

SKYLAND RIVER NEIGHBORHOOD

AMENDED PLAT OF PORTIONS OF SKYLAND

AMENDED AFFORDABLE HOUSING DEED RESTRICTION

This Amended Affordable Housing Deed Restriction is executed the 15th day of October, 1998 by N D Enterprises L.L.C., a Colorado limited liability company, as follows:

1. Property Subject to Deed Restriction. The following real property (the Real Property) is hereby made subject to this Affordable Housing Deed Restriction:

Lots RNSF 1 through 20, Skyland River Neighborhood,

Lots RNT 1 through 5, Skyland River Neighborhood,

Lots RNQ 1 and RNQ 2, Skyland River Neighborhood,

according to the Amended Plat of Portions of Skyland filed January 3, 1997 and bearing Reception No. 473132 in the records of Gunnison County, Colorado.

County of Gunnison,
State of Colorado.

2. Limitation of Ownership. The ownership of the Real Property shall be limited exclusively to successful applicants and their spouses maintaining legal residency within Gunnison Watershed School District RE1J and who meet the qualifications set forth in the Special Covenants of Skyland River Neighborhood Affordable Housing Guidelines recorded January 3, 1997, at Reception No. 473134 of the records of Gunnison County, Colorado and as the same may be amended (the "Guidelines") as determined by the Skyland Community Association (the "Association") or any successor administrator of the Guidelines at the time of the purchase of any lot, tract, or unit within the Real Property and during the term of their ownership thereof. The use and occupancy of any lot, tract, or unit within the Real Property is hereby limited exclusively to those people who meet the above referenced qualifications, their spouses and their children.

3. Ownership, Use and Occupancy. The ownership, use and occupancy of the Real Property is subject to the following:

3.1 The Real Property must be owned, occupied and used only by persons meeting the qualifications set forth in the Guidelines.

3.2. In the event the Real Property is sold, transferred or otherwise conveyed without complying with this Deed Restriction, such sale, transfer or conveyance shall be wholly null and void and without effect and shall confer no title or ownership interest of any nature to the grantee thereof.

3.3 Each and every conveyance of the Real Property for all purposes, shall be deemed to include and incorporate by reference all of the terms and conditions of this deed restriction and the Guidelines, together with any amendments thereto, including, but not limited to, those provisions governing the qualifications for ownership, sale, transfer or conveyance of the Real Property.

3.4 The Owner of Owner Occupied Affordable Housing shall at all times have the right to sell and convey the Owner Occupied Affordable Housing to a qualifying purchaser and subject to the terms and conditions of this Deed Restriction.

3.5 In addition, the Owner shall have the right to sell the Owner Occupied Affordable Housing to a non-qualifying purchaser upon compliance with the following specific conditions:

3.5.1 At the time the Owner decides to offer for sale the Owner Occupied Affordable Housing he shall give written notice to the Association and the Gunnison County Housing Authority advising that the Owner is offering the Owner Occupied Affordable Housing for sale.

3.5.2 The Owner shall make a good faith effort to sell the Owner Occupied Affordable Housing to a qualifying purchaser for not less than a 12 month selling period commencing on the date of notice to the Association and the Gunnison County Housing Authority as set forth in paragraph 3.5.1 above.

3.5.3 The Association and the Gunnison County Housing Authority shall, within 30 days from the date of receipt of notice of the proposed sale of the Owner Occupied Affordable Housing, as provided in paragraph 3.5.1 above, submit to the Owner in writing the terms and conditions that the Owner must utilize in a good faith effort to sell the Owner Occupied Affordable Housing to a qualifying purchaser. Such good faith efforts shall include but are not limited to (1) offering the Owner Occupied Affordable Housing for sale at a price that is reasonable based upon the then current market conditions and the actual value thereof and (2) reasonable advertising of the proposed sale of the Owner Occupied

Affordable Housing is made by the Owner either individually or through a licensed real estate broker.

3.5.4 If at the end of the 12 month selling period as provided in paragraph 3.5.2 above, the Owner has not been able to sell the Owner Occupied Affordable Housing to a qualifying purchaser, the Owner shall give written notice to the Association and to the Gunnison County Housing Authority of such fact together with the terms and conditions of any proposed sale to a non-qualifying purchaser including copies of any contract agreement or other documents setting forth the terms of such proposed sale and purchase.

3.5.5 The Association, or its assignee, or the Gunnison County Housing Authority, or its assignee, shall have the absolute right of refusal to purchase the Owner Occupied Affordable Housing in accordance with the following provisions:

3.5.5.1 Within 20 days following the date of receipt of the notice required under paragraph 3.5.4, the Association or the Gunnison County Housing Authority shall have the right to elect, by notice to the Owner, to either (1) purchase the Owner Occupied Affordable Housing under the same terms and conditions as were offered to the Owner by the non-qualifying purchaser, or (2) have the property appraised by a mutually acceptable appraiser at the cost of the Association or the Gunnison County Housing Authority, which appraiser shall be instructed to conduct an appraisal of the property, subject to this Deed Restriction within the minimum reasonable time.

3.5.5.2 Upon receipt of such appraisal, a copy thereof shall be forwarded to the Owner, and the Association and/or the Gunnison County Housing Authority may, within 20 days after receipt of said appraisal, elect by written notice to the Owner to purchase the Owner Occupied Affordable Housing at the value determined by said appraisal. The conveyance shall be subject to the terms and conditions of this Deed Restriction.

3.5.6 In the event that neither the Association nor its assignee, nor the Gunnison County Housing Authority, nor its assignee exercises its right of first refusal as provided in paragraph 3.5.5, the Owner may sell the Owner Occupied Affordable Housing to the non-qualifying purchaser free and clear of the terms and conditions of this Deed Restriction. Provided, however, that if the sale to the non-qualifying purchaser according to the notice provided by Owner in paragraph 3.5.4

above does not close, then and in that event the Owner Occupied Affordable Housing shall remain subject to this Deed Restriction and the Owner must comply with the terms and conditions of this paragraph 3.5 upon any subsequent proposed sale to a non-qualifying purchaser.

3.5.7 Notwithstanding the provisions of this paragraph 3.5 set forth above, the Owner and the Association, or its assignee, and/or the Gunnison County Housing Authority, or its assignee, may at any time negotiate and close the sale of the Owner Occupied Affordable Housing to the Association, or its assignee, and/or the Gunnison County Housing Authority, or its assignee, subject to this Deed Restriction under such terms and conditions as the Owner and the purchaser may agree.

3.6 The beneficiary of any deed of trust, mortgage, lien or encumbrance upon the Owner Occupied Affordable Housing shall have the right to foreclose such deed of trust, mortgage, lien or encumbrance, and in that event the foreclosure by such beneficiary or the conveyance of the owner Occupied Affordable Housing by a deed in lieu of foreclosure to such beneficiary shall be free and clear of this Affordable Housing Deed Restriction subject to the following conditions:

3.6.1 Such beneficiary shall have given written notice to the Association, and the Gunnison County Housing Authority of the commencement of any action to foreclose such deed of trust, mortgage, lien or encumbrance or a proposed conveyance of the Owner Occupied Affordable Housing by a deed in lieu of foreclosure to such beneficiary.

3.6.2 The Association, or its assignee, and/or the Gunnison County Housing Authority, its assignee, shall have the absolute right during the period of redemption of the foreclosure to obtain an assignment of the certificate of purchase from such beneficiary upon the payment to such beneficiary, in good funds, of the total amount due and owing to the beneficiary under the deed of trust, mortgage, lien or encumbrance at the time of such assignment.

3.6.3 Prior to the beneficiary receiving a deed in lieu of foreclosure, the beneficiary shall give written notice to the Association and the Gunnison County Housing Authority, that the Owner of the Owner Occupied Affordable Housing has offered to convey the Owner Occupied Affordable Housing to the beneficiary in lieu of foreclosure. The Association or its assignee, and/or the Gunnison County Housing Authority, or its assignee, shall have 30 days from the date of such notice to purchase the Owner Occupied Affordable Housing under the same terms and conditions.

3.6.4 In addition, the Association, or its assignee, and the Gunnison County Housing Authority, or its assignee, shall have the right to acquire the Owner Occupied Affordable Housing from the Owner subject to such deed of trust, mortgage, lien or encumbrance.

4. Restrictions Run With Land. These deed restrictions as to the ownership, use and occupancy of the Real Property constitute a perpetual covenant running with the land as a burden thereon and for the benefit of the Association, and shall be binding upon the owner and the heirs, personal representatives, assigns, lessees, licensees, successors and any transferees of the owner.

5. Enforcement. These deed restrictions shall be administered by the Association and shall be enforceable by any appropriate legal or equitable action, including but not limited to, specific performance, injunction, abatement, or eviction of any non-complying owners or occupants of the Real Property or such other remedies and penalties as may be deemed appropriate by the Association and/or Board of County Commissioners of Gunnison County, Colorado.

6. Jurisdiction and Venue. Jurisdiction and venue of any action as to these deed restrictions and the interpretation, enforcement or the determination of the rights and duties of the parties hereto shall be the District Court of Gunnison County, Colorado. Each party submits to the personal jurisdiction of the District Court of Gunnison County, Colorado and waives any and all rights under the laws of any other State or County to object to the jurisdiction of the District Court of Gunnison County, Colorado as to any action pertaining to these deed restrictions.

7. Attorneys' Fees. If any legal action is commenced or maintained in court, whether in law or in equity, by any party to these deed restrictions as to the interpretation, enforcement, construction or the determination of the rights and duties of the parties to these deed restrictions or any document provided herein, the prevailing party in any such action shall be entitled to reasonable attorneys' fees together with all reasonable costs and expenses incurred in such action.

8. Modification of Deed Restrictions. This Amended Affordable Housing Deed Restrictions may only be amended, modified, changed or altered by a written document executed by the owners of not less than 75% of the Lots within the Real Property, the Association, the Board of County Commissioners of the Gunnison County, Colorado and 75% of the Holders of a first Deed of Trust or Mortgage on the Lots. Any amendment, modification, change or alteration shall only be effective upon the recording of a written instrument in the records of Gunnison County, Colorado.

