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**SECOND AMENDMENT
TO
AFFORDABLE HOUSING RESTRICTIVE COVENANTS AND AGREEMENT
(Gibson Heights)**

This Second Amendment to Affordable Housing Restrictive Covenant and Agreement (Gibson Heights) ("Second Amendment) is made and entered into at Breckenridge, Colorado this 31 day of May, 2005 by and between SUMMIT HOUSING AUTHORITY, a political subdivision of the State of Colorado ("Housing Authority") and the TOWN OF BRECKENRIDGE, a Colorado municipal corporation ("Town").

WITNESSETH:

WHEREAS, Housing Authority and Town entered into that "Affordable Housing Restrictive Covenant and Agreement", dated June 25, 2002 and recorded June 25, 2002 under Reception No. 689106 of the records of the Clerk and Recorded of Summit County, Colorado ("Restrictive Covenant"); and

WHEREAS, Paragraph B of Article VII of the Restrictive Covenant authorizes Housing Authority and Town to amend the Restrictive Covenant; and

WHEREAS, Housing Authority and Town entered into that Amendment To Affordable Housing Restrictive Covenant and Agreement (Gibson Heights) dated September 10, 2002 and recorded September 11, 2002 under Reception No. 695427 of the records of the Clerk and Recorded of Summit County, Colorado ("First Amendment");and

WHEREAS, Housing Authority and Town desire to further amend the Restrictive Covenant as hereafter set forth; and

WHEREAS, Housing Authority and Town find, determine and declare that the amendments contained in this Second Amendment: (i) provide clarification to portions of the Restrictive Covenant which are unclear or subject to differing interpretations; (ii) correct errors as identified in this Second Amendment; and/or (iii) reduce or eliminate such restrictions as Housing Authority and Town deem to be in the best interests of the Project or for the Unit Owners (as defined in the Restrictive covenant).

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, and intending to be legally bound, the parties agree as follows:

1. The definition of "Permitted Improvements" set forth in Paragraph E of Article I (Definitions) of the Restrictive Covenant is hereby amended so as to read in its entirety as follows:

E. "Permitted Improvements" means: (i) the addition of a garage or storage space to a Residential Unit; (ii) the improvement of unfinished space in a Residential

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Unit allowed to be finished and occupied pursuant to the Building Code of the Town of Breckenridge in effect at the time of such improvement; and (iii) exterior ingress and egress stairways. The term "Permitted Improvements" does not include any other improvements, upgrades or work on or expenses incurred in connection with the Residential Unit. Notwithstanding anything contained in this Restrictive Covenant to the contrary, any exterior deck or patio can be substituted for an ingress and egress stairway in item (iii), above, but the maximum amount which shall be allowed for exterior decks, patios or ingress and egress stairways shall not exceed One Thousand Three Hundred Dollars (\$1,300.00).

2. Subsection IV.B of the Restrictive Covenant is hereby amended so as to read in its entirety as follows:

B. Resale Price Limit. The total price for which a Residential Unit may be sold by a Unit Owner shall be the total of:

(i) Purchase Price. The selling Unit Owner's purchase price, exclusive of any real estate commission paid at the time of the selling Unit Owner's acquisition of the Unit; and

(ii) Permitted Improvements. The cost of Permitted Improvements to any Residential Unit made within five (5) years of the date of the purchase by the first Unit Owner of each such Residential Unit from Developer; provided, however, that in no event shall said additional amount hereunder exceed cumulatively fifteen percent (15%) of the original purchase price for such Residential Unit paid by the first Unit Owner to the Developer. The calculation of the amount of Permitted Improvements shall be subject to the monetary limitation on decks, patios and stairs provided in the definition of "Permitted Improvements" set forth in Article I of this Restrictive Covenant. In calculating the cost of such improvements for purposes of resale price calculation under this Subsection, only a Unit Owner's actual out-of-pocket costs and expenses for labor and materials shall be eligible for inclusion, provided, however, that if a Unit Owner purchases only materials and does not pay any third party for labor, then such amount to be added for Permitted Improvements shall include an amount attributable to the Unit Owner's personal labor or "sweat equity" determined by multiplying the amount paid for materials times two (2). A Unit Owner must submit to the Town a copy of a development or other permit and a certificate of occupancy or compliance for the Permitted Improvements and copies of invoices, receipts or other similar evidence of the costs and expenses for labor and materials or materials alone on or before the end of five (5) years from the date of the purchase of a Residential Unit by the first Unit Owner from Developer. The Town shall provide each Unit Owner making a proper submission for Permitted Improvements with a receipt or certificate verifying the amount of such Permitted Improvements and, after such receipt or certificate is issued to a Unit Owner by

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the Town, no subsequent Unit Owner may challenge the verified amount for those Permitted Improvements.

The sum of the foregoing Subsections IV.B.(i) and (ii) shall be referred to as the "Base Price Limit" for any applicable Residential Unit.

3. Subsection IV.C of the Restrictive Covenant is hereby amended so as to read in its entirety as follows:

C. Adjustment to Price Limit. The amount of the Base Price Limit determined in accordance with the preceding Subsection IV.B may be increased by the addition of a cost of living appreciation ("COLA"). Said appreciation shall be determined by multiplying the Base Price Limit times the lesser of:

(i) The Base Price Limit times the percentage determined by multiplying one-quarter of one percent (0.25%) times the number of whole months from the date of a Unit Owner's purchase to the date of a Unit Owner's sale of the Residential Unit; or

(ii) The Base Price Limit times the percentage determined by dividing the amount equal to 100% of AMI most recently released prior to a Unit Owner's sale by the amount equal to 100% of AMI in effect at the time of a Unit Owner's Purchase.

The resale price so calculated by addition such COLA to the Base Price Limit shall be the "Adjusted Price Limit under any circumstance. The sale price of any Residential Unit at resale shall not exceed such Adjusted Price Limit under any circumstance. NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTEE BY THE TOWN, THE DEVELOPER, OR ANY OTHER PARTY, THAT THE UNIT OWNER WILL BE ABLE TO OBTAIN THE MAXIMUM SALE PRICE, AND THE TOWN AND DEVELOPER HEREBY DISCLAIM ANY SUCH REPRESENTATION OR WARRANTY THAT MIGHT OTHERWISE BE ALLOWED OR ATTRIBUTED.

Notwithstanding anything contained in this Restrictive Covenant to the contrary, the Adjusted Price Limit shall never be less than the purchase price actually paid by the selling Unit Owner for the Residential Unit.

4. Article IV (Voluntary Resale Restrictions) is amended by the inclusion of a new Subsection IV.C.5, which shall read in its entirety as follows:

C.5 Permitted Sales Cost. A Unit Owner shall be allowed to add to the Adjusted Price Limit a real estate sales commission actually paid by such Unit Owner in connection with the sale of the Unit, not to exceed three percent (3%) of the Adjusted Price Limit.

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5. Subsection IV.F of the Restrictive Covenant is hereby amended so as to read in its entirety as follows:

F. Appreciation Limiting Promissory Note and Deed of Trust. At the time of each sale of a Residential Unit, beginning with the first such sale by Developer to a Unit Owner, the purchaser(s) of each Residential Unit shall execute an Appreciation Limiting Promissory (“Note”) and a form of Deed of Trust to the public trustee of Summit County, Colorado encumbering the Residential Unit to secure strict compliance with the terms of the Note. The form of the Note shall reflect the provisions of this Restrictive Covenant and shall otherwise be in a form and substance acceptable to the Town Attorney. The Deed of Trust shall contain a strict due on sale provision and shall otherwise be acceptable in form and substance to the Town Attorney of the Town (“Deed of Trust”). At the time of each closing of the transfer of title to a Residential Unit, a new Note shall be executed by the purchaser(s) and delivered to the Town and a Deed of Trust shall be executed by the purchaser(s) and recorded in the Summit County, Colorado real estate records. At the time of closing of each transfer of title to a Residential Unit subsequent to the first transfer by Developer, the Adjusted Price Limit shall be determined by the Town in accordance with this Article IV. The Town shall mark each Note as paid and execute a request for release of deed of trust on verification by the Town, by the title company or other independent agent responsible for closing on the transfer of title to a Residential Unit, that the amount paid for the purchase of the Residential Unit does not exceed the Adjusted Price Limit or that, if the price exceeds the adjusted Price Limit, the amount of such excess will be paid to the Town. If title to a Residential Unit is transferred without obtaining the release of a Deed of Trust securing a Note in favor of the Town, the Town, among other rights available to it, shall have the right to foreclose said Deed of Trust.

Upon request, the Town shall agree to subordinate the Deed of Trust securing a Note to a bona fide first or second mortgage or deed of trust provided that the total amount of the principal indebtedness secured by those deeds of trust or mortgages with priority over the Town’s Deed of Trust shall not exceed one hundred percent of the current allowed maximum resale value under this Restrictive Covenant as of the date of subordination. To the extent Exhibit B is inconsistent with this subsection, the provisions of this subsection shall control.

5.5 Exhibit “B” to the Restrictive Covenant (form of Appreciation Limiting Promissory Note) is deleted in its entirety.

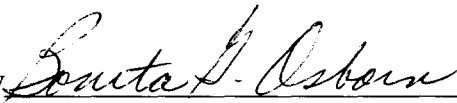
6. Defined terms used in this Amendment shall have the same meaning as provided in the Restrictive Covenant.

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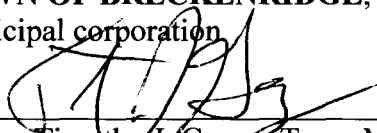
7. Except as amended by this Second Amendment, the Restrictive Covenant, as previously amended by the Amendment, shall continue in full force and effect.

Executed as of the date set forth above.

Summit Housing Authority

By , Executive Director
P.O. Box 188
Breckenridge, CO 80424

TOWN OF BRECKENRIDGE, a Colorado
municipal corporation

By 
Timothy J. Gagen, Town Manager
Town's Address:
P. O. Box 168
Breckenridge, CO 80424

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STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 11th day of May, 2005, by Barbara A. Osborn, Executive Director of Summit Housing Authority.

WITNESS my hand and official seal.

My commission expires: May 19, 2008 !

Kay K. McNamee
Notary Public



STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 31 day of MAY, 2005, by Timothy J. Gagen, Town Manager, and ~~Mary Jean Loufck, CMC, Town Clerk~~, of the Town of Breckenridge, a Colorado municipal corporation.

WITNESS my hand and official seal.

My commission expires: 10/10/2007

Alison Kellerman
Notary Public

