

**OLD IRONSIDES
PLANNED UNIT DEVELOPMENT DESIGNATION**

This Planned Unit Development Designation "Designation", to be known as Old Ironsides PUD, is approved this 24th day of May, 1999, by the Board of County Commissioners of Summit County, Colorado, hereinafter referred to as the "County," for certain real property located in Summit County and described in attached Exhibit A, hereinafter referred to as the "Property." This Designation establishes the general uses which shall be permitted on the Property, a general development plan and a statement of development guidelines and conditions which must be adhered to by RGB/CB, LLC, his successors or assigns, hereinafter referred to as the "Owner/Developer." This Designation also specifies improvements which must be made and conditions which must be fulfilled in conjunction with this Designation by the Owner/Developer. Where a specific design criteria or regulation is not covered by this PUD Designation, the provisions contained in the Summit County Land Use and Development Code, hereinafter referred to as the "Code", shall be followed.

A. PERMITTED/CONDITIONAL USES AND DEVELOPMENT PLAN

Use and development of the property shall be in compliance with the Development Plan attached hereto as Exhibit B, and the following specific uses:

Open Space:

- Tract A, Private Open Space (No Development Potential)
- Tract B, Private Open Space (No Development Potential)
- Tract C, Private Open Space (No Development Potential)

Residential:

13 affordable/employee housing units as per the conceptual development plan and subject to the restrictions as listed in the attached restrictive covenant
One Single Family Residence
One accessory apartment in conjunction with the single family residence meeting all the criteria of Section 3801 of the Summit County Land Use and Development Code may be permitted if a conditional use permit is approved in conformance with Chapter 12 of the Summit County Land Use and Development Code.

B. DEVELOPMENT STANDARDS

1. Setbacks

Buildings:

Building to Building	15 feet minimum
Juniata Trail:	15 feet minimum
Tyrollian Terrace Property:	50 feet minimum
National Forest Property (Pending Trade Parcel)	10 feet minimum

Parking Area Setbacks:

Juniata Trail:	40 feet minimum
Tyrollian Terrace Property:	50 feet minimum
National Forest Property (Pending Trade Parcel)	10 feet minimum

2. Building Height (As defined by the Summit County Land Use and Development Code)

Single Family Residence	35 feet
Accessory Apartment	35 feet
Employee Housing Units	35 feet

3. Parking

Parking shall meet all the requirements of the Summit County Land Use and Development Code. Parking is not allowed on county roads, private roads, common driveways, cul-de-sacs or hammerhead turnarounds.

4. Lighting

The site plan submittal will include detailed design information on the location and design of all exterior lighting associated with the proposed uses, including exterior lighting fixtures to be used on the individual buildings. Lighting shall be provided in parking areas and along walkways, where necessary.

The Commission shall review and approve project lighting for the employee housing component during site plan review, including the type and height of lighting standards. All exterior lighting shall be designed and installed so that all direct rays are confined to the site and adjacent properties are protected from glare.

5. Landscaping/Buffering

The Owner/Developer shall submit a landscaping plan per the Code. Landscaping plans shall provide for the installation of plant materials consistent with the following minimum landscaping standards:

Perimeter Buffering/Screening/Fencing

Landscaped buffers and screens shall be installed between the following adjacent land uses or features:

Development Area	Land Use or Feature
Affordable/Employee Housing	Tyrollian Terrace Buildings F & B
Affordable/Employee Housing	Juniata Trail

The following specific design standards shall be included in a landscaping plan, prepared by a qualified landscape architect.

1. Landscape buffers/screens shall use one of the following options:

- 1 deciduous tree with a minimum caliper of 1 ½ inches for every 4 lineal feet of buffering, or
 - 1 collected conifer with an average height of 8 feet for every 12 lineal feet of buffering, or
 - 1 nursery grown conifer with an average height of 8 feet for every 10 lineal feet of buffering.
2. Where berming is used, it shall be designed to have natural looking undulations. Continuous lineal berming is not allowed.
 3. In addition to the landscaping required for buffering/screening as outlined above, a minimum of three trees and two shrubs shall be provided for each unit. At least one of the three trees shall be a conifer. Minimum planting sizes shall be in accordance with the Landscaping Regulations of the Code. Where existing healthy trees and shrubs are integral to the area being developed, the preservation of these existing trees and shrubs may be used in meeting this minimum planting requirement.
 4. Plantings shall generally be clustered to reflect natural patterns as opposed to being thinly distributed throughout the site.
 5. All buildings and common elements shall use landscaping to ensure there is no adverse impact on adjacent properties, and to improve the general appearance of the development. Landscaping will be clustered around buildings and dispersed throughout the common area.
 6. All finished grades shall have a maximum slope of 2:1; all 2:1 slopes shall be netted or hydroseeded to prevent erosion.
 7. Landscaping buffers/screens and other landscaped areas needing irrigation shall be irrigated by an appropriate mechanism. Automatic irrigation systems will be required for the landscaped buffers and screens listed above.

The design standards for landscaping presented in this section are intended to establish a baseline of standards deemed acceptable by the County. The development standards presented may not be the only accepted techniques in which the intent of this PUD and the landscaping objectives of the Code as expressed herein can be achieved, but instead are intended to express specific standards for design which, if complied with, will be deemed sufficient. Alternate methods for achieving the intent of the PUD and the Landscaping objectives of the Code may be acceptable if, due to innovative design, the use of natural features or screening, intensive landscaping or other mitigation techniques, the proponent demonstrates to the Commission's satisfaction that the intent of the PUD and the design objectives of the Code are achieved and that the level of design as expressed in these regulations is met or exceeded. All fencing shall comply with the requirements as stated in Section 3505.18 of the County's Land Use and Development Code.

6. Trails

The Owner/Developer shall dedicate the trails and walkways indicated on the trails plan attached as Exhibit B that are located on Beardsley owned, or Beardsley jointly owned property. Trails included within the plan are: 1) The Juniata Trail 2) the Tract C trail North of Baldy Road, and 3) the trail corridor connecting Blue Jay Road to Baldy Road along the southwest border of Lots 4 and 5. The map shows general, rather than exact trail alignments. The Owner/Developer shall propose the exact alignment of trails within the project at the time of development review. All trail improvements, structures design, and alignments of the trails shall be reviewed and approved by the Open Space and Trails Department, and the applicant will be required to grant easements for such trails to Summit County, to the satisfaction of the Open Space and Trails Department, and in accordance with trails requirements set forth in the PUD.

The trails indicated on the attached plan should stay in their historic alignments to the greatest extent possible. The trails can be realigned, by the approval of the Board of County Commissioners or the Upper Blue Planning Commission, during the time of development review if the following criteria are met:

1. The relocation is to avoid trail user conflicts with adjacent land uses, steep slopes, wetland buffer zones, wildlife movement/migration corridors and other key wildlife habitats or any other environmental constraint as identified by the Joint Upper Blue Master Plan, or the Summit County Land Use and Development Code.
2. The original function of the trails system will be preserved through the site, while allowing for existing or proposed trails to be relocated, but not eliminated, based upon the overall development review criteria, the proposed development plan and the trail's character through the site.

All trails shall be designed using the following standards:

1. Trails shall minimize the number of driveway and road crossings
2. Trails shall have appropriate separations between the trails and roadways, and trails and buildings.
3. Development shall accommodate continual trail access through the site during construction by providing a temporary alternate trail corridor.
4. To ensure the perpetuity of the trails, the Owner/Developer shall dedicate fifteen foot, non motorized trail easements to the County for all trails indicated on Exhibit B. Such easements shall be dedicated prior to recording a plat, or the issuance of the first certificate of occupancy, whichever occurs first.
5. Trails shall be designed in a manner that takes advantage of natural, existing vegetation to screen the trails from development and mitigate potential safety hazards. Where this design is not possible, the applicant shall provide additional landscaping to screen the trails as verified by staff in field inspections.
6. The applicant shall be responsible for improvements for trails required by the Board of County Commissioners, as set forth in the Summit County Land Use and Development Code Section 8107.02, including:
 - a. Clearing and grading of the trail surface to meet required widths and grades
 - b. Surfacing, when required (this includes striping, texturing, etc.)
 - c. Installation of trail signs
 - d. All improvements necessary for drainage and to protect trails from erosion.
7. The applicant shall be responsible for the design and construction of a non motorized, multiple use bridge at the intersection of the Juniata Trail and the driveway accessing Lot 6 off Baldy Road. Any trails improvements, structures design, or proposed realignment of the Juniata trail or other trails shown on Exhibit B shall comply with Summit County Trail Guidelines and Engineering Specifications.
8. Trails shall be in compliance with the current Joint Upper Blue Master Plan and the Summit County Trails Plan; they shall be open to the public, and connect to Forest Service, Town of Breckenridge, and Summit County Trail systems, where feasible.

7. Exterior Materials

The Owner/Developer shall design all buildings within the PUD using natural materials such as wood, native stone, masonry and glass. The extensive use of unrelieved stucco where visible to adjacent streets or highways is prohibited. Building mass and scale shall be broken up through variation in roof lines and in building facades. Buildings having exposed metal siding or roofing are prohibited unless such materials are approved by the Commission during site plan review. The Commission shall review and approve all exterior colors during site plan review.

8. Steep Slopes

Development on natural slopes of thirty percent (30%) or greater is prohibited. Grading for slope stabilization on previously disturbed slopes 30% or greater is allowed so long as the finished grades meet the landscaping design standards listed above.

9. Signage

The Sign Review Commission and the Upper Blue Planning Commission shall review and approve the sign program in accordance with the County's Sign Regulations as outlined in the Code, and the intent of this PUD Designation.

10. Retaining Walls

All retaining walls shall be designed in accordance with the requirements of the Code. In addition to the requirements of the Code, retaining wall masses will be broken up through landscaped terraces that are proportionally designed. For example, a ten foot wall should be broken up into two, five foot walls with a five foot terrace.

11. Open Space and Trails

The Owner/Developer agrees to provide a public, non-motorized trail easement along the length of the property to the satisfaction of the County's Open Space and Trails Department as per the conceptual development plan. In addition the owner/developer shall work with the Open Space and Trails Department for the appropriate dedication of an existing trail that crosses Tract C of the subject property.

12. Site Coverage

Maximum impervious site coverage for proposed Lots 1 through 5 shall be 65%.

13. Wildlife Protection

Dogs or cats must be restrained by a leash or other suitable mechanism on the Property at all times. This provision will prevent animals from disturbing wildlife and area residents.

Bear-proof dumpster enclosures or bear-proof dumpsters, as approved by the Colorado Division of Wildlife shall be installed by the Owner/Developer.

14. Trash Handling

All trash shall be disposed of in bear-proof dumpsters or enclosures. Dumpster enclosure design and location shall be approved by Waste Management, as verified through a letter, prior to site plan approval by the Commission. The Commission shall consider the recommendations of the trash hauler, and determine the number, capacity, and placement of dumpsters needed as a part of site plan review.

15. Site Plan Review

All development requiring the issuance of a building permit shall undergo site plan review as required by the Code. This includes the single family residence.

C. REQUIRED IMPROVEMENTS

1. Access

Access to the property and to all building sites shall be provided by roads and driveways built to applicable County standards as outlined in the Code.

2. Water Systems

Water supply for the development shall be provided by Town of Breckenridge in accordance with the "Restrictive Covenant for Monarch Townhomes" agreement between the Owner/Developer and the Town of Breckenridge as included as Exhibit C.

3. Sewer Systems

Sewage treatment for the development shall be provided by the Breckenridge Sanitation District.

4. Affordable/Employee Housing Requirements

The Owner/Developer shall provide entry-level affordable/employee housing units as outlined in Exhibit C.

5. Fire Protection

The entire property is located within the Red, White and Blue Fire Protection District. All development on the property shall meet all fire protection requirements of the District and the Uniform Fire Code. Prior to final plat approval, the Fire District shall review and approve fire flow data and water system capacities.

6. Vegetation Management

A vegetation management program to reduce wildfire hazard and susceptibility to mountain pine beetle infestation and to enhance wildlife habitat and tree vigor on the property shall be prepared. The plan shall be reviewed by the Colorado Forest Service and submitted prior to the issuance of

a Grading and Excavation Permit for the project. The plan, once approved by the Colorado Forest Service, shall be implemented prior to recordation of the first condominium map for the property, or shall be guaranteed in the site plan improvements agreement.

7. Utilities and Easements

All new utility lines shall be installed in full accordance with the standards of each utility provider and County Subdivision Regulations. Easements for all utilities shall be shown on the final plat, or the condominium maps. All overhead electric lines shall be buried within the PUD.

8. Platting

A preliminary and final plat shall be approved by the County prior to any development that involves selling or conveying any interest in the property to others.

D. GENERAL PROVISIONS

1. Enforcement

The provisions of the planned unit designation and the development plan relating to the use of land and the location of common open space shall run in favor of Summit County and shall be enforceable at law or in equity by the County without limitation on any power or regulation otherwise granted by law. Other provisions of the planned unit development designation and the development plan shall run in favor of the residents, occupants and owners of the planned unit development, but only to the extent expressly provided in, and in accordance with the terms of, the planned unit development designation and the development plan. Provisions not expressly stated as running in favor of the residents, occupants or owners of the planned unit development shall run in favor of the County.

2. Breach of Provisions of PUD Designation

If any provision or requirements stated in the planned unit development designation is breached by the Owner/Developer, the County may withhold approval of any or all site plans or maps, or the issuance of any or all grading or building permits or occupancy permits applied for on the Property, until such breach has been remedied; provided, however, that the County shall not take affirmative action on account of such breach until it shall have first notified the Owner/Developer in writing and afforded the Owner/Developer a reasonable opportunity to remedy the same.

3. Binding Effect

The PUD Designation shall run with the land and be binding upon the Owner/Developer, their respective successors, representatives and assigns, and all persons who may hereafter acquire an interest in the Property or any part thereof, with the exception that provisions of this designation may be modified through an amendment in accordance with the procedure stated in the County Development Review Procedures. This designation shall be recorded in order to put prospective purchasers or other interested persons on notice as to the terms contained herein.

4. Amendments

Amendments to the provisions of a planned unit development designation shall be reviewed and acted upon as a rezoning application, subject to the County's procedures for zoning amendments and to the requirement for findings under the Planned Unit Development Act of 1972 at CRS24-67-106(3)(b), unless such amendment is determined to be minor in nature.

5. Notices

All notices required by this designation shall be in writing and shall be either hand-delivered or sent by certified mail, return receipt requested, postage prepaid, as follows:

Notice to County:

Board of County Commissioners
P.O. Box 68
Breckenridge, CO 80424

Notice to Owner:

RGB/CB, LLC
P.O. Box 2
Breckenridge, CO 80424

All notices so given shall be considered delivered three days after the mailing thereof, excluding weekends or official holidays. Either party, by notice so given, may change the address to which future notices shall be sent.

6. Entire Designation

This Designation contains all provisions and requirements incumbent upon the Owner/Developer relative to the Old Ironsides Planned Unit Development, except as modified by subsequent action of the Board of County Commissioners in accordance with procedures set forth in the Summit County Land Use and Development Code and the Colorado Planned Unit Development Act (CRS 24-67-106) for amending planned unit developments, and except that nothing contained herein shall be construed as waiving any requirements of the Summit County Land Use and Development Code or other regulations otherwise applicable to the development of the Property.

7. Effective Date

This Designation must be signed by both the Summit County Board of County Commissioners and the Owner/Developer and must be recorded by the Summit County Clerk and Recorder in order to become effective. The effective date shall be the date of recordation.

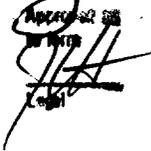
8. PUD Review Requirements

The Summit County Land Use and Development Code, Chapter 12, includes procedures and requirements for review of all Planned Unit Developments. The Owner/Developer shall be on notice of these requirements and their potential impact should new design guidelines be established.

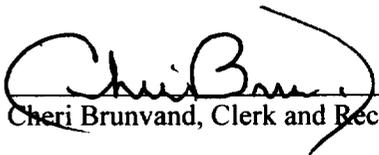
IN WITNESS WHEREOF, the County and the Owner/Developer have executed this Designation as of the date first written above.

BOARD OF COUNTY COMMISSIONERS
OF SUMMIT COUNTY, COLORADO


Thomas A. Long, Chairman



ATTEST:


Cheri Brunvand, Clerk and Recorder


RGB/CB, LLC
Owner


ATTEST: Deputy Clerk to the
Board of County Commissioners

EXHIBIT A

LEGAL DESCRIPTION:

THAT PORTION OF THE OLD IRONSIDES , BEN HARRISON, COUNTESS, AGGIE AND MAGGIE LODE MINING CLAIMS, U.S. SURVEY NO. 7388 , AND OF THE MONARCH AND BADGER LODE MINING CLAIMS, U.S. SURVEY NO. 7569 , DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER NO. 13 OF JUNIATA EXTENSION, U.S. SURVEY NO. 6989;
THENCE N 09° 36' 00" E, 300.00 FEET; THENCE S 20° 30' 37" E, 198.00 FEET;
THENCE S 69° 29' 23" W, 534.10 FEET; THENCE S 65° 03' 27" E, 192.90 FEET;
THENCE N 60° 30' 51" E, 1489.96 FEET; THENCE N 21° 14' 16" W, 232.29 FEET;
THENCE S 28° 27' 55" W, 390.19 FEET; THENCE N 61° 22' 13" W, 301.33 FEET;
THENCE N 22° 35' 31" E, 37.12 FEET; THENCE S 60° 26' 00" W, 706.89 FEET;
THENCE S 00° 21' 51" W, 10.39 FEET; THENCE N 89° 38' 09" W, 18.05 FEET;
THENCE S 60° 26' 00" W, 299.67 FEET; THENCE S 20° 26' 51" E, 160.50 FEET;
THENCE N 69° 31' 36" E 1.32 FEET; THENCE N 89° 38' 20" W, 419.39 FEET;
THENCE S 69° 35' 13" W 62.50 FEET; THENCE S 80° 35' 15" E, 362.13 FEET;
THENCE N 15° 59' 00" E 156.56 FEET, TO THE POINT OF BEGINNING.

COMPRISING 13.4 ACRES, MORE OR LESS BALDY RIGHT OF WAY OF 2.508 ACRES,
LEAVING 10.982 NET ACRES.

THIS DESCRIPTION IS BASED ON A JUNE 29, 1981 PERIMETER SURVEY COMPLETED BY
RAYMOND D. MCGINNIS L.S. NO. 9939, AND RECORD INFORMATION.



EXHIBIT C

Restrictive Covenant For Affordable/Employee Housing at Monarch Townhomes

THIS RESTRICTIVE COVENANT ("Covenant") is entered by and between RGB/CB, LLC ("Owner") and the Board of County Commissioners, Summit County, Colorado ("County"), a body politic of the State of Colorado (collectively the "Parties") on this 24th day, of May, 1999.

Recitals

A. Owner is the owner of record of the hereafter described real property situated in Summit County, Colorado further described on Exhibit 1, attached hereto and incorporated by this reference ("Property"); and

B. Owner intends to construct, operate and sell an affordable/employee housing complex on the Property, consisting of thirteen (13) residential units ("Units"), to be known as the Monarch Townhomes; and

C. Pursuant to the Old Ironsides Planned Unit Development Designation ("PUD"), Owner is required to restrict the use and sale of the units to affordable/employee housing units consistent with the Summit County Land Use and Development Code in a form satisfactory to the County through a restrictive covenant running with the land; and

D. Under this Covenant Owner intends, declares and covenants that the following restrictive covenant set forth herein governing the use of the Property and Units shall be and is a covenant running with the land and intended to be and shall be binding upon Owner and all subsequent owners of the Property or individual Units.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Owner, the Parties agree as follows:

Restrictions

1. **Development.** The Units shall be developed to address the shortage of affordable housing in the community, which are authorized and approved pursuant to the PUD and the Summit County Land Use and Development Code.

2. **Employee Housing.** The Units located on the Property shall be used and occupied solely and exclusively by a person or persons who are eighteen (18) years of age or older who earns his or her living by working in Summit County, Colorado at least thirty (30) hours per week on an annual basis, together with such person's spouse and minor children, if any, or a natural person age fifty-five (55) years or older who earns his or her living by working in Summit County, Colorado at least fifteen (15) hours per week on an annual basis, together with such person's spouse and minor children, if any.

3. Sale or Conveyance. Owner may sell or convey the Units to subsequent owners (“Unit Owner”) for an amount not to exceed the affordability limits at or below 100% of area median income at the time Construction of the Units begins as most recently determined by the U.S. Department of Housing and Urban Development (“HUD”) or the closest published index in the event HUD ceases to issue such figures.

4. Subsequent Sale or Conveyance by Unit Owner. In the event a Unit is sold or conveyed, such Unit(s) shall not be sold by a Unit Owner for an amount in excess of the sale price, subject to the restrictions, limitations, and exceptions, as stated in Section IV *Resale Restrictions*, including all subsections, of the “Restrictive Covenant for Monarch Townhomes”, dated April 13, 1999, between Owner and the Town of Breckenridge, attached hereto as Exhibit 2 and incorporated herein.

5. Recording and Filing. This Covenant shall be placed of record in the real property records of the Clerk and Recorder of Summit County, Colorado, and except as otherwise provided herein, the covenants contained herein shall run with the land and shall bind, and the benefits shall inure to Owner, Owner’s successors and assigns, and all subsequent owners and the County, its successors and assigns.

6. Term. The term of this Covenant shall be for a period of ninety-nine (99) years, commencing with the date of the recording of this Covenant in the records of the Summit County Clerk and Recorder.

7. Subordination. Owner covenants to obtain and record the subordination to this Covenant of the relative recording priority of any prior recorded lien on the Property, and such subordination and evidence thereof satisfactory to the County shall be a condition precedent to the issuance of any development permit required for the development of the Units. This Covenant is intended to be an encumbrance on the Property which is superior to all other liens and encumbrances, except those for general property taxes and the “Restrictive Covenant for Monarch Townhomes”, dated April 13, 1999, between Owner and the Town of Breckenridge, attached hereto as Exhibit 2.

8. Owner’s Covenant of Title and Authority. Owner covenants, represents and warrants to the County that Owner has good and marketable title to the Property and full and complete legal authority to execute and deliver this Covenant to the County subject only to the lien of general property taxes and the Restrictive Covenant for Monarch Townhomes, dated April 13, 1999, between Owner and the Town of Breckenridge, noted in Paragraph 8 above.

9. Default; Notice. In the event of any failure of Owner to comply with the provisions of this Covenant, the County may inform Owner by written notice of such failure and provide Owner a period of time in which to correct the failure. If any such failure is not corrected to the satisfaction of the County within the period of time specified by the County, which shall be no less than twenty (20) days after the date of any notice to Owner is mailed, or within such further time as is reasonably necessary to correct the violation, but not to exceed any limitation set by law, the County may without further notice declare a default under this

Covenant effective on the date of such declaration of default; and the County may then proceed to enforce this Covenant as hereafter provided.

10. Remedies. County shall have any and all remedies provided by law for violation or other breach, or prospective breach, default, or prospective default, of this Covenant or any of its terms, including but not limited to specific performance, injunction, and damages and costs, including reasonable attorney's fees, for enforcing this Covenant.

11. County Authority To Enforce. The restrictions, covenants and limitations created herein are for the benefit of the County, which is given the power to enforce this Covenant in the manner herein provided.

12. Attorney's Fees. If an action is brought to enforce this Covenant, the prevailing party shall be entitled to costs and reasonable attorney's fees.

13. Entire Agreement. This Covenant constitutes the entire agreement and understanding between the parties and supersedes any prior agreement or understanding relating to the subject matter of this Agreement.

14. Modification. This Covenant may be modified or amended only by a duly authorized written instrument executed by the parties hereto.

15. Paragraph Headings. Paragraph headings are inserted for convenience only and in no way limit or define the interpretation to be placed upon this Covenant.

16. Governmental Immunity. The County does not intend to waive by any provision of this Covenant, the monetary limits or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., as may be amended.

17. Severability. In case one or more of the provisions contained in this Covenant, or any application hereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Covenant and the application thereof shall not in any way be affected or impaired thereby.

18. Applicable Law. This Covenant shall be interpreted in all respects in accordance with the laws of the State of Colorado. Venue shall only be proper in Summit County, Colorado.

19. Waiver. The failure of either party to exercise any of its rights under this Covenant shall not be a waiver of those rights.

20. Terminology. Wherever applicable, the pronouns in this Covenant designating the masculine or neuter shall equally apply to the feminine, neuter and masculine genders. Furthermore, whenever applicable within this Covenant, the singular shall include the plural, and the plural shall include the singular.

21. Notices. Except as otherwise stated herein, any notice or demand to be given under this Covenant shall be delivered in person or deposited in the United States Certified Mail, Return Receipt Requested. Any notices or other communications shall be addressed as follows:

Summit County Government
Attn: Planning Department
Post Office Box 5660
Frisco, CO 80443

RGB/CB, LLC
Attn: George Beardsley, Manager
P.O. Box 2280
Breckenridge, CO 80424

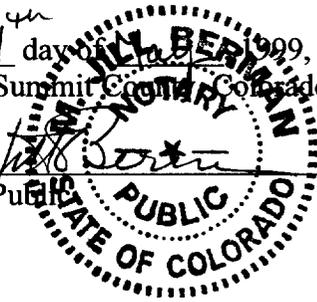
IN WITNESS WHEREOF the Parties have executed this Covenant on the date first written above.

**SUMMIT COUNTY
Board of County Commissioners**

By: Thomas A. Long
Thomas A. Long, Chair

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The forgoing instrument was acknowledge before me this 24th day of May, 1999, by Thomas A. Long, as Chair of the Board of County Commissioners, Summit County, Colorado. Witness my hand and official seal.

M. Jeff Bern
Notary Public


MY COMMISSION EXPIRES: 3/10/2003

**OWNER
RGB/CB, LLC**

By: George Beardsley
Printed Name: George B. Beardsley
Title: Manager

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The forgoing instrument was acknowledge before me this 24 day of May, 1999, by George Beardsley as Manager of RGB/CB, LLC. Witness my hand and official seal.

M. Jeff Bern
Notary Public

EXHIBIT 1

LEGAL DESCRIPTION:

THAT PORTION OF THE OLD IRONSIDES , BEN HARRISON, COUNTESS, AGGIE AND MAGGIE LODE MINING CLAIMS, U.S. SURVEY NO. 7388 , AND OF THE MONARCH AND BADGER LODE MINING CLAIMS, U.S. SURVEY NO. 7569 , DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER NO. 13 OF JUNIATA EXTENSION, U.S. SURVEY NO. 6989;
THENCE N 09° 36' 00" E, 300.00 FEET; THENCE S 20° 30' 37" E, 198.00 FEET;
THENCE S 69° 29' 23" W, 534.10 FEET; THENCE S 65° 03' 27" E, 192.90 FEET;
THENCE N 60° 30' 51" E, 1489.96 FEET; THENCE N 21° 14' 16" W, 232.29 FEET;
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RAYMOND D. MCGINNIS L.S. NO. 9939, AND RECORD INFORMATION.



**RESTRICTIVE COVENANT
FOR
MONARCH TOWNHOMES**

THIS RESTRICTIVE COVENANT FOR MONARCH TOWNHOMES ("Covenant") is made and entered into at Breckenridge, Colorado this 13th day of APRIL, 1999, by and between RGB/CB LLC ("Developer") and the TOWN OF BRECKENRIDGE, a Colorado municipal corporation ("Town") (collectively the "Parties").

Recitals

A. Developer is owner of record of the real property located in the County of Summit and State of Colorado, as further described on Exhibit I attached hereto and incorporated herein by this reference ("Property").

B. Developer intends to construct, operate and sell an affordable housing complex on the Property, consisting of thirteen (13) residential units ("Units"), to be known as Monarch Townhomes ("Project").

C. Prior to the sale of the first Unit within the Project, Developer intends to record against the Property a declaration for Monarch Townhomes ("Declaration") containing covenants and restrictions controlling the ownership of the Units in the Project. Developer also intends to incorporate a homeowners association for Monarch Townhomes ("Association") to manage the Project, to collect monthly assessments from owners of Units and to perform other functions required of it pursuant to the Declaration.

D. The Town has agreed to fully service the Project, including the Units therein, with its required and necessary domestic and other water needs, including lawn tree and shrub irrigation. The Town has further agreed to defer the payment of the water tap fees, known as Plant Investment Fees ("PIFs"), for the Project and for each Unit for so long as the Project and the Units are subject to the terms and conditions of this Covenant.

E. The Parties acknowledge that this Covenant was entered into at the request of the Developer, was not required by the Town as a condition of any Town approval of the Project, and was entered into by the Town in its proprietary (not governmental) capacity.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Agreement

I.

Definitions

"Affordability Restrictions" means, collectively, the Occupancy Restrictions and the Resale Restrictions.

"Association" means the non-profit corporation to be created pursuant to the Declaration that manages the Project on behalf of Unit Owners, collects monthly assessments from Units Owners and performs other functions required of it pursuant to the Declaration.

"Declaration" means the covenants and restrictions controlling the ownership of the Units and certain common elements in the Project, which Declaration shall be recorded against the Property in the real property records of Summit County, Colorado.

"Occupancy Restrictions" means those restrictions on the Units set forth in Article III hereof.

"Project" means the affordable housing complex to be constructed on the Property, consisting of thirteen residential Units and certain common elements as described in the Declaration, to be known as Monarch Townhomes.

"Property" means the real property located in the County of Summit and State of Colorado, as further described on Exhibit 1 attached hereto, against which this Covenant shall be recorded.

"Qualified Occupant" means (a) a natural person eighteen (18) years of age or older who earns his or her living by working in Summit County, Colorado at least thirty (30) hours per week on an annual basis, together with such person's spouse and minor children, if any, and (b) a natural person age fifty-five (55) years or older who earns his or her living by working in Summit County, Colorado at least fifteen (15) hours per week on an annual basis, together with such person's spouse and minor children, if any.

"Resale Restrictions" means those restrictions on the Units set forth in Article IV hereof.

"Unit" means a physical portion of the Project designated for separate residential ownership, as depicted on a map or plat of the Project to be recorded against the Property, and as further described in the Declaration.

"Unit Owner" means any person or entity at any time owning a Unit; it being understood that such person or persons shall be deemed a "Unit Owner" hereunder only during the period of his, her or their ownership interest in the Unit. "Unit Owner" does not include a person having an interest in a Unit solely as security for the performance of an obligation.

II.
Water Taps

In consideration of the recordation of this Covenant against the Property in the real estate records of the Clerk and Recorder of Summit County, the Town agrees to the following:

2.1 **Provision of Water Taps.** The Town shall allow Developer to connect the Project to the Town's water system in a timely fashion and shall supply the Project with adequate and safe domestic water (including lawn, tree and shrub irrigation) and the water taps necessary and required by Summit County for the Project's approval, including the provision of sufficient water to service the 13 Units and related common elements and facilities to be included in the Project, all pursuant to the Town's usual and customary out-of-town water services policies.

2.2 **Deferral of PIFs.** The Town shall defer the payment of PIFs otherwise chargeable against the Project or a Unit for so long as the Project is subject to the Affordability Restrictions set forth herein.

2.3 **Water Service Contract.** As required by Town ordinance, the obligations of Town to provide water to the Project shall be subject to the Town's standard "out-of-town" water service contract in such form as is agreed to by Town and Developer, which contract shall be executed by Town and Developer prior to the recording of this Covenant. The terms of said water service contract shall be incorporated herein by this reference.

2.4 **Amount of PIFs deferred.** The Parties agree that the amount of PIFs deferred for the Project are 15.6, or 1.2 PIFs per each of the thirteen (13) units. If and when the PIFs become due and payable hereunder, payment shall be made at the Town's then-current PIF rate.

III.
Occupancy Restrictions

3.1 **Occupancy Restriction.** Except as expressly provided in Section 3.2, Units shall only be occupied by Qualified Occupants.

3.2 **Disability Exception.** Notwithstanding Section 3.1, it shall not be a violation of this Occupancy Restriction if a Unit is occupied by a person, who otherwise is or was a Qualified Occupant, but who becomes disabled after commencing occupancy of the Unit such that he or she cannot work the number of hours each week required by the Occupancy Restriction; *provided, however,* that such person shall be permitted to occupy the Unit 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 the Town.

3.3 Default: Notice. In the event of any failure of a Unit Owner to comply with the Occupancy Restriction provisions of this Article III, the Town may inform the Unit Owner by written notice of such failure and provide the Unit Owner a period of time in which to correct such failure. If any such failure is not corrected to the satisfaction of the Town within the period of time specified by the Town, which shall be at least thirty (30) calendar days after the date any notice to the Unit Owner is received as provided in Section 7.8, 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 Covenant effective on the date of such declaration of default; and the Town may then proceed to enforce this Covenant as provided in Sections 3.4 and 3.5, and Article VI, below.

3.4 Forced Sale on Default.

3.4.1 *Forced Sale.* In the event of a default pursuant to Section 3.3, Town may demand, in writing to the Unit Owner, that the Unit Owner sell the Unit ("Town's Demand to Sell"), and the Unit Owner shall thereupon immediately list the Unit for sale and shall diligently and in good faith pursue the sale of the Unit. The Resale Restrictions set forth in Sections 4.1 and 4.2 below shall apply to any such sale. The highest offer by a Qualified Occupant, for not less than ninety-five percent (95%) of the Maximum Sale Price (as defined in Article IV below) or the appraised market value, whichever is less, shall be accepted by the Unit Owner. If all offers are below ninety-five percent (95%) of the Maximum Sale Price and the appraised market value, the Unit shall continue to be listed for sale until an offer in accordance with this subsection 3.4.1 is made, which offer must be accepted by Unit Owner. The cost of any appraisal shall be paid by the Unit Owner. The appraisal shall be conducted by a licensed appraiser selected by the Unit Owner and approved by Town. The Unit Owner shall consent to any sale, conveyance or transfer of the Unit to a Qualified Occupant and shall execute any and all documents necessary to do so.

3.4.2 *Town May Purchase.* Notwithstanding subsection 3.4.1, the Town, or its respective assignee or designee, as applicable, shall have the right and option to purchase the Unit, exercisable by notice ("Option Notice") delivered to the Unit Owner within a period of fifteen (15) calendar days after delivery by Town of Town's Demand to Sell. In the event of exercising this right and option, the Town shall purchase the Unit from the Unit Owner for a price equal to ninety-five percent (95%) of the Maximum Sale Price, or the appraised market value, whichever is less. The closing of Town's purchase shall take place no later than forty-five (45) calendar days after the delivery of the Town's Option Notice to the Unit Owner. At the closing, the Unit Owner shall convey the Unit to the Town by special warranty deed.

3.5 Additional Remedies/Enforcement. In addition to any other methods of enforcement as may be available to Town pursuant to Article VI below, in the event of a Unit Owner's default hereunder, Town may enforce this Covenant by bringing an appropriate action in the Breckenridge Municipal Court in accordance with the provisions of Section 9-1-26 of the Breckenridge Town Code, or any successor municipal ordinance provision of the Town of Breckenridge.

IV.
Resale Restrictions

4.1 Maximum Sale Price. Subject to Section 4.2 below, in no event shall a Unit be sold for an amount in excess of the Unit Owner's original purchase price, plus the lesser of either :

a. An increase of five percent (5%) over such Unit Owner's original purchase price per year from the date of Unit Owner's purchase to the date of Unit Owner's Notice of Intent to Sell (as defined in Section 4.3 below), or to the date of Town's Demand to Sell (if sale is pursuant to Section 3.4 above) (prorated at the rate of .41 percent for each whole month); or

b. The percentage increase in the figure that reflects one hundred (100%) percent of the annual area median income of a family of four for Summit County as determined by the United States Department of Housing and Urban Development, or successor thereto, between the date of the Unit Owner's original purchase of the Unit and the date of the Unit Owner's Notice of Intent to Sell (as defined in Section 4.3 below), or to the date of Town's Demand to Sell (if sale is pursuant to Section 3.4 above).

The sale price so calculated shall be the "Maximum Sale Price," subject to adjustment only as specifically allowed hereafter under Section 4.2 below. **NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTEE BY THE TOWN, THE DEVELOPER, OR ANY OTHER PARTY, THAT THE UNIT OWNER WILL BE ABLE TO OBTAIN THE MAXIMUM SALE PRICE, AND THE TOWN AND DEVELOPER HEREBY DISCLAIM ANY SUCH REPRESENTATION OR WARRANTY THAT MIGHT OTHERWISE BE ALLEGED OR ATTRIBUTED.**

4.2 Permitted Additions to Maximum Sale Price.

4.2.1 *Capital Improvements.* For the purpose of determining the Maximum Sale Price in accordance with Section 4.1 above, the Unit Owner may add to the amount specified in Section 4.1 above, the cost of Permitted Capital Improvements (as defined in Exhibit 2 attached hereto and incorporated herein by this reference); *provided, however,* that in no event shall said additional amount under this Section exceed ten percent (10%) of the Unit Owner's original purchase price for the Unit. Notwithstanding the foregoing, for every ten (10) year period commencing after the date which is ten years from and after the date of a Unit Owner's original purchase of said Unit, a maximum of an additional ten percent (10%) of the Unit Owner's initial purchase price for the Unit may be added to the value of the Unit for and to the extent of any further Permitted Capital Improvements under this Section installed during said ten-year period. In calculating the additional amount under this Section, only the Unit Owner's actual out-of-pocket costs and expenses shall be eligible for inclusion. Such amount shall not include an amount attributable to the Unit Owner's personal labor or "sweat equity" or to any appreciation in the value of the improvements.

4.2.2 Permitted Sales Costs. For the purpose of determining the Maximum Sale Price in accordance with Section 4.1 above, the Unit Owner may add to the amount specified in Section 4.1 above, the cost of:

- a. Realtor sales commission, not to exceed seven (7%) percent;
- b. Owners title insurance premium;
- c. Tax certificate; and
- d. Other normal and customary closing costs incurred by a seller for similar sales in Summit County, which costs shall not include appraisal costs.

4.3 Notice of Intent to Sell. In the event that a Unit Owner desires to sell his or her Unit, the Unit Owner shall provide to the Town a written notice of the Unit Owner's intent to sell the Unit ("Notice of Intent"). Said Notice of Intent shall be delivered to the Town prior to the earlier of the date the Unit Owner: (a) lists the Unit for sale, (b) offers the Unit "for sale by owner," or (c) executes any contract for the sale of the Unit. The Notice of Intent shall contain a statement of (a) the Unit Owner's original purchase price for the Unit, (b) any permitted additions to the Maximum Sale Price, pursuant to Section 4.2 above, which the Unit Owner believes he or she is entitled, together with written evidence (e.g., receipts) of the cost and nature of said permitted additions, and (c) the Unit Owner's best estimate of the maximum price for which the Unit may be sold hereunder ("Total Sale Price").

4.4 Notice of Non-Compliance. Town shall have the right, exercisable within twenty (20) calender days of receipt of Unit Owner's Notice of Intent, to declare by written notice to the Unit Owner ("Notice of Non-Compliance") either: (a) that the Notice of Intent is deficient, in which event the Unit Owner shall provide all additional information requested by Town in its Notice of Non-Compliance within twenty (20) calender days after delivery of the Notice of Non-Compliance, or (b) that the Total Sale Price does not comply with the terms of this Article IV, in which event the Town shall provide its best estimate of the Total Sale Price in its Notice of Non-Compliance. In the event such Notice of Non-Compliance is timely delivered, the Unit Owner shall not be entitled to sell the Unit until he or she receives written notice of compliance with Sections 4.2 and 4.3 ("Notice of Compliance") from the Town. Town shall have the right to record the Notice of Non-Compliance in the real property records of the Clerk and Recorder of Summit County. In the event that the Town fails to timely deliver such Notice of Non-Compliance, the Unit Owner's Notice of Intent and Total Sale Price shall be deemed satisfactory for all purposes hereunder.

4.5 Notice of Sale. Immediately upon sale of the Unit, the Unit Owner shall provide the Town with written notice of the sale, including (a) an affidavit of the Unit Owner stating the actual sale price of the Unit and the date of sale, (b) a copy of the contract of sale, and (c) a copy of the deed transferring title to the Unit.

4.6 Non-complying Sale. If a Unit Owner sells a Unit: (a) without providing the notices described in Sections 4.3 and 4.5, (b) for a price greater than the Total Sale Price indicated either in the Unit Owner's Notice of Intent or in the Town's Notice of Compliance, or (c) despite receiving a Notice of Non-Compliance from the Town which was not resolved to the written satisfaction of Town, pursuant to a Notice of Compliance, then the Unit Owner shall be subject to all remedies available to Town pursuant to Article VI below.

V.

Term and Termination

5.1 Term of Covenant. The term of this Covenant shall be for a period of ninety-nine (99) years, commencing with the date of the recording of this Covenant with the Clerk and Recorder of Summit County, Colorado. This Covenant may be sooner terminated, in whole or in part, in accordance with Sections 5.2 below.

5.2 Waiver, Termination, Modification Of Covenant. The Affordability Restrictions may be waived or terminated as to one or more Units by written agreement of both the Town and Summit County. The Affordability Restrictions and any other provision of this Covenant may be modified with the written consent of all Unit Owners, Town and Summit County. No such waiver, modification, or termination shall be effective until a proper instrument in writing shall be executed and recorded in the office of the Clerk and Recorder of Summit County, Colorado.

VI.

Remedies

6.1 All Remedies Available. Town shall have any and all remedies provided by law for violation or other breach, or prospective breach, of this Covenant or any of its terms, including but not limited to:

a. Damages (including damages resulting from the sale of a Unit in violation of this Covenant, which damages are deemed to include, without limitation, the proceeds of the sale that exceed the Maximum Sale Price applicable to the Unit at the time of sale under this Covenant);

b. Specific performance and injunction, including an injunction requiring sale of the Unit by the Unit Owner as set forth in Article III of this Covenant or as may be otherwise provided herein, and including an injunction and temporary restraining order to prohibit a sale of a Unit in violation of this Covenant;

c. Termination of the deferral of PIFs, provided pursuant to Article II above, which are attributable to a non-complying Unit and which shall be paid to the Town by the non-complying Unit Owner within thirty (30) calendar days after Town notice to the Unit Owner of said termination pursuant to this paragraph. In the event that said payment is not timely made, any outstanding balance due shall bear interest at the rate of twelve percent (12%) per annum until paid;

- d. Eviction of non-complying Unit Owners and/or occupants; and
- e. All costs of the Town in enforcing this Covenant, including attorney fees and paralegal fees, to be payable by the non-complying Unit Owner.

6.2 Eliminating Resale Gain. In the event of a breach of any of the terms or conditions contained herein by a Unit Owner, his or her heirs, successors or assigns, the Unit Owner's initial purchase price of the Unit shall, upon the date of such breach as determined by the Town, automatically cease to increase as set out in Article IV of this Covenant, and shall remain fixed until the date of cure of said breach.

VII. Miscellaneous

7.1 Owner's Covenant of Title and Authority. Developer covenants, represents and warrants to Town that Developer has good and marketable title to the Property and full and complete legal authority to execute and deliver this Covenant with Town, subject only to liens and encumbrances of record, and taxes for 1998 and subsequent years.

7.2 No Conflicting Agreement. Developer covenants, represents and warrants to the Town that the execution and delivery of this Covenant to Town will not violate any agreement now existing with respect to the Property. Developer shall not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Covenant, and in any event, it is agreed that the provisions of this Covenant are paramount and controlling as to the rights, obligations and limitations herein set forth and shall supersede any other provision or agreement in conflict herewith.

7.3 Records; Inspection; Monitoring. Unit Owner and Association records with respect to the use, occupancy and sale of the Units shall be subject to examination, inspection and copying by the Town, its authorized agent or designee, upon reasonable advance notice. The Town, its authorized agent or designee, shall also have the right to enter into the Project for the purpose of determining compliance with the provisions of this Covenant; *provided, however*, that the Town or its agent shall first attempt to secure the permission of any occupants of a Unit prior to making entry thereto. Unit Owners and the Association shall submit any information, documents or certificates requested from time to time by the Town with respect to the occupancy, use and sale of the Units which Town reasonably deems necessary to substantiate the Unit Owners continuing compliance with the provisions of this Covenant.

7.4 Statute of Limitations. Developer, for itself and its successors, hereby waives the benefit of, and agrees not to assert in any action brought by Town or its designee to enforce the terms of this Covenant, any applicable statute of limitation which might otherwise operate to bar the ability of the Town or its designee to enforce this Covenant, including, but not limited to, the provisions of §38-41-119, C.R.S. In the event that any statute of limitations may lawfully be asserted by Developer or its successors in connection with an action brought by Town or its designee to enforce the terms

of this Covenant, it is agreed between Developer and Town that each and every day during which any violation of the terms of this Covenant occurs shall be deemed to be a separate breach of this Covenant for the purposes of determining the commencement of the applicable statute of limitations period.

7.5 Subordination. Developer covenants to obtain and record the subordination to this Covenant of the relative recording priority of any prior recorded lien on the Property, and such subordination and evidence thereof satisfactory to Town shall be a condition precedent to Town's duties under Article II above. Such subordination shall be in a form reasonably satisfactory to Town. This Covenant is intended to be an encumbrance on the Property which is superior to all other liens and encumbrances except those for general property taxes.

7.6 Recording and Filing/ Covenant Running With the Land.

7.6.1 *Recording and Filing*. This Covenant shall be recorded in the real estate records of Summit County upon the approval of this Project by Summit County and the Town and prior to the recordation of the Declaration, and thereupon the terms, conditions and covenants contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, Developer and Developer's successors and assigns, all subsequent owners of the Property or any portion thereof, and Town, for the period of time prescribed in Article V above. During the term of this Covenant, the terms, conditions and covenants contained herein shall survive and be effective as to all owners of the Property, and their successors and/or assigns, regardless of whether a contract, deed or other instrument conveying the Property, or portion thereof, shall expressly provide that such conveyance is subject to this Covenant.

7.6.2 *Covenant Running With the Land*. Developer agrees that any and all laws of the State of Colorado required in order for the provisions of this Covenant to constitute a restrictive covenant running with the land shall be deemed to be satisfied in full, and that any requirements of privity of estate are intended to be satisfied, or in the alternative, that an equitable servitude has been created to insure that these restrictions run with the land.

7.7 Attorney's Fees. If any action is brought in a court of law by Town, Developer, the Association or any Unit Owner, or other party subject to this Covenant, concerning the enforcement, interpretation or construction of this Covenant, the prevailing party, either at trial or upon appeal, shall be entitled to reasonable attorney's fees as well as costs, including expert witness's fees, incurred in the prosecution or defense of such action.

7.8 Notices. Unless otherwise provided herein, all notices and demands required or permitted under this Covenant shall be in writing, as follows: (1) by actual delivery of the notice to the party entitled to receive it; (2) by mailing such notice by certified mail, return receipt requested, in which case the notice shall be deemed to be given three days after the date of its mailing; (3) by Federal Express or any other overnight carrier, in which case the notice shall be deemed to be given as of the date it is sent; or (4) by facsimile to the facsimile number of the appropriate party indicated

below, in which case it will be deemed received at the time indicated on the facsimile confirmation report. All notices which concern this Covenant shall be sent to the address or facsimile number of the appropriate party as set forth below:

TOWN:

Address: Town of Breckenridge
c/o Town Manager
P.O. Box 168
Breckenridge, Colorado 80424

FAX: _____
PHONE: _____

DEVELOPER: *RGB/EB, LLC*

Address: *PO Box 2280*
Breckenridge Co
80424

FAX: _____
PHONE: _____

To Unit Owner: To the Unit address of the Unit Owner as set forth in the recorded deed by which the Unit Owner took title to the Unit.

7.9 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 (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing like or similar time limits, then such provision shall continue only for a period of the lives of the current duly elected and seated members of the Town Council of the Town, their now living descendants, if any, and the survivor of them, plus twenty-one (21) years.

7.10 Applicable Law. This Covenant shall be interpreted in all respects in accordance with the laws of the State of Colorado.

7.11 Entire Agreement. This Covenant, including the attached exhibit, constitutes the entire agreement and understanding between the parties relating to the subject matter of this Covenant, and supersedes any prior agreement or understanding relating thereto.

7.12 Severability. In case one or more of the provisions contained in this Covenant or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and

EXHIBIT 1

LEGAL DESCRIPTION:

THAT PORTION OF THE OLD IRONSIDES , BEN HARRISON, COUNTESS, AGGIE AND MAGGIE LODE MINING CLAIMS, U.S. SURVEY NO. 7388 , AND OF THE MONARCH AND BADGER LODE MINING CLAIMS, U.S. SURVEY NO. 7569 , DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER NO. 13 OF JUNIATA EXTENSION, U.S. SURVEY NO. 6989;
THENCE N 09° 36' 00" E, 300.00 FEET; THENCE S 20° 30' 37" E, 198.00 FEET;
THENCE S 69° 29' 23" W, 534.10 FEET; THENCE S 65° 03' 27" E, 192.90 FEET;
THENCE N 60° 30' 51" E, 1489.96 FEET; THENCE N 21° 14' 16" W, 232.29 FEET;
THENCE S 28° 27' 55" W, 390.19 FEET; THENCE N 61° 22' 13" W, 301.33 FEET;
THENCE N 22° 35' 31" E, 37.12 FEET; THENCE S 60° 26' 00" W, 706.89 FEET;
THENCE S 00° 21' 51" W, 10.39 FEET; THENCE N 89° 38' 09" W, 18.05 FEET;
THENCE S 60° 26' 00" W, 299.67 FEET; THENCE S 20° 26' 51" E, 160.50 FEET;
THENCE N 69° 31' 36" E 1.32 FEET; THENCE N 89° 38' 20" W, 419.39 FEET;
THENCE S 69° 35' 13" W 62.50 FEET; THENCE S 80° 35' 15" E, 362.13 FEET;
THENCE N 15° 59' 00" E 156.56 FEET, TO THE POINT OF BEGINNING.

COMPRISING 13.4 ACRES, MORE OR LESS BALDY RIGHT OF WAY OF 2.508 ACRES,
LEAVING 10.982 NET ACRES.

THIS DESCRIPTION IS BASED ON A JUNE 29, 1981 PERIMETER SURVEY COMPLETED BY
RAYMOND D. MCGINNIS L.S. NO. 9939, AND RECORD INFORMATION.



EXHIBIT 2
Permitted Capital Improvements

1. The term "Permitted Capital Improvement" as used in this Covenant shall only include the following:

A. Improvements or fixtures erected, installed or attached as permanent, functional, non-decorative improvements to a Unit, excluding repair, replacement and/or maintenance improvements.

B. Improvements for energy and water conservation.

C. Improvements for health and safety protection devices; and

D. Improvements to finish existing storage space.

2. Permitted Capital Improvements as use in this Covenant shall NOT include the following:

A. Upgrades/replacements of appliances, plumbing and mechanical fixtures, carpets, flooring, counter tops, cabinets, tile and other similar items included as part of the original construction of the Unit;

B. The cost of adding decks and balconies, and any extension thereto;

C. Jacuzzis, saunas, steam showers, and other similar items;

D. Improvements required to repair, replace and maintain existing fixtures, appliances, plumbing and mechanical fixtures, painting, carpeting and other similar items; and/or

E. Upgrades or addition of decorative items, including lights, window coverings and other similar items.

3. All Permitted Capital Improvement items and costs shall be approved by Town prior to being added to the Maximum Sale Price as defined in this Covenant.