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**SECOND AMENDMENT
TO
EMPLOYEE HOUSING RESTRICTIVE COVENANT AND AGREEMENT
(Wellington Neighborhood, Phase I)**

This Second Amendment to Employee Housing Restrictive Covenant and Agreement (Wellington Neighborhood, Phase I) ("Second Amendment") is made this 19th day of September, 2007 by the TOWN OF BRECKENRIDGE, a Colorado municipal corporation ("Town").

WITNESSETH:

WHEREAS, Brynn Grey V, LLC and Town entered into that "Employee Housing Restrictive Covenant and Agreement", dated October 14, 1999 and recorded October 18, 1999 under Reception No. 608049 of the records of the Clerk and Recorded of Summit County, Colorado ("Restrictive Covenant"); and

WHEREAS, Wellington Neighborhood, LLC, a Colorado limited liability company and Poplarhouse, LLC, a Colorado limited liability company (collectively, "Successor Developers") are the successors in interest to Brynn Grey V, LLC with respect to the Restrictive Covenant; and

WHEREAS, Successor Developers and Town amended the Restrictive Covenant by that Amendment To Employee Housing Restrictive Covenant and Agreement dated October 24, 2000 and recorded October 25, 2000 under Reception No. 636475 of the records of the Clerk and Recorder of Summit County, Colorado ("First Amendment"); and

WHEREAS, Paragraph 11 of the Restrictive Covenant authorizes Successor Developers and Town to further amend the Restrictive Covenant; and

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

WHEREAS, Successor Developers and Town find, determine and declare that the amendments to the Restrictive Covenant 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 in the Restrictive Covenant; and/or (iii) reduce or eliminate such restrictions of the Restrictive Covenant, as amended by the First Amendment, as Successor Developers 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 contained herein, and intending to be legally bound, the parties agree as follows:

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1. Subsection 3.B of the Covenant shall be amended so as to read in its entirety as follows:

B. Exceptions. Notwithstanding the provisions of the preceding Subsection 3.A., it shall not be a violation of this Restrictive Covenant if: (i) rooms within a Residential Unit are rented to Qualified Occupants sharing the Residential Unit with the Unit Owner; (ii) a Residential Unit is rented for use and occupancy to a Qualified Occupant for a maximum cumulative total of twelve (12) months during the time of ownership by a Unit Owner; (iii) a Residential Unit is owned or occupied by a person age fifty five (55) years or older who works at paid employment in Summit County, Colorado at least fifteen (15) hours per week on a year-round basis during the entire period of his or her ownership or occupancy of the Residential Unit, together with such person's spouse and minor children, if any; (iv) a Residential Unit is occupied by a person age six two (62) years or older who is no longer a Qualified Occupant because he or she no longer works the required number of hours as described in Subsection I.H, if such person occupied the Residential Unit as a Qualified Occupant for a minimum of seven (7) consecutive years prior to ceasing to be a Qualified Occupant; (v) a Residential Unit is owned or occupied by a person otherwise authorized to own or occupy the Residential Unit pursuant to this Restrictive Covenant who becomes disabled after commencing ownership or occupancy of the Residential Unit such that he or she cannot work the required number of hours each week required by this Restrictive Covenant, provided, however, that such person shall be permitted to own or rent the Residential Unit for a maximum period of one (1) year following the commencement of such person's disability unless a longer period of ownership or occupancy is authorized by the Town; and (vi) guests visiting a Qualified Occupant and paying no rent or other consideration.

2. Subsection 4.A.ii of the Restrictive Covenant shall be amended so as to read in its entirety as follows:

(ii) *Permitted Improvements*. The cost of Permitted Improvements to any Residential Unit, 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. In calculating the cost of such improvements for purpose 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" which shall be determined by: (i) multiplying the amount paid for materials times two (2) as compensation for the selling Unit Owner's personal labor in making the Permitted Improvements; and (ii) adding to such sum the amount paid for materials. To be allowed to recover for Permitted Improvements,

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a selling Unit Owner must submit to the Town prior to selling the Residential Unit a copy of a development or other permit and a certificate of occupancy or compliance issued by the Town for the Permitted Improvements that documents when the improvement was made/completed by the Unit Owner during the Unit Owner's period of ownership of the Residential Unit, together with copies of invoices, receipts or other similar evidence of the costs and expenses for labor and materials or materials alone. 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 the Town, no subsequent Unit Owner may challenge the verified amount for those Permitted Improvements.

Notwithstanding any provision of this Restrictive Covenant to the contrary, if a Permitted Improvement is not made within five (5) years of the date of the purchase by the first Unit Owner of a Residential Unit from the Developer, such Permitted Improvement shall not be subject to the Adjustment to Price Limit set forth in Section 4.B of this Restrictive Covenant.

3. Subsection 4.D of the Restrictive Covenant shall be amended so as to read in its entirety as follows:

D. Appreciating 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 Appreciating Limiting Promissory Note in the form attached hereto as **Exhibit B**, or such other form as may be adopted from time to time by the Town which is consistent with the intent of this Restrictive Covenant ("Note") and a form of Deed of Trust to a public trustee encumbering the Residential Unit to secure strict compliance with the terms of the Note, containing a strict due on sale provision and acceptable 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 Section 4. The Town shall mark each Note as paid and execute a request for release of deed of trust on verification to 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.

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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 Adjusted Price Limit 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.

4. Section 6 of the Restrictive Covenant shall be amended so as to read in its entirety as follows:

6. Records; Inspection; Monitoring.

A. For so long as the Developer owns any of the Property, the Developer's records with respect to the use and occupancy of the Property shall be subject to examination, inspection and copying by the Town or its authorized agent upon reasonable advance notice.

B. A Unit Owner's records with respect to the Unit Owner's use and occupancy of a Residential Unit shall be subject to examination, inspection and copying by the Town or its authorized agent upon reasonable advance notice.

C. For so long as the Developer owns any of the Property, the Developer shall submit any information, documents or certificates requested from time to time by the Town with respect to the occupancy and use of the Property which the Town reasonably deems necessary to substantiate the Developer's continuing compliance with the provisions of this Restrictive Covenant. Such information shall be submitted to the Town within such reasonable time period as the Town may establish. Without limiting the generality of the foregoing, for so long as the Developer owns any of the Property, not later than December 31st of each year the Developer shall submit to the Town verification, under oath, of Developer's continuing compliance with the provisions of this Restrictive Covenant.

D. A Unit 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 Unit Owner's Residential Unit which the Town reasonably deems necessary to substantiate the Unit Owner's continuing compliance with the provisions of this Restrictive Covenant. Such information shall be submitted to the Town within such reasonable time period as the Town may establish.

5. Section 7 of the Restrictive Covenant shall be amended so as to read in its entirety as follows:

7. Default; Notice. In the event of any failure of the Developer or a Unit Owner to comply with the provisions of this Restrictive Covenant, the Town may inform the Developer or the defaulting or non-complying Unit Owner by written notice of such failure and provide the Developer or the defaulting or non-complying Unit Owner a period of time in which to correct such failure. If any such failure is not

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corrected to the satisfaction of the Town within the period of time specified by the Town, which shall be at least thirty (30) days after the date any notice to the Developer or the defaulting or non-complying Unit Owner is mailed, or within such further time as the Town determines is necessary to correct the violation, but not to exceed any limitation set by applicable law, the Town may without further notice declare a default under this Restrictive Covenant effective on the date of such declaration of default; and the Town may then proceed to enforce this Restrictive Covenant as hereafter provided.

6. Section 8 of the Restrictive Covenant shall be amended so as to read in its entirety as follows:

8. Equitable Relief. Developer and each Unit Owner agree that in the event of the Developer's or a Unit Owner's default under or non-compliance with the terms of this Restrictive Covenant, the Town shall have the right of specific performance of this Restrictive Covenant, and the right to obtain from any court of competent jurisdiction a temporary restraining order, preliminary injunction and permanent injunction to obtain such performance. 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 the provisions of this Restrictive Covenant or under the laws of the State of Colorado.

7. Section 9 of the Restrictive Covenant shall be amended so as to read in its entirety as follows:

9. Liquidated Damages. Each Unit Owner acknowledges that the unavailability of adequate employee housing within the Town of Breckenridge requires the expenditure of additional Town funds to provide required governmental services and thereby results in an economic loss to the Town. The Town and each Unit Owner further recognize the delays, expense and unique difficulties involved in proving in a legal proceeding the actual loss suffered by the Town in such circumstance. Accordingly, instead of requiring such proof, the Town and each Unit Owner agree that a Unit Owner who violates the Occupancy Restrictions shall pay to Town the sum of \$100 per day for each day in which the Unit Owner's Residential Unit is not used in strict compliance with the provisions of Section 3 of this Covenant. Such amount is agreed to be a reasonable estimate of the actual damages which the Town would suffer in the event of a violation of Section 3 of this Restrictive Covenant. The provisions of this Section shall not apply to any violation of this Restrictive Covenant other than a violation of Section 3. The liquidated damages provided herein shall commence as of the date on which the Unit Owner's Residential Unit is first used in violation of Section 3 of this Restrictive Covenant, and not on the date when the Town learns of such violation or on the date when the Town gives notice of default as provided in Section 7. Further, the total amount of liquidated damages payable to the Town under this Section shall in no event exceed the then-current value of the

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Residential Unit owned by the defaulting or noncomplying Unit Owner. The liquidated damages provided for in this Section may be collected by the Town personally from the defaulting or noncomplying Unit Owner, either singly or in combination with an action for equitable enforcement of this Restrictive Covenant as provided in Section 8 of this Restrictive Covenant.

8. Section 11 of the Restrictive Covenant shall be amended so as to read in its entirety as follows:

11. Waiver, Termination and Modification of Covenant. The restrictions, covenants and limitations created herein may be waived, terminated or modified with the written consent of both the Developer and the Town. In addition, after Residential Units have been sold to Unit Owners and mortgages or deeds of trust have been filed of record against Residential Units, the Developer and the Town reserve the right to amend this Restrictive Covenant: to provide clarification to any provisions hereof which may be unclear or subject to differing interpretations; to correct any errors identified herein; or to amend this Restrictive Covenant as the Developer and the Town may deem to be in the best interests of the Project or the Unit Owners, provided that if the Developer no longer has any interest in the Property or any of the Residential Units, such amendments may be made by the Town. No such waiver, modification, or termination shall be effective until the proper instrument in writing shall be executed and recorded in the office of the Clerk and Recorder of Summit County, Colorado. The Town and Developer may also terminate this instrument by recording a release in recordable form. For convenience, such instrument may run to "the owner or owners and parties interested" in the Property.

9. Exhibit "B" to the Restrictive Covenant is replaced with the form of the Appreciation Limiting Promissory Note which is marked Exhibit "A", attached hereto and incorporated herein by reference.

10. Defined terms used in this Second Amendment shall have the same meaning as provided in the Restrictive Covenant and the First Amendment.

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

12. In case any one or more of the provisions of this Second Amendment, or any application hereof, shall be finally declared by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, then:

- (i) such provision shall be stricken from this Second Amendment;
- (ii) the Restrictive Covenant (or the First Amendment, if applicable) shall continue in full force and effect as if the stricken portion of this Second Amendment had not been executed; and

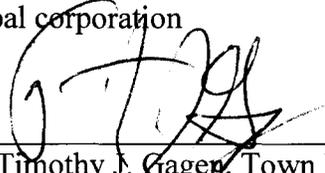
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- (iii) the validity, legality and enforceability of the remaining provisions of this Second Amendment shall not in any way be affected or impaired thereby. If the entirety of this Second Amendment, or any application hereof, shall be finally declared by a court of competent jurisdiction invalid, illegal or unenforceable for any reason, then: (a) the Restrictive Covenant (as amended by the First Amendment) shall continue in full force and effect as if this Second Amendment had not been executed; and (b) the validity, legality and enforceability of the Restrictive Covenant and First Amendment, or any application thereof, shall not in any way be affected or impaired thereby

Executed as of the date set forth above.

TOWN OF BRECKENRIDGE, a Colorado
municipal corporation

By: _____


Timothy J. Gager, Town Manager

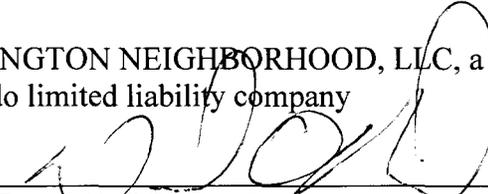
Address:
P. O. Box 168
Breckenridge, CO 80424

CONSENT

The undersigned consents to this Second Amendment:

WELLINGTON NEIGHBORHOOD, LLC, a
Colorado limited liability company

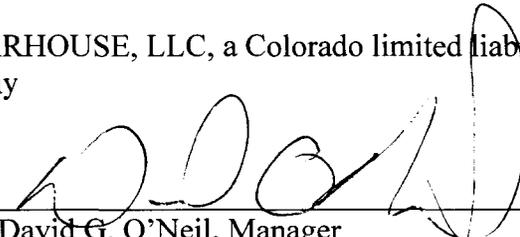
By: _____


David G. O'Neil, Manager

Address:
777 Pearl Street, Suite 200
Boulder, CO 80302

POPLARHOUSE, LLC, a Colorado limited liability
company

By: _____


David G. O'Neil, Manager

Address:
777 Pearl Street, Suite 200
Boulder, CO 80302

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STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 12th day of September, 2007, by David G. O'Neil, as Manager of Wellington Neighborhood, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.
My commission expires:



Sharyn F Steiner
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 12th day of September, 2007, by David G. O'Neil, as Manager of Poplarhouse, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.
My commission expires:



Sharyn F Steiner
Notary Public

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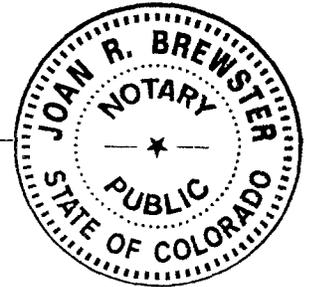
STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 19th day of September, 2007, by Timothy J. Gagen, Town Manager of the Town of Breckenridge, a Colorado municipal corporation.

WITNESS my hand and official seal.

My commission expires: 5/3/2011

Joan R. Brewster
Notary Public



My commission expires:
May 3, 2011

Brk\Wellington Neighborhood Phase I Second Amendment_2 (FINAL)
July 9, 2007 - 1300-23

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Exhibit "A"
To
Second Amendment
To
Employee Housing Restrictive Covenant And Agreement
(Wellington Neighborhood, Phase I)

Form of Appreciation Limiting Promissory Note

Appreciation Limiting Promissory Note (Wellington Phase I-July 2006)
(the "Note")

Date

FOR VALUE RECEIVED, _____ (the "Maker"), jointly and severally if more than one, promises to pay to the order of the TOWN OF BRECKENRIDGE, P.O. Box 168, Breckenridge, CO 80424 ("Town"), fifteen (15) days after written demand for payment ("Due Date"), all sums that become due to Town from Maker after the date of this Note under the Wellington Neighborhood, Phase I "Employee Housing Restrictive Covenant and Agreement", dated October 14, 1999 and recorded October 18, 1999 under Reception No. 608049 of the records of the Clerk and Recorded of Summit County, Colorado, as amended (the "Wellington Neighborhood Phase I Covenant").

This Note shall not bear interest until the Due Date. If this Note is not paid on or before the Due Date, it shall thereafter bear interest at the rate of eighteen percent (18%) per annum from the Due Date until fully paid.

The Maker and any surety, guarantor and endorser of this Note, jointly and severally, hereby waive notice of, and consent to any and all extensions of this Note or any part thereof without notice and each hereby waives demand, presentment for payment, notice of nonpayment and protest, and any and all notice of whatever kind or nature.

The Maker agrees to pay all costs of collection, including reasonable attorney's fees, incurred by Holder in the collection of this Note or any part thereof. If the Deed of Trust securing this Note is foreclosed, the undersigned also agrees to pay all costs and attorney's fees as provided therein.

No waiver by the Holder of any one or more of the terms and conditions herein contained shall be deemed a waiver of the other terms and conditions herein contained; nor shall any such waiver be considered for any reason as continuing or perpetual in nature.

This Note is secured by a deed of trust on the Residential Unit described as Lot __, Block __, Wellington Neighborhood, according to the Plat thereof filed in the Summit County,

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Exhibit "A"

Colorado Real Estate Records of the _____ day of _____, 200_ at Reception No. _____

The undersigned hereby acknowledges receipt of a true copy of this Note.

THE MAKER'S INITIAL PURCHASE PRICE FOR THE RESIDENTIAL UNIT, AS DESCRIBED IN THE WELLINGTON NEIGHBORHOOD, PHASE I COVENANT, IS
\$ _____.
(Maker's Initial(s): _____)

Maker

Maker

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Exhibit "A"