



1181611

Kathleen Neel - Summit County Recorder

**FIRST AMENDMENT TO RESTRICTIVE HOUSING COVENANT AND AGREEMENT
(Workforce Housing)**

WHEREAS, by that certain Restrictive Housing Covenant and Agreement (the "Restrictive Covenant") executed by the Town of Dillon and the Dillon Urban Renewal Authority ("DURA") and recorded with the Summit County Recorder on November 28, 2017 at Reception No. 1157818, the Town and DURA established certain restrictive covenants running with the land pertaining to workforce housing for the following property:

Lots 16R, 17A, and 17B, inclusive,
Block A,
New Town of Dillon,
Town of Dillon, County of Summit, State of Colorado,

hereinafter referred to as the "Property"; and

WHEREAS, thereafter, Sail Lofts, LLC, a Colorado limited liability company ("Sail Lofts"), became DURA's successor in interest to the Property and is now the "Owner" as that term is defined in the Restrictive Covenant; and

WHEREAS, Section 27.0 of the Restrictive Covenant provides the Restrictive Covenant may be amended only by an instrument recorded in the records of Summit County and executed by the Town and the Owner of the Property; and

WHEREAS, the Town and Owner desire to make certain amendments to the Restrictive Covenant as set forth herein.

NOW, THEREFORE, and in order to further the intent and effectuate the purposes of the Restrictive Covenant, the parties hereto agree to amend the Restrictive Covenant as follows:

Section 1. Section 4.8 of the Restrictive Covenant is hereby amended to read as follows (words to be added shown in double underline; words to be deleted ~~stricken~~):

4.8 "Maximum Resale Price" means the maximum purchase price that shall be paid by any purchaser of a Restricted Unit that is determined in accordance with the provisions of Sections 7.0 through 7.6 of this Restrictive Covenant. The Maximum Resale Price is not a guaranteed price, but merely the highest price an Owner may obtain for the sale of the Restricted Unit. The Maximum Resale Price shall be the greater of ~~the current maximum sales price from the SCHA AMI table for the current year~~ the calculated Maximum Resale Price or the Maximum Sales Price from the 2017 AMI table as shown on Exhibit A. The calculated Maximum Resale Price is determined by adding to the Initial Sale Price two percent (2%) fixed (simple) appreciation for each year or portion thereof since the selling Owner acquired the Restricted Unit. For partial years, the 2% allowable appreciation shall be prorated and applied based on the actual period of such ownership. By way of

example, for a partial year consisting of six months, the allowable appreciation for that year would be one percent (1%).

Section 2. Section 4.12.3 of the Restrictive Covenant is hereby amended to read as follows (words to be added shown in double underline; words to be deleted ~~stricken~~):

4.12 “Qualified Occupant” means:

4.12.3 Compliance with each of these criteria is not necessary; in certifying Qualified Occupants, SCHA or the Town shall consider the criteria cumulatively as they relate to the intent and purpose of this Restrictive Covenant. A person over 65 years of age shall remain a Qualified Occupant regardless of his or her working status, so long as he or she has occupied the Restricted Unit for not less than ~~four (4)~~ seven (7) years. The term “business” as used herein shall mean an enterprise or organization having a valid business license issued by the appropriate Summit County governmental entity and providing goods and/or services, whether or not for profit, and shall include, but not be limited to, educational, religious, governmental and other similar institutions. A Qualified Occupant who becomes disabled after commencing ownership or occupancy of a Restricted Unit so that he or she cannot work the required number of hours each week required by this Restrictive Covenant shall remain a Qualified Occupant; provided that such person is permitted to occupy the Restricted Unit only for a maximum period of one (1) year following the commencement of such person’s disability, unless a longer period of occupancy is authorized in writing by SCHA or the Town. For roommates sharing occupancy of a Restricted Unit with an Owner pursuant to Section 8.7.1, the term Qualified Occupant shall mean and require the roommate to work at least thirty (30) hours per week on an annual basis for a business operating in and serving Summit County, but shall not require compliance with AMI income restrictions.

Section 3. Section 4.13 of the Restrictive Covenant is hereby amended to read as follows (words to be added shown in double underline; words to be deleted ~~stricken~~):

4.13 “Town” means the Town of Dillon, Colorado, the Party identified in Section 1.0 or SCHA, who is hereby designated by the Town ~~any designee or agent that the Town may appoint~~ to administer and enforce this Restrictive Covenant. All references to Town in this Restrictive Covenant shall automatically include SCHA and any such other designee or agent appointed by the Town.

Section 4. Section 7.0 of the Restrictive Covenant is hereby amended to read as follows (words to be added shown in double underline; words to be deleted ~~stricken~~):

7.0 SALE AND OCCUPANCY RESTRICTION. Except as expressly provided in Section 12.0 of this Restrictive Covenant, the Restricted Units shall be

Transferred to, used and occupied only by a Qualified Occupant meeting the following requirements and having a maximum household size as set forth in the SCHA AMI table for the year the Owner purchases the Restricted Unit, such maximum household size to be determined and applied only at the time of purchase of the Restricted Unit; except that, after any Transfer subject to this Restrictive Covenant, the term Qualified Occupant shall be determined by application of the most current calculation of AMI as defined in this Restrictive Covenant. In addition, notwithstanding any language herein to the contrary, Qualified Occupants shall be eligible to purchase Restricted Units for a Maximum Resale Price established in accordance with the provisions of Section 7.6, and, in the case of sale by the Developer, in accordance with Section 8.3.

Section 5. Section 7.0 of the Restrictive Covenant is hereby amended to read as follows (words to be added shown in double underline; words to be deleted ~~stricken~~):

7.6 Twenty Percent Additional Income Allowance for Qualified Occupants. For all units contemplated in this section 7 which carry forward some AMI sale price restriction, and an accordant AMI income level restriction for the purchaser of such a unit, any Qualified Occupant so purchasing the unit in question may exceed the AMI income level designated for any such Restricted Unit by up to 20% of that AMI level. Thus, by means of example, but not limitation, any Qualified Occupant earning up to but no greater than 120% of AMI shall be eligible to purchase a Restricted Unit designated for purchase at a sales price of 100% AMI as set forth in this section 7, in section 8.3 below, and in accordance with Exhibit A. All calculations required to determine eligibility of a Qualified Occupant to purchase a Restricted Unit under this Section 7.6 shall be performed by the Town or the Town's designee.

Section 6. Section 9.1 of the Restrictive Covenant is hereby amended to read as follows (words to be added shown in double underline; words to be deleted ~~stricken~~):

9.1 Restricted AMI Units. For the Restricted Units listed in Section 7 through Section 7.5, inclusive, the sales price shall be no greater than the then current Maximum Resale Price established ~~for the applicable AMI restricted unit by SCHA at the time of such sale~~. In addition, an Owner may add to the Maximum Resale Price, the cost of permitted capital improvements ("PCI"), as set forth in the PCI schedule maintained by the Town, its designee or SCHA as such schedule is amended from time to time and the cost of such other replacements and upgrades as may be approved by the Town, its designee or SCHA to address wear and tear ("Wear and Tear"), but in no event ~~in a~~ shall the total amount not to of PCI and Wear and Tear, together, exceed three percent (3%) of the Maximum Resale Price prorated over the ten (10) year period immediately prior to such sale. If the Owner selling the Restricted Unit has owned the Restricted Unit for less than 10 years, the total for PCI and Wear and Tear shall be reduced to a percentage based on the actual period of ownership. By way of example if the ownership period is 5 years, the total of PCI and Wear and Tear will be limited to 1.5% of the Maximum Resale

Price (or Initial Sale Price) paid by the Owner at the time the Restricted Unit was purchased.

Section 7. Section 9.4 of the Restrictive Covenant is hereby amended to read as follows (words to be added shown in double underline; words to be deleted ~~stricken~~):

9.4 Multiple Qualified Bids. If an otherwise acceptable bid is received from a Qualified Occupant equal to the Maximum Resale Price for the Restricted Unit, the Restricted Unit shall be sold to such bidder at the Maximum Resale Price. In the event two or more such bids equal to the Maximum Resale Price are received, the bid most closely meeting the selling Owner's preferred timeline for the sale may be selected. If the timelines for all such bids are equivalent, the winning bid shall be selected by lottery among the Qualified Occupants, whereupon the Unit shall be sold to the winner of such lottery at the Maximum Resale Price. The holding of a lottery shall automatically extend the closing date in the selected bid by twenty-one (21) days. The lottery shall be administrated by the Town or its designee.

Section 8. Section 14.0 of the Restrictive Covenant is hereby amended to read as follows (words to be added shown in double underline; words to be deleted ~~stricken~~):

14.0 USE RESTRICTIONS. The restrictions and covenants enumerated herein this Restrictive Covenant include, without limitation, a prohibition against ~~to~~ short term rentals of a Restricted Unit by the Owner or through ~~an other~~ any other person or company such as VRBO, Orbitz, FlipKey or Airbnb. For purposes of this Restrictive Covenant, "short term rental" shall mean a rental period of less than thirty (30) consecutive days.

IN WITNESS WHEREOF the Parties have executed this First Amendment to Restrictive Covenant.

[SIGNATURE PAGES FOLLOW]

OWNER:
SAIL LOFTS, LLC, a
Colorado limited liability company

By: _____

Title: Manager

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 27th day of February, 2018 by Tim Crowe as Manager of Sail Lofts, LLC.

Witness my hand and official seal.

My commission expires: December 1, 2019

(SEAL) **JO-ANNE TYSON**
Notary Public
State of Colorado
Notary ID 19994024895
My Commission Expires Dec 1, 2019

Notary Public


JO-ANNE TYSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19994024895
MY COMMISSION EXPIRES DEC 1, 2019

TOWN:
TOWN OF DILLON, a
Colorado municipal corporation

By: [Signature]
Mayor

ATTEST:

[Signature]
Town Clerk

A circular seal with a rope-like border. The text inside the seal reads "TOWN OF DILLON" at the top, "SEAL" in the center with a star above it, and "COLORADO" at the bottom.

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT-)

The foregoing instrument was acknowledged before me this 27th day of FEBRUARY, 2018 by _____ as Mayor of the Town of Dillon.

Witness my hand and official seal.

My commission expires: 6/16/2020

(SEAL)

CORRIE K WOLOSCHAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164023081
MY COMMISSION EXPIRES 06/16/2020

[Signature]
Notary Public