions or suits to recover sums due pursuant to this covenant, or to enforce the terms of this covenant, or to prohibit the Town from taking a deed in lieu of foreclosure.

7.4. Subordination of Town Lien. Upon request, the Town shall agree to subordinate the Town's lien to a bona fide mortgage or deed of trust provided that the total principal indebtedness secured by those mortgages or deeds of trust with priority over the Town's lien shall not exceed the current allowed maximum resale price under this covenant as of the date of subordination. To the extent that **Exhibit B** is inconsistent with this provision, the provisions of this section shall control.

ARTICLE VIII

FORECLOSURE AND DEFAULT ON LOAN

8.1 Release. Notwithstanding anything herein to the contrary, this covenant shall be deemed released as to a unit in the event of the issuance of a public trustee's confirmation deed, sheriff's confirmation deed, or similar conveyance of the unit in connection with a foreclosure by the holder of a first mortgage. If the Town chooses to terminate this covenant with respect to a particular unit, the Town shall record a document referencing such termination in the real property records of the County. Any and all claims of the Town available hereunder against the owner personally shall survive any release or termination of this covenant.

8.2 Notice of Default to the Town. Within ten (10) days after owner's receipt of any notice of default from a mortgagee or any applicable governmental entity or homeowner's association, the owner shall give written notice of such default to the Town.

8.3 The Town's Option to Redeem.

A. Foreclosure/Town Option to Redeem. In the event of any foreclosure of a first mortgage or other lien, the Town or its authorized agent shall be entitled to receive notice of the foreclosure proceedings as is required by law to be given by the public trustee or the sheriff, as applicable, to lienors of a unit that are junior to the first mortgage (as provided in C.R.S. § 38-38-101, *et seq.*, as amended). The Town shall have a right of redemption, purchase, and such other rights as a lienor and holder of deed of trust in foreclosure, as its interest appears, in accordance with Colorado law governing foreclosure.

B. Upon Exercising Option. If the Town obtains title to a unit, the Town may sell such unit to a qualified owner, or rent such unit to an authorized lessee until such time that such unit can be sold to a qualified owner.

ARTICLE IX **ENFORCEMENT**

9.1 Notification of Breach. It shall be a breach of this covenant for any owner or qualified occupant to violate any provision of this covenant. Upon violation of this covenant, the Town shall inform the owner or qualified occupant by written notice and provide reasonable period of time in which to correct such violation. If such violation is not corrected to the satisfaction of the Town within the time period, the Town may without further notice declare a breach of this covenant.

9.2 Violations Triggering Sale and Town Option to Buy

A. In the event a unit is occupied, transferred, or leased in violation of this covenant, the Town may, at its sole discretion, require the owner to immediately list the unit for sale. The highest bid from a qualified owner for not less than ninety-five percent (95%) of the maximum resale price shall be accepted by the owner; provided, however, if the unit is listed for a period of at least ninety (90) days and all bids are below ninety-five percent (95%) of the maximum resale price, the unit shall be sold to a qualified owner that has made the highest offer for at least the appraised market value of the Unit, as determined by the Town in its reasonable good faith judgment, after such ninety (90) day period.

B. In the case of such an uncured violation, if required by the Town, the owner shall: (i) consent to any sale, conveyance, or transfer of such unit to a qualified owner; (ii) execute any and all documents necessary to do so; and (iii) otherwise reasonably cooperate with the Town to take actions needed to accomplish such sale, conveyance, or transfer of such unit. For this purpose, each owner hereby constitutes and appoints the Town as its true and lawful attorney-in-fact with full power of substitution to complete or undertake any and all actions required under this section. It is further understood and agreed that this power of attorney, which shall be deemed to be a power coupled with an interest, cannot be revoked. Owner specifically agrees that all power granted to the Town under this covenant may be assigned by it to its successors or assigns.

C. Town shall also have and is hereby granted the right and option to purchase a unit, exercisable within a period of fifteen (15) calendar days after notice is sent by the Town to the owner that requires the owner to sell the unit pursuant to this section. Thereafter, the Town shall complete the purchase of such unit within thirty (30) calendar days after exercising its option hereunder for a price equal to the lesser of the appraised market value of the unit, as determined by the Town in its reasonable good faith judgment, or the maximum resale price. The Town may assign its option to purchase hereunder to an eligible purchaser that, for the purpose of this section, shall be a qualified owner.

D. In all situations in which the provisions of this section apply, the Town may alternatively require the owner to lease or rent a unit to an authorized lessee in accordance with the requirements of this covenant.

9.3 Right to Review and Compliance. The Developer and each owner hereby grants and assigns to the Town the right to review and enforce compliance with this covenant. Compliance may be enforced by the Town by any lawful means, including without limitation, seeking any equitable relief (including, without limitation, specific performance and other equitable relief as set forth in Section 9.6 below), as well as a suit for damages; provided, however, in the event a unit is financed by a HUD-insured first mortgage and is sold in violation of Article IV hereof, such enforcement shall not include:

- A. Acceleration of a mortgage;
- B. Voiding a conveyance by an owner;
- C. Terminating an owner's interest in a unit; or
- D. Subjecting an owner to contractual liability

Notwithstanding the foregoing, in no event shall the Town have any equitable remedies (including, but not limited to, the right to sue for specific performance or seek other equitable relief as set forth herein) or the right to sue for damages if the owner of a unit that was financed with a HUD-insured first mortgage breaches or violates the terms, covenants and other provisions of Article IV hereof and if to do so would violate any existing or future requirement of HUD, it being understood, however, that in such event, the Town shall retain all other rights and remedies hereunder for enforcement of any other terms and provisions hereof, including, without limitation: (i) the right to sue for damages to reimburse the Town, or its agents, for its enforcement costs and to require an owner to repay with reasonable interest (not to exceed ten percent (10%) per annum) any assistance received in connection with the purchase of the property; (ii) the right to prohibit an owner from retaining sales or rental proceeds collected or received in violation of this covenant; and (iii) the option to purchase granted to the Town in section 9.2 hereof. Venue for a suit enforcing compliance shall be proper in Summit County, Colorado and service may be made or notice given by posting such service or notice in a conspicuous place on the applicable unit. As part of any enforcement action on the part of the Town, the applicable owner shall pay all court costs and reasonable legal fees incurred by the Town, or its agents, in connection with these claims, actions, liabilities or judgments, including an amount to pay for the time, if any, of Town or its agents, or attorney spent on such claims at the rates generally charged for similar services by private practitioners within the County.

9.4 Enforcement. Except as otherwise provided herein, the Town, the Developer, or any owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, and reservations imposed by the provisions of this covenant and shall be entitled to specific enforcement of the same. Failure by any party described in this paragraph to enforce any covenant or restriction herein contained shall

in no event be deemed a waiver of the right by such party or any other party to do so thereafter.

9.5 Expenses of Enforcement. In the event that any party entitled to enforce the terms of this covenant shall be required to bring any action as the result of any breach of the terms of this covenant by any owner, the party bringing such action shall be entitled to recover from and against the owner in breach of this covenant, in addition to any and all other remedies available at law or in equity, reasonable attorney's fees and costs incurred in the enforcement of this covenant and in the bringing of such action, and the party against whom such fees and costs are awarded shall be personally liable for the payment of such fees and costs, and such award and judgment shall constitute a lien against the unit owned by the party in breach of this covenant which lien may be enforced by foreclosure of the defaulting owner's unit in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado or elimination of owner's resale gain on the unit.

9.6 Injunctive and other Equitable Relief. Developer and each owner agree that in the event of Developer's or owner's default under or non-compliance with the terms of this covenant, the Town shall have the right to seek such equitable relief as it may deem necessary or proper, including, without limitation, the right to: (a) seek specific performance of this covenant; (b) obtain a judgment from any court of competent jurisdiction granting a temporary restraining order, preliminary injunction and/or permanent injunction; and (c) set aside or rescind any sale of a unit made in violation of this covenant. Any equitable relief provided for in this section may be sought singly or in combination with such legal remedies as the Town may be entitled to, either pursuant to this covenant, under the laws of the State of Colorado or otherwise.

9.7 Price Freeze. Any violation of this covenant shall cause the maximum resale price to freeze and remain fixed until the date such violation is fully cured.

ARTICLE X

PERIODIC REVIEW AND AMENDMENT

10.1 Town's Right to Periodically Review and Amend Certain Provisions of this Restriction and Provisions of the Administrative Rules and Regulations. In recognition of the changing nature of the housing market in the County, and the Town's desire to keep this covenant current for the benefit of all interested parties, this covenant is subject to periodic review by the Town, and may be amended from time to time in the Administrative Rules and Regulations without invalidating or affecting the enforceability of this covenant. Amendments made to this Covenant by the Town pursuant to this Section shall be effective upon the effective date of the amendment to the Administrative Rules and Regulations.

10.2 Amendment. This covenant may additionally be amended by an instrument recorded in the records of Summit County, Colorado executed by the Town and the then-owner of a unit.

ARTICLE XI **GENERAL PROVISIONS**

11.1 Equal Housing Opportunity. Pursuant to the Fair Housing Act, Developer, and the Town shall not discriminate on the basis of race, creed, color, sex, national origin, familial status or disability in the lease, sale, use or occupancy of the property.

11.2 Waiver of Exemptions. Every owner, by taking title to a unit, shall be deemed to have subordinated to this covenant any and all right of homestead and any other exemption in, or with respect to, such unit under state or federal law presently existing or hereafter enacted.

11.3 Perpetuities Savings Clause. If any of the terms, covenants, conditions, restrictions, uses, limitations, obligations, or options created by this covenant are held to be unlawful or void for violation of: (i) the rule against perpetuities or some analogous statutory provision; (ii) the rule restricting restraints on alienation; or (iii) any other statutory or common law rules imposing like or similar time limits, then such provision shall continue only for the shorter of: (x) the term of this covenant, or (y) the period of the lives of the current duly elected and seated members of the Town Council of the Town of Breckenridge, Colorado, their now living descendants, if any, and the survivor of them, plus twenty-one (21) years.

11.4 Severability. Invalidation of any one of the covenants or restrictions contained herein by judgment or court order shall in no way affect any other provisions, it being the intent of the Developer, the Town, and its designee that such invalidated provision be severable.

11.5 Term. This covenant shall run with the land and bind the property and the units in perpetuity. The Parties agree that the Town's rights and interests under this covenant are vested immediately and that this covenant shall be binding and in full force and effect for the full term as set forth herein.

11.6 No Third Party Beneficiaries. There are no intended third-party beneficiaries to this Covenant.

11.7 Non-Liability and Governmental Immunity. The Town, its designee, and their respective employees, members, officers, elected officials, and agents shall not be liable to any owner or third party by virtue of the exercise of their rights or the performance of their obligations under this covenant. The Parties understand and agree that they are

relying on, and do not waive or intend to waive by any provision of this covenant, the monetary limitations or any other rights, immunities or protections afforded by the Colorado Governmental Immunity Act, CRS § 24-10-101, et seq., as they may be amended, or any other limitation, right, immunity or protection otherwise available to the Parties.

11.8 Exhibits. All exhibits attached hereto are incorporated herein and by this reference made part hereof.

11.9 Personal Liability. Each owner shall be personally liable for any of the transactions contemplated herein, jointly and severally with his or her co-owners.

11.10 Further Actions. The owner and owner's successors and assigns agree to execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of this covenant or any agreement or document relating hereto or entered into in connection herewith.

11.11 Notices. Any notice under this covenant shall be in writing, and shall be deemed sufficient when directly presented or sent pre-paid, first class United States Mail to the Party at the Party's last known address.

11.12 No Joint Venture. Notwithstanding any provision hereof, the Town shall never be a joint venture in any private entity or activity which participates in this covenant, and the Town shall never be liable or responsible for any debt or obligation of any participant in this Covenant.

**EXHIBIT A
LEGAL DESCRIPTION**

TRACTS A, B, C, D, AND E, STABLES VILLAGE SUBDIVISION AS SHOWN ON PLAT
RECORDED JULY 10, 2023 UNDER RECEPTION NO. 1313563, COUNTY OF SUMMIT, STATE
OF COLORADO.

EXHIBIT B

MEMORANDUM OF ACCEPTANCE OF
RESIDENTIAL HOUSING COVENANT AND NOTICE OF LIEN
FOR THE STABLES VILLAGE DEVELOPMENT
SUMMIT COUNTY, COLORADO

WHEREAS, _____ [Buyer Name] _____, the "Buyer" is purchasing from _____ [Seller Name] _____, the "Seller", at a price of \$ _____ [purchase price amount] _____, real property described as _____ [Legal Description] _____ according to the plat recorded under Reception No. _____, in the real property records of the County of Summit, Colorado (the "Unit"); and

WHEREAS, the Seller of the unit is requiring, as a prerequisite to the sale transaction, that the Buyer acknowledge and agree to the terms, conditions, and restrictions found in that certain instrument entitled "Residential Housing Covenant and Notice of Lien for Stables Village Development, Summit County, Colorado," recorded on _____, 2023, under Reception No. _____, in the real property records of the County of Summit, Colorado (the "Covenant").

NOW, THEREFORE, as an inducement to the Seller to sell the unit, the Buyer:

1. Acknowledges that Buyer has carefully read the entire covenant; has had the opportunity to consult with legal and financial counsel concerning the covenant prior to signing it; and fully understands the terms, conditions, provisions, and restrictions contained in the covenant.

2. Agrees to be bound by and to comply with the terms, conditions, and requirements of the covenant.

4. States that the Notice to Buyer should be sent to:

5. Directs that this memorandum be placed of record in the real estate records of the County of Summit, Colorado, and a copy provided to the Town of Breckenridge.

EXHIBIT C

List of Units by AMI

<u>Phase</u>	<u>Address</u>	<u>Unit Type</u>	<u>Bedrooms</u>	<u>AMI</u>	<u>Initial Pricing</u>
1A	10 Stallion Loop	Single Family	4	140%	\$785,019
1A	17 Stallion Loop	Duplex	2	130%	\$546,094
1A	19 Stallion Loop	Duplex	3	140%	\$696,308
1A	16 Stallion Loop	Duplex	3	140%	\$696,308
1A	18 Stallion Loop	Duplex	3	130%	\$641,542
1A	29 Stallion Loop	Duplex	3	140%	\$696,308
1A	31 Stallion Loop	Duplex	3	140%	\$696,308
1A	28 Stallion Loop	Duplex	3	140%	\$696,308
1A	30 Stallion Loop	Duplex	3	130%	\$641,542
1A	17 Bridle Alley	Triplex*	3	100%	\$485,022
1A	15 Bridle Alley	Triplex*	2	100%	\$410,403
1A	13 Bridle Alley	Triplex*	3	80%	\$373,708
1A	35 Bridle Alley	Triplex*	3	110%	\$540,680
1A	33 Bridle Alley	Triplex*	2	100%	\$410,403
1A	31 Bridle Alley	Triplex*	3	110%	\$540,680
1B	37 Stallion Loop	Duplex	3	140%	\$709,961
1B	39 Stallion Loop	Duplex	2	130%	\$556,801
1B	47 Stallion Loop	Duplex	3	140%	\$709,961
1B	49 Stallion Loop	Duplex	3	140%	\$709,961
1B	57 Stallion Loop	Single Family	4	140%	\$800,411
1B	66 Stallion Loop	Duplex	3	140%	\$709,961
1B	68 Stallion Loop	Duplex	2	130%	\$556,801
1B	65 Stallion Loop	Duplex	3	140%	\$709,961
1B	67 Stallion Loop	Duplex	3	140%	\$709,961
1B	87 Stallion Loop	Single Family	4	140%	\$800,411
1B	50 Bridle Alley	Triplex*	3	110%	\$551,281
1B	48 Bridle Alley	Triplex*	2	110%	\$467,591
1B	46 Bridle Alley	Triplex*	3	100%	\$494,532
1B	53 Bridle Alley	Triplex*	3	110%	\$551,281
1B	51 Bridle Alley	Triplex*	2	110%	\$467,591
1B	49 Bridle Alley	Triplex*	3	110%	\$551,281
2A	96 Stallion Loop	Duplex	2	130%	\$556,801
2A	98 Stallion Loop	Duplex	3	140%	\$709,961
2A	95 Stallion Loop	Duplex	3	140%	\$709,961
2A	97 Stallion Loop	Duplex	3	140%	\$709,961
2A	103 Stallion Loop	Duplex	3	140%	\$709,961
2A	105 Stallion Loop	Duplex	3	140%	\$709,961
2A	113 Stallion Loop	Duplex	3	140%	\$709,961
2A	115 Stallion Loop	Duplex	3	140%	\$709,961
2A	120 Stallion Loop	Single Family	4	140%	\$800,411

<u>Phase</u>	<u>Address</u>	<u>Unit Type</u>	<u>Bedrooms</u>	<u>AMI</u>	<u>Initial Pricing</u>
2A	123 Stallion Loop	Duplex	3	140%	\$709,961
2A	125 Stallion Loop	Duplex	3	140%	\$709,961
2A	132 Stallion Loop	Duplex	2	130%	\$556,801
2A	134 Stallion Loop	Duplex	3	140%	\$709,961
2A	135 Stallion Loop	Duplex	3	140%	\$709,961
2A	137 Stallion Loop	Duplex	3	140%	\$709,961
2A	16 Bridle Alley	Triplex*	3	80%	\$381,035
2A	14 Bridle Alley	Triplex*	2	110%	\$467,591
2A	12 Bridle Alley	Triplex*	3	110%	\$551,281
2A	32 Bridle Alley	Triplex*	3	100%	\$494,532
2A	30 Bridle Alley	Triplex*	2	110%	\$467,591
2A	28 Bridle Alley	Triplex*	3	110%	\$551,281
2B	145 Stallion Loop	Duplex	3	140%	\$709,961
2B	147 Stallion Loop	Duplex	3	140%	\$709,961
2B	158 Stallion Loop	Duplex	2	130%	\$556,801
2B	160 Stallion Loop	Duplex	3	130%	\$654,122
2B	170 Stallion Loop	Duplex	3	140%	\$709,961
2B	172 Stallion Loop	Duplex	2	130%	\$556,801
2B	173 Stallion Loop	Duplex	3	140%	\$709,961
2B	175 Stallion Loop	Duplex	3	140%	\$709,961
2B	180 Stallion Loop	Single Family	4	140%	\$800,411

*income restricted to 140% AMI

Notes:

All initial pricing is based upon 2022 SCHA Summit County AMI Maximum Sales Prices plus an increase of 4%, apart from Phase 1A units that are based upon 2022 SCHA Summit County AMI Maximum Sales Prices plus an increase of 2%.