

**RESTRICTIVE HOUSING COVENANT AND NOTICE OF LIEN
FOR UNIT __, OF CAMBER TOWNHOMES
KEYSTONE, COLORADO**

DRAFT

TABLE OF CONTENTS

| | |
|--|----------------|
| Article I – Purpose and Intent | Page 3 |
| Article II - Definitions | Page 4 |
| Article III – Use and Occupancy | Page 7 |
| Article IV – Ownership & Occupancy Restrictions | Page 7 |
| Article V – Sale of a Unit | Page 11 |
| Article VI- Compliance and Enforcement | Page 12 |
| Article VII – Foreclosure | Page 14 |
| Article VIII – Insurance | Page 17 |
| Article IX – HOA Dues | Page 17 |
| Article X – General Provisions | Page 19 |

RESTRICTIVE HOUSING COVENANT AND NOTICE OF LIEN

This Restrictive Housing Covenant and Notice of Lien for the Camber Townhomes Development, Keystone, Colorado, (this "Covenant") is made this _____ day of _____, 2025, by 624 Montezuma Rd., LLC, hereinafter referred to as "Developer", and approved and accepted by the Town of Keystone, hereinafter to as "Town",

RECITALS

WHEREAS, 624 Montezuma Rd., LLC acting as the Developer, is in the process of developing the Camber Townhomes Development, as depicted in **Exhibit A** (the "Property").

WHEREAS, Developer agrees to restrict the acquisition and/or transfer of the Units to Qualified Buyers who meet the appropriate income category established by the Town for each Unit purchased.

WHEREAS, Developer agrees that this Covenant shall constitute an agreement setting forth the maximum sale ("Initial Sale Price") and the terms and provisions controlling the sale of the Unit; and

WHEREAS, by this Covenant, Developer hereby restricts the Unit from use and occupancy inconsistent with the terms as set forth in this Covenant; 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, for value received, the receipt and sufficiency of which are hereby acknowledged, Developer hereby represents, covenants, and agrees as follows:

ARTICLE 1 PURPOSE AND INTENT

The purpose and intent of this Restriction is to restrict ownership, occupancy, and sale of each Unit in such a fashion as to provide, on a permanent basis, deed-restricted housing for Summit County employees. Each Unit is intended to be occupied by Qualified Owners or

Authorized Lessees. The purpose of this deed restriction is to help establish and preserve a supply of housing to help meet the needs of the locally employed residents of the County.

ARTICLE 2 DEFINITIONS

1. "Area Median Income" or "AMI" means the median annual income for Summit County (or such next larger statistical area calculated by HUD that includes Summit County, if HUD does not calculate the area median income for Summit County on a distinct basis from other areas), as adjusted for household size, that is calculated and published annually by CHFA; or any successor index thereto acceptable to the Town, in its reasonable discretion, including the Consumer Price Index. If AMI data pertaining to the date of sale of a Unit is not yet available as of the date the sale price is calculated, then the most recent data published by CHFA shall be used in its place.
2. "Authorized Lessee" means any tenant approved by the Town, who shall meet the definitions of both Qualified Occupant, and who shall lease a Unit at such rental rates as are specified in this covenant.
3. "CHFA" means the Colorado Housing and Finance Authority
4. "County or Summit County" as that term is used herein shall mean Summit County Government or its designee, which may include an employee or other agency; if another agency, Summit County Government shall designate in writing any such certain defined responsibilities of said agency.
5. "Dependent" shall mean a person, including a spouse, child, step-child, child in the permanent legal custody, or a parent of a Qualified Occupant, in each case whose principal place of residence is in the same household as such Qualified Occupant, and who is financially dependent upon the support of the Qualified Occupant. Dependent shall also include any person included within the definition of "Familial Status" as defined in 42 U.S.C. § 3602(k), as that act shall from time to time be amended.
6. "First Mortgage" means a deed of trust or mortgage which is recorded senior to any other deeds of trust or liens against the Unit to secure a loan used to purchase the Unit made by a Mortgagee.
7. "Household" means one or more persons who intend to live together in a Unit as a single housekeeping unit.
8. "HUD" means the U.S. Department of Housing and Urban Development.

9. "Local Employer" means an individual or business that has a physical location within and serves Summit County and that employs a Qualified Occupant.
10. "Mortgagee" means any bank, savings and loan association, or any other institutional lender which is licensed to engage in the business of providing mortgage financing for residential real property and which is the beneficiary of a deed of trust or mortgage encumbering any Unit.
11. "Non-Qualified Owner" or "Non-Qualified Transferee" means an Owner that is not a Qualified Owner.
12. "Owner" means the record owner at any time taking and holding fee simple title to a Unit.
13. "Primary Residence" means an individual or Household occupies the deed-restricted property as their principal place of residence at least 9 months of the year. Final determination as to whether the occupancy of an individual or Household meets the intent of this definition shall be made by the Town in its sole discretion and in accordance with all other provisions of this Covenant.
14. "Qualified Occupant" means a person aged 18 or older, along with his or her Dependents, if any, who at all times during ownership or occupancy of the Unit, resides and is employed within the County year-round, an average of at least 30 hours per week on an annual basis. "Employed within the County," also referred to as "Local Employment", shall mean that the person earns his or her living from a business or organization operating in and serving the County, which requires his or her physical presence within the boundaries of Summit County in order to complete the task or furnish the service, by working in the County at such business or organization an average of at least 30 hours per week on an annual basis.
 - A. Local Employment Exemptions: The following exemptions to the local employment requirement may be authorized by the Town in writing.
 - i. Self-Employment and residents that work from home. For individuals claiming self-employment or work from home status, the employment must be for an average of at least 30 hours per week on an annual basis for a business that is

located within and serves Summit County and requires their physical presence within the boundaries of Summit County in order to complete the task or furnish the service, and such individuals must demonstrate they are earning at least minimum wage from this employment.

- ii. Retirement. Qualified Occupants may be authorized to retire and remain in deed-restricted units, if the person is at or above the full benefit age for Federal Social Security, has worked in Summit County an average of at least 30 hours per week on an annual basis for at least 10 continuous years prior to retirement, and has owned and occupied that particular deed-restricted housing for at least 7 continuous years prior to the date of retirement. Provisions may be included to authorize an alternate retirement age for public safety field staff based on their years of service and applicable retirement / pension plan.
 - a. Partial Retirement. Qualified occupants may be authorized to reduce local employment to a minimum of 15 hours per week on annual basis, if the occupant has worked in Summit County an average of at least 30 hours per week on an annual basis for at least 15 continuous years prior to partial retirement and has owned and occupied that particular deed-restricted housing unit for at least 5 continuous years prior to retirement.
 - b. Housing Mobility for Retirees. When determined to be appropriate, the Town may authorize a qualified retiree who meets the minimum length of employment and age requirements described above to move into a new or different deed-restricted unit, rather than requiring such individual to continue occupying the same deed-restricted unit he/she has been occupying prior to retirement. This provision is intended to allow mobility within the County's deed-restricted housing inventory by allowing retirees to downsize into smaller housing units, if desired, thus making larger units available to larger household sizes in need of deed-restricted housing.
- iii. Disability. For an individual who becomes disabled after commencing ownership or occupancy of a Unit such that he or she cannot work the required number of hours each week required by this restriction may remain a Qualified Occupant; provided that such person receives authorization by the Town to remain in the unit for a specified period of time. For purposes of this provision, disability shall mean a physical or mental impairment which substantially limits one or more major life activities. The Town will interpret disability consistent with the interpretation provided by the US Department of Housing and Urban Development (HUD).

- B. The Town or its designee shall have the discretion to determine any person's eligibility as a Qualified Occupant under this section and may request such evidence as is necessary to make said determination.

- 14. "Qualified Owner(s)" means a natural person(s) meeting the income, residency, and all other qualifications set forth in this Covenant.

15. “Summit County” means and includes the entirety of the jurisdictional area of Summit County, Colorado.

DRAFT

16. "Transfer" or "Transferred" means any sale, assignment or transfer that is voluntary, involuntary or by operation of law (whether by deed, contract of sale, gift, devise, trustee's sale, deed in lieu of foreclosure, or otherwise) of any interest in a Unit, including, but not limited to a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, or any interest evidenced by a land contract by which possession of a Unit is transferred and the Owner obtains title.
17. "Town" as that term is used herein shall mean Town of Keystone Government or its designee, which may include an employee or other agency; if another agency, Town of Keystone Government shall designate in writing any such certain defined responsibilities of said agency.
18. "Town of Keystone" means and includes the entirety of the jurisdictional area of Keystone, Colorado.
19. "Unit" means a physical portion of the Property that is to be or has been constructed for purposes of residential use only and to be created as a separate transferable real property interest by the filing of subdivision or similar plat(s) or map(s) for some or all of the Property.

ARTICLE 3 USE AND OCCUPANCY

The use and occupancy of each Unit shall be limited exclusively to housing for individuals meeting the definition of Qualified Occupant and other requirements as set forth in this Covenant, together with the Qualified Occupant's Dependents and Household, if any. The unit must be occupied as the Qualified Occupant's primary full-time residence.

ARTICLE 4 OWNERSHIP AND OCCUPANCY RESTRICTIONS AND REQUIREMENTS

1. Ownership. Ownership of a Unit is hereby limited exclusively to a Qualified Owner, which shall include the parties described and approved as set forth herein. In the event that a Unit is owned in violation of this Covenant, all of the remedies set forth by law or in equity, including, but not limited to, the rights set forth in this Covenant, shall be available to enforce the terms of this Covenant.
2. Income Categories. At the time of entering into any purchase contract for a Unit, individuals or households, as applicable, shall be subject to the following income categories for each Unit:

160% AMI Units shall be available for those making up to 180% AMI.

3. Income Testing. Income testing is required at the time of purchase (for the original sale and every subsequent sale of a deed-restricted unit) or initial rental, in order to ensure new owners or occupants qualify to purchase or rent a deed-restricted property matching the particular AMI cap.
4. Rental Procedures.
 - A. Rental of the Unit is allowed pursuant to the following terms and requirements:
 - i. Leases shall be approved in advance by the County Housing Director and shall be for a term of at least three (3) consecutive months in duration. Any such tenancy approved by the County Housing Director shall be to a person meeting the definition of a Qualified Occupant.
 - ii. Roommates. When an affordable workforce housing unit will be occupied by individuals not meeting the definition of a Household, all prospective tenants must be qualified by the County Housing Director as a Qualified Occupant prior to occupancy in accordance with the requirements set forth herein, and each individual must be included as tenants on the lease.
 - iii. Maximum Rental Rate. The maximum monthly rental rate chargeable for the Unit shall be 160% of HUD Fair Market Rent, or other methodology approved by the County. The rental rate shall include the cost of utilities, homeowners' association dues, management costs and taxes. Under no circumstances will an Owner be required to charge a monthly rental rate for the Unit that is less than the amount the Owner must pay each month on Owner's First Mortgage.
 - B. Use as a Short-term Vacation Rental is Expressly Prohibited. Under no circumstances shall the Unit or any portion of the unit be utilized as a short-term vacation rental.
 - C. In the event that any unit, or any portion thereof, is leased or rented without compliance with this Restriction, all of the remedies set forth by law or in equity, including but not limited to the rights set forth in this Covenant, shall be available to enforce the terms of this Covenant

5. Exceptions to Occupancy Requirements. The Qualified Owner of a Unit may request an exception to the occupancy restrictions of this Covenant through the following process:
 - A. The Qualified Owner requesting an exception must provide a narrative explaining the need for the exception as well as written evidence confirming the reason for the request, including, but not limited to, such items as: a former employer's documentation of involuntary unemployment; confirmation of employment requiring a relocation, etc.
 - B. The decision regarding the request for an exception to the occupancy requirements of this Covenant shall be made by the Town within thirty (30) days of the completed application submittal with supporting information.
 - C. The Town may grant an exception to an occupancy requirement of this Covenant for any qualifying circumstance(s) upon finding that:
 - i. The circumstance(s) justifying the grant of an exception to an occupancy requirement of this Covenant is a circumstance that has transpired subsequent to occupancy of the Unit and/or is outside the control of the applicant to correct; and
 - ii. Strict application of the terms of this Covenant would result in a significant hardship on the Qualified Owner; and
 - iii. The grant of the requested exception is limited to the scope necessary to grant reasonable relief to the applicant, consistent with the intent and purpose of this Covenant, and will not have an adverse effect on the community or surrounding neighborhood.
 - D. If the exception is granted, the Town may impose specific conditions of approval, and shall fix the duration of the term of such exception.
6. Maintenance Responsibilities. Owner is responsible for maintaining the Unit in good working order throughout the length of Owner's ownership of the Unit, and adhering to all homeowner's association requirements for maintenance, upkeep and appearance during such tenure of ownership as well.
7. Ownership by Entity.
 - A. At initial sale, after a 30-day priority period for individuals looking to purchase a Unit. Local Employers may purchase up to 2 deed-restricted units.
 - B. No Local Employer may own more than 2 Units at a time.
 - C. The Unit shall be rented to an Employee of the Local Employer who meets the definition of Qualified Occupant as set forth in this Covenant, and is qualified as such in writing by the Town.
 - D. Leases shall be reviewed and approved in advance by the Town and shall not be for a term of less than 3 months.
 - E. The Maximum Rental Rate for Local Employer-owned Units shall be 160% of HUD Fair

Market Rent or other methodology approved by the Town.

- F. Occupancy of Local Employer-owned Units shall not exceed two people per bedroom or one person per 200 square feet, whichever is less.

DRAFT

- G. At all times, Local Employer shall comply with all applicable local, state, and federal laws, statutes, rules, and regulations regarding the landlord-tenant relationship and attendant obligations.
- H. Local Employer shall maintain the Unit in good condition and at the time of entering into a lease agreement with a Qualified Occupant shall meet the requirements of Article 5, Section 3, below.

ARTICLE 5

SALE OF A UNIT

1. Initial Purchase Price. Upon completion of construction of each Unit by the Developer, a Unit shall be sold to a Qualified Owner at a Purchase Price to be determined according to the attached 2024 SCHL guidelines for Summit County (Exhibit B) and not to exceed the purchase price affordable to a person making 160% of AMI. Said initial price will be adjusted in years subsequent to 2024 based on the applicable AMI rates for such years but shall not decrease below the 2024 AMI rates contemplated herein.
2. Priority.
 - A. At the time of the initial sale and any subsequent resale of any Unit, individuals working within the Town of Keystone or providing services primarily to the Town of Keystone will receive priority in the purchase of the Units in accordance with the Town's rules, regulations, policies and codes for the initial 60 day period commencing with the offering of each Unit for sale. Persons who qualify as Town of Keystone employees for purposes of determining priority also include employees who provide service throughout the entire county (e.g., sheriff, transit drivers, contractors). After the initial 60 day period, Units will be made available to all individuals working in Summit County until such time as each Unit is sold. If a lottery sales process is used, then the Town of Keystone workers will receive priority in a first lottery separate from other Summit County workers
3. 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:
 - i. Cleaning the Unit and making necessary improvements to repair and maintain plumbing and mechanical fixtures, appliances, carpet or other flooring, roofs, painting and other similar items in good working order and condition.
 - ii. The Unit must contain all of the appliances that originally came with the Unit, of similar standard.
 - iii. There must be no outstanding Town code violations.

If the Unit is not in good condition, the Town has the right to bring the Unit into good condition and collect the costs of taking such efforts, by means of a lien upon the Unit, and the right to collect upon such lien through appropriate means, including the right to

be paid the cost of any expenses incurred from the Owner's proceeds at closing of the sale of the Unit.

ARTICLE 6
COMPLIANCE AND ENFORCEMENT

1. Owner agrees to provide, upon request of the Town or its designee, all documents and information necessary for the Town to establish continued compliance with this Covenant and with the Guidelines as amended from time to time. Documents may include, but are not limited to: Federal and State Income Tax Returns, W2's, 1099's, bank statements, vehicle and license information, and invoices for utility payments. The Town shall maintain the confidentiality of financial information as provided by law.

2. Memorandum of Acceptance and Notice of Lien. Each sales contract or lease, as the case may be, for a Unit shall also (a) recite that the proposed purchaser or lessee, as applicable, has read, understands and agrees to be bound by the terms of this Covenant.
3. Vacancy. In the event that a Qualified Owner ceases to occupy a Unit as his or her principal place of residence for a period of more than 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 Articles 4 and 5.
4. Non-Qualified Transferees. In the event that title to a Unit vests in any individual or entity that is not a Qualified Owner (“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 may elect to notify the Non-Qualified Transferee that it must sell the Unit in accordance with Articles 4 and 5. A Non-Qualified Transferee shall not: (i) occupy a Unit; (ii) rent all or any part of a Unit, except in strict compliance with this Covenant and as approved in writing by the Town; (iii) engage in any business activity on or in a Unit; (iv) sell or otherwise transfer a Unit except in accordance with this Covenant; or (v) sell or otherwise transfer a Unit for use in trade or business.
5. Failure to Comply with Restrictions. In the event an owner fails to comply with any of the restrictions contained in this covenant, the Town may, but is not required to, provide notice to the owner of the unit in violation and provide an opportunity for the owner to cease and desist or cure. In addition, the Town may, in its discretion, promulgate a notice and penalty schedule for covenant violations. In the event such a schedule is adopted by the Town, the Town shall provide written notice to all owners of the notice and penalty schedule. Any such notice and penalty schedule shall be in addition to those remedies available pursuant to this covenant. This may include an appreciation pause for any units that are determined to be in violation of their covenant, where the allowable annual rate of appreciation is suspended during a period when a violation notice has been issued, until such violation has been resolved to the satisfaction of the Town.
6. Sales to Preserve Unit as Affordable Housing.
 - A. In the event a Unit is occupied, Transferred or leased in violation of this Covenant, the Town may, at its sole discretion, notify an Owner that it must immediately list the Unit for sale. The highest bid by a Qualified Owner 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 the price paid by the Owner, 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, Owner constitutes and appoints the Town as the Owner's true and lawful attorney-in-fact with full power of substitution to complete or undertake any and all actions required under this Article 5 or as set forth elsewhere in this Covenant. 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. In order to preserve the availability of unit for Qualified Owners, the 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 due to a violation pursuant to this Section. 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 appraised market value of the Unit, as determined by a third-party professional appraiser experienced in the Town. The Town may assign its option to purchase hereunder to an eligible purchaser which, for the purpose of this Section 7.C., shall be a Qualified Owner.
- D. In all situations in which the provisions of this Article 5 apply, the Town may alternatively require the Owner to promptly rent a Unit to a lessee that is deemed a Qualified Occupant in accordance with the requirements of this Covenant and subject to the one (1) year limit while the Unit is listed for sale.

ARTICLE 7

FORECLOSURE

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 deed, sheriff's deed or similar conveyance of the Unit in connection with a foreclosure by the holder of a HUD- insured First Mortgage.
2. Lien and Promissory Note.
 - A. Town shall have, and is hereby granted, a lien against a Unit ("Town's Lien") to secure payment of any amounts due and owing Town pursuant to this Covenant, including, but not limited to, all sales proceeds over and above the Maximum Sales Price. The Town's Lien on the respective Unit shall be superior to all other liens and encumbrances except the following:
 - i. liens and encumbrances recorded prior to the recording of this Covenant;

- ii. real property ad valorem taxes and special assessment liens duly imposed by Colorado governmental or political subdivision or special taxing districts;
 - iii. liens given superior priority by operation of law; and
 - iv. the lien of any First Mortgage against a Unit.
- B. Recording of this Covenant 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, 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, to cure and redeem in foreclosure of a Unit, as provided by C.R.S. 38-38-101 et seq. 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 Promissory Note and Deed of Trust substantially in the form attached hereto as Exhibit D, in order to assure that the Town receives notice and the opportunity to cure in the event of the foreclosure of the First Mortgage pursuant to this Article. The Promissory Note and Deed of Trust shall not alter the priority date of the Town Lien as established herein.
- C. The sale or other Transfer of a Unit shall not affect the Town Lien. No sale or deed in lieu of foreclosure shall relieve the Owner from continuing personal liability for payment of his or her obligations hereunder. The Town 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.
- D. Upon request, the Town shall agree to subordinate the Town Lien and Promissory Note to a First Mortgage or deed of trust. To the extent that Exhibit D is inconsistent with this provision, the provisions of this Section 6.2.D. shall control.
3. Town Option to Redeem.
- A. Notice of Default to the Town. Within ten (10) days after Owner's receipt of any notice of default from a Mortgagee or the home owner's association governing the Unit, the Owner shall give written notice of such default to the Town.
- B. Foreclosure/Town Option to Redeem. In the event of a foreclosure of a First Mortgage or the assessment lien of the home owner's association, 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., or any succeeding statute). The Town shall have a right of redemption, purchase, and such

other rights as a lienor and holder of a deed of trust in foreclosure, as its interest appears, in accordance with Colorado law governing foreclosure.

- C. Upon Exercising Option. In the event that the Town obtains title to a Unit pursuant to this Article 6, the Town or its designee, may sell such Unit to a Qualified Owner, or rent such Unit to a Qualified Occupant.
4. Perpetuities Savings Clause. If any of the terms, covenants, conditions, restrictions, uses, limitations, obligations or options created by this Covenant shall 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 Town Council Members, their now living descendants, if any, and the survivor of them, plus twenty-one (21) years.
5. Notices. In the event of a foreclosure of a Unit, those parties noted below are to be given written notice of any foreclosure proceedings as part of any and all formal notification requirements pursuant to the foreclosure. Those parties are to include the Town as provided for in Section 10.13 below.
6. Enforcement of This Restriction. Each Owner hereby grants and assigns to the Town or its designee 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), 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 this Covenant, such enforcement shall not include:
- i. acceleration of a mortgage;
 - ii. voiding a conveyance by an Owner;
 - iii. terminating an Owner's interest in a Unit; or
 - iv. 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) 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 6 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 a Unit; (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 Article 6 hereof. Venue for a suit enforcing compliance shall be proper in the Town 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 the Town's, or its agents' attorney fees spent on such claims at the rates generally charged for similar services by private practitioners within the County.

7. Injunctive and other Equitable Relief. Each Owner agrees that in the event of 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 Covenant 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.

ARTICLE 8 **INSURANCE**

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. All insurance policies and renewals thereof shall provide that the insurance carrier shall notify the Town at least ten (10) days before cancellation, termination or any material change of coverage. Insurance policies shall be furnished to the Town by Owner at or before closing. The Town shall have the right, but not the obligation, to request proof of insurance and/or continued coverage limits from the 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 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 Owner.

ARTICLE 9

HOA DUES

1. Each Owner shall pay all assessments required by the homeowners' association governing the Unit in accordance with that certain Declaration of Covenants, Conditions, and Restrictions for Camber Townhomes recorded in the records of the County (the "Declaration"). In the event the homeowners' association governing the Unit decides to provide any non-essential services, including, without limitation, maintenance of the exterior of the Units, upkeep of luxury amenities, costs related to short-term rental management, and additional landscaping and common area improvements above and beyond the requirements of the Town (collectively, "Non-Essential Services"), each Owner subject to this Covenant shall have the option to opt out of paying any portion of homeowner's association assessments allocated to such Non-Essential Services in accordance with the terms of the Declaration.

ARTICLE 10

GENERAL PROVISIONS

2. Equal Housing Opportunity. Pursuant to the Fair Housing Act and the Town's public policy, the Town shall not discriminate on the basis of race, creed, color, sex, national origin, familial status, disability or sexual orientation in the lease, sale, use or occupancy of a Unit.
3. Rules, Regulations, and Standards. The Town shall have the authority to promulgate and adopt such rules, regulations and standards as it may deem appropriate, from time to time, for the purpose of carrying out its obligations and responsibilities described herein.
4. 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.
5. 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 Town that such invalidated provision be severable.
6. Term. Subject to the termination and/or release provisions contained herein, the restrictions contained herein shall run with the land and bind the land in perpetuity.
7. Amendment. This Covenant may be amended only by an instrument recorded in the records of the County executed by the Town and the then-Owner of a Unit; provided, however, the Town reserves the right to unilaterally amend this Covenant without the approval or consent of any Owner, Mortgagee, or any other person or entity for the purpose of (a) making non-material changes (such as for correction of technical, typographical, or clerical errors), or for clarification of a statement; or (b) without regard to (a), if such amendment lessens the ownership, use, sales and lease restrictions placed upon the Owners as provided herein. The Town may unilaterally execute and record such amendments at any time.

8. No Third Party Beneficiaries. This Covenant is made and entered into for the protection and benefit of the Town and the Owner. Except as otherwise specifically provided for herein, no other person, persons, entity or entities, including without limitation prospective buyers of a Unit, shall have any right of action with respect to this Covenant or right to claim any right or benefit from the terms provided in this Covenant or be deemed a third party beneficiary of this Covenant.
9. Non-Liability. The Town and its respective employees, members, officers and agents shall not be liable to any Owner or third party by virtue of the exercise of the rights of the Town 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 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.

10. Exhibits. All exhibits attached hereto are incorporated herein and by this reference made part hereof.
11. Gender and Number. Whenever the context so requires herein, the neuter gender shall include any or all genders and vice versa and use of the singular shall include the plural and vice versa.
12. Personal Liability. Each Owner shall be personally liable for any of the transactions contemplated herein, jointly and severally with his or her co-owners.
13. 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.
14. Notices. Any notice, consent or approval which is required or permitted to be given hereunder shall be given by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid, to any address provided herein or to any subsequent mailing address of the party as long as prior written notice of the change of address has been given to the other parties to this Covenant. Said notices, consents and approvals shall be sent to the parties hereto at the following addresses unless otherwise notified in writing:

| | |
|--------------------------|--|
| To the Town of Keystone: | 1628 Saints John Rd Keystone, CO 80435 |
| | |
| To the Developer: | 624 Montezuma Rd, LLC 2700 South Broadway, Suite 200 Englewood, CO 80113 |
15. Choice of Law. This Covenant and each and every related document shall be governed and constructed in accordance with the laws of the State of Colorado.

16. Successors. Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of the parties.
17. Headings. Article and Section headings within this Covenant are inserted solely for convenience or reference, and are not intended to, and shall not govern, limit or aid in the construction of any terms or provisions contained herein.
18. Signatures. Signatures to this Covenant may be in counterparts and by facsimile or scanned emailed document.

[Separate signature and Approval and Acceptance pages follow]

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has set its hand unto this Covenant this ____ day of _____, 2024.

DEVELOPER:

624 Montezuma Rd., LLC

A Colorado limited liability company

By: _____

Name:

Title: Authorized Representative

STATE OF COLORADO)
) ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me as of the ____ day of _____, 20__, by _____ as _____ of _____.

Witness my hand and official seal.

My Commission Expires: _____

Notary Public

APPROVAL AND ACCEPTANCE

Town of Keystone

By: _____
John Crone, Town Manager

STATE OF COLORADO)
) ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me as of the ____ day of _____ 2024, by John Crone as Town Manager.

Witness my hand and official seal.

My Commission Expires: _____

Notary Public

Property

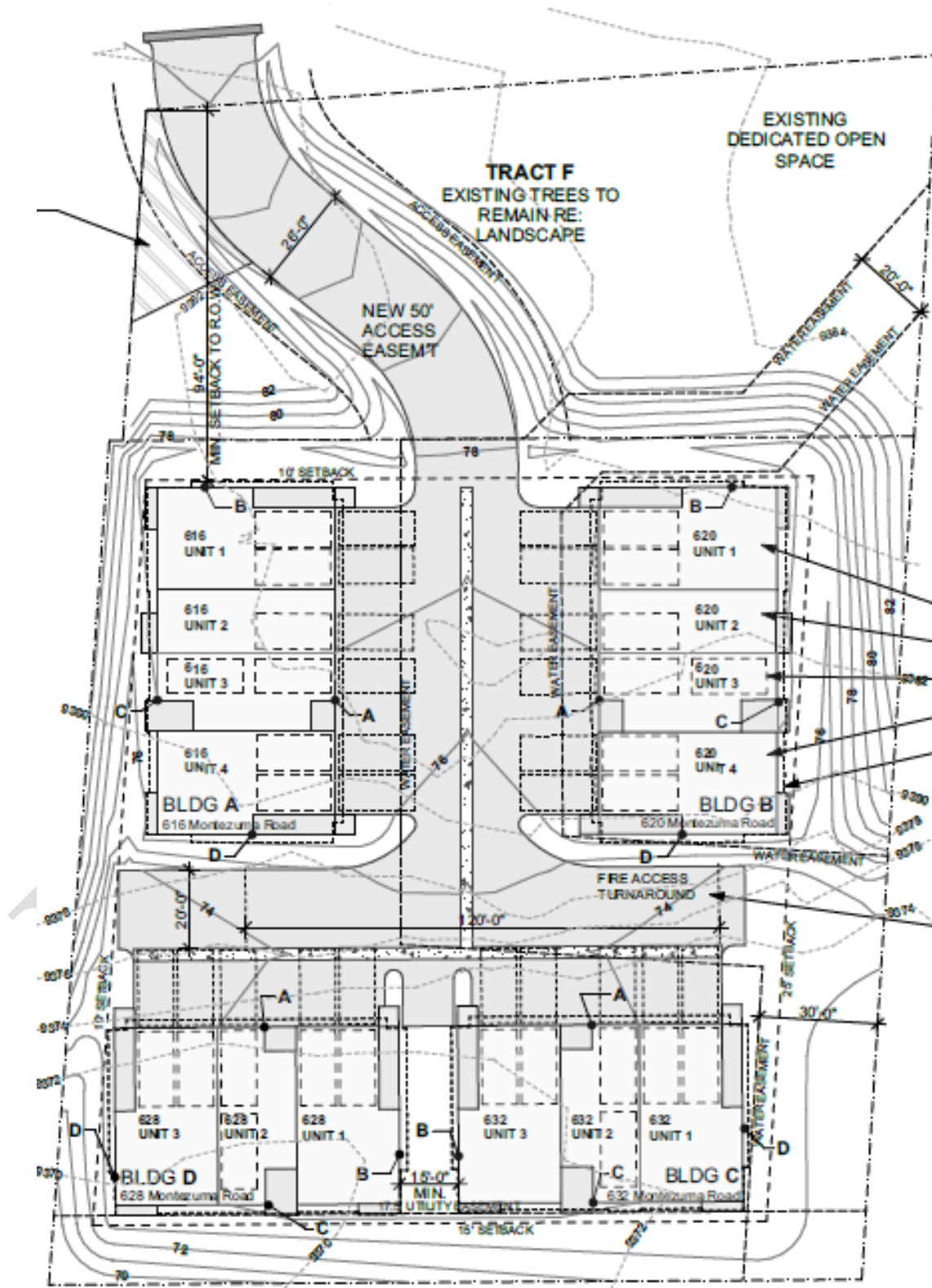


EXHIBIT B

SCHA 2024 SUMMIT COUNTY AREA MEDIAN INCOME

DRAFT

DRAFT

SCHA
2024 SUMMIT COUNTY AREA MEDIAN INCOME (AMI)

Numbers provided by Colorado Housing and Finance Authority (CHFA) and based on HUD Effective Date of April 1, 2024 (HUD 50% AMI Rate in **RED**)
Any number that has not been derived from CHFA has been extrapolated (for example, the 1.5 and 4.5 household income rates)

AMIs

| HUD Very Low Income | | | | | | | | | | | | | | | | | | |
|---------------------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Household size | 30% | 50% | 60% | 70% | 80% | 85% | 90% | 95% | 100% | 105% | 110% | 115% | 120% | 125% | 130% | 140% | 150% | 160% |
| 1 person | \$25,590 | \$42,650 | \$51,180 | \$59,710 | \$68,240 | \$72,505 | \$76,770 | \$81,035 | \$85,300 | \$89,565 | \$93,830 | \$98,095 | \$102,360 | \$106,625 | \$110,890 | \$119,420 | \$127,950 | \$136,480 |
| 1.5 person | \$27,420 | \$45,700 | \$54,840 | \$63,980 | \$73,120 | \$77,690 | \$82,260 | \$86,830 | \$91,400 | \$95,970 | \$100,540 | \$105,110 | \$109,680 | \$114,250 | \$118,820 | \$127,960 | \$137,100 | \$146,240 |
| 2 person | \$29,250 | \$48,750 | \$58,500 | \$68,250 | \$78,000 | \$82,875 | \$87,750 | \$92,625 | \$97,500 | \$102,375 | \$107,250 | \$112,125 | \$117,000 | \$121,875 | \$126,750 | \$136,500 | \$146,250 | \$156,000 |
| 3 person | \$32,910 | \$54,850 | \$65,820 | \$76,790 | \$87,760 | \$93,245 | \$98,730 | \$104,215 | \$109,700 | \$115,185 | \$120,670 | \$126,155 | \$131,640 | \$137,125 | \$142,610 | \$153,580 | \$164,550 | \$175,520 |
| 4 person | \$36,540 | \$60,900 | \$73,080 | \$85,260 | \$97,440 | \$103,530 | \$109,620 | \$115,710 | \$121,800 | \$127,890 | \$133,980 | \$140,070 | \$146,160 | \$152,250 | \$158,340 | \$170,520 | \$182,700 | \$194,880 |
| 4.5 person | \$38,010 | \$63,350 | \$76,020 | \$88,690 | \$101,360 | \$107,695 | \$114,030 | \$120,365 | \$126,700 | \$133,035 | \$139,370 | \$145,705 | \$152,040 | \$158,375 | \$164,710 | \$177,380 | \$190,050 | \$202,720 |
| 5 person | \$39,480 | \$65,800 | \$78,960 | \$92,120 | \$105,280 | \$111,860 | \$118,440 | \$125,020 | \$131,600 | \$138,180 | \$144,760 | \$151,340 | \$157,920 | \$164,500 | \$171,080 | \$184,240 | \$197,400 | \$210,560 |
| 6 person | \$42,390 | \$70,650 | \$84,780 | \$98,910 | \$113,040 | \$120,105 | \$127,170 | \$134,235 | \$141,300 | \$148,365 | \$155,430 | \$162,495 | \$169,560 | \$176,625 | \$183,690 | \$197,820 | \$211,950 | \$226,080 |
| 7 person | \$45,330 | \$75,550 | \$90,660 | \$105,770 | \$120,880 | \$128,435 | \$135,990 | \$143,545 | \$151,100 | \$158,655 | \$166,210 | \$173,765 | \$181,320 | \$188,875 | \$196,430 | \$211,540 | \$226,650 | \$241,760 |
| 8 person | \$48,240 | \$80,400 | \$96,480 | \$112,500 | \$128,640 | \$136,680 | \$144,720 | \$152,760 | \$160,800 | \$168,840 | \$176,880 | \$184,920 | \$192,960 | \$201,000 | \$209,040 | \$225,120 | \$241,200 | \$257,280 |

Rentals

Maximum affordable monthly rent

Assumes affordability = 30% of monthly household income

Maximum affordable monthly rent amounts should also include the following utilities: electric, gas, water, sewer, trash, & snow removal

| Unit Size | 30% | 50% | 60% | 70% | 80% | 85% | 90% | 95% | 100% | 105% | 110% | 115% | 120% | 125% | 130% | 140% | 150% | 160% |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Studio (1 person) | \$640 | \$1,066 | \$1,280 | \$1,493 | \$1,706 | \$1,813 | \$1,919 | \$2,026 | \$2,133 | \$2,239 | \$2,346 | \$2,452 | \$2,559 | \$2,666 | \$2,772 | \$2,986 | \$3,199 | \$3,412 |
| 1 bed (1.5 person) | \$686 | \$1,143 | \$1,371 | \$1,600 | \$1,828 | \$1,942 | \$2,057 | \$2,171 | \$2,285 | \$2,399 | \$2,514 | \$2,628 | \$2,742 | \$2,856 | \$2,971 | \$3,199 | \$3,428 | \$3,656 |
| 2 bed (3 person) | \$823 | \$1,371 | \$1,646 | \$1,920 | \$2,194 | \$2,331 | \$2,468 | \$2,605 | \$2,743 | \$2,880 | \$3,017 | \$3,154 | \$3,291 | \$3,428 | \$3,565 | \$3,840 | \$4,114 | \$4,388 |
| 3 bed (4.5 person) | \$950 | \$1,584 | \$1,901 | \$2,217 | \$2,534 | \$2,692 | \$2,851 | \$3,009 | \$3,168 | \$3,326 | \$3,484 | \$3,643 | \$3,801 | \$3,959 | \$4,118 | \$4,435 | \$4,751 | \$5,068 |
| 4 bed (6 person) | \$1,060 | \$1,766 | \$2,120 | \$2,473 | \$2,826 | \$3,003 | \$3,179 | \$3,356 | \$3,533 | \$3,709 | \$3,886 | \$4,062 | \$4,239 | \$4,416 | \$4,592 | \$4,946 | \$5,299 | \$5,652 |

For Sale

Maximum Monthly Principal & Interest Payment

Based on the affordable monthly rent amounts above, less a \$500 allowance to cover taxes, insurance, and HOA dues

| Unit Size | 30% | 50% | 60% | 70% | 80% | 85% | 90% | 95% | 100% | 105% | 110% | 115% | 120% | 125% | 130% | 140% | 150% | 160% |
|--------------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Studio (1 person) | \$140 | \$566 | \$780 | \$993 | \$1,206 | \$1,313 | \$1,419 | \$1,526 | \$1,633 | \$1,739 | \$1,846 | \$1,952 | \$2,059 | \$2,166 | \$2,272 | \$2,486 | \$2,699 | \$2,912 |
| 1 bed (1.5 person) | \$186 | \$643 | \$871 | \$1,100 | \$1,328 | \$1,442 | \$1,557 | \$1,671 | \$1,785 | \$1,899 | \$2,014 | \$2,128 | \$2,242 | \$2,356 | \$2,471 | \$2,699 | \$2,928 | \$3,156 |
| 2 bed (3 person) | \$323 | \$871 | \$1,146 | \$1,420 | \$1,694 | \$1,831 | \$1,968 | \$2,105 | \$2,243 | \$2,380 | \$2,517 | \$2,654 | \$2,791 | \$2,928 | \$3,065 | \$3,340 | \$3,614 | \$3,888 |
| 3 bed (4.5 person) | \$450 | \$1,084 | \$1,401 | \$1,717 | \$2,034 | \$2,192 | \$2,351 | \$2,509 | \$2,668 | \$2,826 | \$2,984 | \$3,143 | \$3,301 | \$3,459 | \$3,618 | \$3,935 | \$4,251 | \$4,568 |
| 4 bed (6 person) | \$560 | \$1,266 | \$1,620 | \$1,973 | \$2,326 | \$2,503 | \$2,679 | \$2,856 | \$3,033 | \$3,209 | \$3,386 | \$3,562 | \$3,739 | \$3,916 | \$4,092 | \$4,446 | \$4,799 | \$5,152 |

Maximum Sales Prices

Assumes interest rate of 7%, 30 year loan term, and 90% loan-to-value

| Unit Size | 30% | 50% | 60% | 70% | 80% | 85% | 90% | 95% | 100% | 105% | 110% | 115% | 120% | 125% | 130% | 140% | 150% | 160% |
|--------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Studio (1 person) | \$23,339 | \$94,569 | \$130,183 | \$165,798 | \$201,412 | \$219,219 | \$237,027 | \$254,834 | \$272,641 | \$290,448 | \$308,256 | \$326,063 | \$343,870 | \$361,678 | \$379,485 | \$415,099 | \$450,714 | \$486,328 |
| 1 bed (1.5 person) | \$30,980 | \$107,303 | \$145,464 | \$183,626 | \$221,787 | \$240,868 | \$259,949 | \$279,029 | \$298,110 | \$317,191 | \$336,271 | \$355,352 | \$374,433 | \$393,514 | \$412,594 | \$450,756 | \$488,917 | \$527,079 |
| 2 bed (3 person) | \$53,902 | \$145,506 | \$191,308 | \$237,110 | \$282,912 | \$305,813 | \$328,714 | \$351,615 | \$374,516 | \$397,417 | \$420,318 | \$443,219 | \$466,120 | \$489,021 | \$511,923 | \$557,725 | \$603,527 | \$649,329 |
| 3 bed (4.5 person) | \$75,196 | \$180,995 | \$233,895 | \$286,795 | \$339,695 | \$366,145 | \$392,595 | \$419,045 | \$445,495 | \$471,945 | \$498,395 | \$524,845 | \$551,295 | \$577,745 | \$604,195 | \$657,095 | \$709,994 | \$762,894 |
| 4 bed (6 person) | \$93,483 | \$211,474 | \$270,470 | \$329,466 | \$388,462 | \$417,959 | \$447,457 | \$476,955 | \$506,453 | \$535,951 | \$565,449 | \$594,947 | \$624,444 | \$653,942 | \$683,440 | \$742,436 | \$801,432 | \$860,427 |

Effective Date: 5/20/2024*

THESE FIGURES ARE SUBJECT TO CHANGE WITHOUT NOTICE

*Interest rate and HOA allowance updated on May 20, 2024, per the SCHA Board, to more appropriately match current rates and fees.