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**EMPLOYEE HOUSING
RESTRICTIVE COVENANT AND AGREEMENT**

THIS EMPLOYEE HOUSING RESTRICTIVE COVENANT AND AGREEMENT (this "Restrictive Covenant") is made as of this 5 day of JAN, 2006 by and between Ocoee Properties Limited Partnership, a Colorado limited partnership (together with its assigns and successors in interest, "Declarant") and the Town of Frisco, a Colorado municipal corporation (the "Town").

Recitals

A. Declarant as the owner of fee simple title to the real property located in the Town of Frisco, County of Summit, State of Colorado, that is known as Timberline Cove Condominiums ("the Project") applied for developmental approvals in conformance with the Frisco Town Code.

B. On March 21, 2002, the Town Council of the Town of Frisco approved an amendment to the previously approved Final Development Plan permitting the construction of a 30 unit condominium building. Prior to the Town Council's approval of the amendment to the Final Development Plan, the Declarant voluntarily offered to deed restrict two dwelling units outside of the property but in the Town of Frisco to be affordable housing units and Declarant requested that the execution of restrictive covenants encumbering such units be made a condition of approval of the Project. Among the applicable conditions of such Final Development Plan and subsequent approvals is a requirement that Declarant designate and restrict the use of two residential units within the Town of Frisco as employee housing units. This Restrictive Covenant is executed, delivered and recorded in satisfaction of such condition.

Declaration

In consideration of the Town's approval of the Final Development Plan as referenced above and in order to meet the applicable conditions on the Final Development Plan for approval of the Project, the receipt and sufficiency of which Declarant hereby acknowledges, Declarant declares and agrees with the Town as follows:

1. **Restrictive Covenant.**

(a) Unit 308, Building B, Ten Mile Island Condominiums, also known as 222 Creekside Drive, Unit 308-B, Frisco, Summit County, Colorado, being the first of the two deed restricted dwelling units subject of this Agreement (the "Employee Housing Unit") shall hereafter be: (i) used and occupied for Employee Housing (as defined in Section 2 below) and for no other purpose, and (ii) owned, held, sold, mortgaged, encumbered and conveyed subject to the foregoing and the other terms, covenants, restrictions and conditions set forth in this Restrictive Covenant. Without limiting the generality of the foregoing, an Employee Housing Unit may not be used to house a person vacationing in Summit County, Colorado, or intending to reside in Summit County, Colorado for less than three consecutive calendar months.

(b) Each sale of each Employee Housing Unit (including but not limited to the initial sale by Declarant to a third party) shall:

(i) result in ownership of such Employee Housing Unit by a person who intends to occupy such unit for Employee Housing and is qualified as a purchaser by the Town or its designated agent based upon the criteria applicable to use and occupancy for Employee Housing pursuant to Section 2 below (each such qualified resident and "Qualified Person"), or

(ii) result in ownership of such Employee Housing Unit by a person who intends to lease such unit to a Qualified Person or Persons for Employee Housing and obtains qualification from the Town or its designated agent of all tenants of such Unit.

(c) The initial sale of each Employee Housing Unit by Declarant to a third party shall be made for an initial sales price that is affordable, to persons having a household income of 100% of the median household income in Summit County, Colorado, as determined from time to time by the Town in accordance with data compiled by the U.S. Department of Housing and Urban Development.

(d) Any lease or sublease of an Employee Housing Unit shall be made for a rental payment that is affordable to a tenant having a household income of 100% of the median household income in Summit County, Colorado, as determined from time to time by the Town in accordance with data compiled by the U.S. Department of Housing and Urban Development.

(e) The conveyance of an Employee Housing Unit from a unit owner to another party shall be null and void, and shall convey no title or rights to such third party, unless such deed contains an acknowledgment signed by the Town that the requirements of paragraph 1(b) (and if such conveyance is by Declarant, paragraph 1(c)) have been satisfied with respect to such conveyance.

(f) The terms, covenants, restrictions and conditions contained in this Restrictive Covenant: (i) are and shall hereafter be covenants running with the land or equitable servitudes, as the case may be, (ii) are and shall hereafter be binding upon Declarant and all persons or entities at any time having any right, title or interest in or to the Employee Housing Unit and their successors, assigns, heirs, personal representatives, and devisees, and (iii) shall inure to the benefit of the Town.

2. Criteria for Use and Occupancy of Employee Housing

(a) As used herein, the term "Employee Housing" means a place of residence for:

(i) a person who (A) is employed in Summit County, Colorado, at least thirty hours per week (determined on an annual basis, or as to seasonal employees, on a seasonal basis) during the period of his or her residency in an Employee Housing Unit, and (B) has a household income of 100% or less of the median household income for residents of Summit County, Colorado, as determined from time to time by the Town in accordance with data compiled by the U.S. Department of Housing and Urban Development; or

(ii) a person who is approved, in writing, by the Town based upon residency, income and other qualifications established by the Town from time to time.

Employee Housing may be used and occupied only by one or more Qualified Persons and their Relatives (except that the owner of an Employee Housing Unit who is a Qualified Person at the time such unit is acquired but thereafter ceases to be a Qualified Person due to an increase in income or other change in circumstance may nonetheless continue to occupy such unit during his or her period of ownership of such unit). As used herein, the term "Relatives" means the spouse and children of a Qualified Person (including without limitation, adopted children, step-children, as well as children for whom such Qualified Person or his or her spouse is the legal custodian or guardian), the parent of a Qualified Person and any other relative or dependent of a Qualified Person who is a lineal descendant of the grandparents of such Qualified Person or his or her spouse. No Employee Housing Unit may be occupied by more than three adults and children, collectively, if such unit is a one-bedroom unit, or by more than four adults and children, collectively, if such unit is a two-bedroom unit, unless a greater number is approved by the Town in writing for a particular unit under specific circumstances.

(b) As used herein, the term "Owner" means the holder of fee simple title to an Employee Housing Unit at a given time (including without limitation, Declarant so long as Declarant owns any Employee Housing Unit). If title to an Employee Housing Unit is held by more than one person or entity, (i) each such person or entity shall be an Owner, and (ii) liability of such persons or entities for purposes of this Restrictive Covenant shall be joint and several.

3. Term; Amendment and Termination.

(a) This Restrictive Covenant shall remain in effect for a term of fifty calendar years from the date of its recordation, and shall thereafter automatically renew for successive periods of twenty calendar years each, unless and until this Restrictive Covenant is terminated as provided in paragraph 3(b) below.

(b) This Restrictive Covenant may be amended by recordation in the real property records of Summit County, Colorado, of an amendment signed by the Town and by the Owner or Owners of the affected Employee Housing Unit on the effective date of such amendment. The Town may terminate and revoke this Restrictive Covenant by recordation in the real property records of Summit County, Colorado, of a release and termination signed by the Town (without the need for consent or signature of Declarant or any Owner).

4. Owners' Reporting Obligations.

(a) So long as it is an Owner Declarant agrees and by the taking of title to an Employee Housing Unit, each Owner agrees to:

(i) keep complete and accurate records of the use and occupancy of the Employee Housing Unit owned by Declarant or such Owner from time to time;

(ii) make such records available for inspection and copying by the Town or its agents upon request from time to time;

(iii) retain each such record for a period of five calendar years after the period covered by such record; and

(iv) submit certificates, documents and information requested by the Town or its agents from time to time to certify and document compliance with this Restrictive Covenant or facilitate enforcement of the rights and remedies hereunder.

(b) So long as it is an owner Declarant agrees, and by the taking of title to an Employee Housing Unit, each Owner agrees to provide written notice to the Town within five calendar days after Declarant or such Owner has notice that the terms of this Restrictive Covenant have been violated as to any Employee Housing Unit.

(c) Within five calendar days of acquiring title to an Employee Housing Unit, the acquiring Owner shall provide to the Town: (i) a copy of the conveyance deed vesting title in such Owner, together with the recording information evidencing recordation in the real property records of Summit County, Colorado; and (ii) such Owner's preferred address for notice purposes under this Restrictive Covenant (which shall be a single address regardless of the number of Owners of an Employee Housing Unit). If an Owner fails to provide a preferred address, then the address of such Owner for notice purposes shall be the address of the Employee Housing Unit owned by such Owner.

5. Enforcement.

(a) If the Town at any time has knowledge or suspects that a violation of this Restrictive Covenant has occurred and is continuing, or receives notice thereof from Declarant, an Owner or any third party, then the Town may provide notice of default to the Owner of the subject Employee Housing Unit. If the violation of this Restrictive Covenant asserted in such notice of default is not cured or disproved to the satisfaction of the Town, within five calendar days of the date of delivery of the default notice to the Owner of the subject Employee Housing Unit, then the Town may elect to pursue any right or remedy available to it under this Restrictive Covenant, at law or in equity. However, when an Owner has been served with a default notice as described in this paragraph and cures the default, the Town will not be required to allow the Owner to cure a violation of the same condition or covenant which occurs within one year after the previous violation.

Without limiting the generality of the foregoing, the Town may elect to do either of the following, in addition to the exercise of its other rights and remedies: (i) pursue an action for specific performance or injunctive relief (whether in the form of a temporary restraining order, preliminary injunction, permanent injunction or otherwise); and (ii) following notice to the Owner and an opportunity for the Owner to dispute the alleged violation the Town may impose a fine against the Owner of an Employee Housing Unit in which a violation has occurred, in an amount equal to \$100.00 per day that such violation existed (or such other amount as the Town may determine is an appropriate fine applicable to all similarly restricted Employee Housing Units in the Town of Frisco).

(b) The rights and remedies stated above are cumulative, and may be exercised together or singly, and concurrently or successively, as the Town elects in its sole discretion. The exercise or failure to exercise any right or remedy shall not constitute a waiver or preclude the exercise of any other right or remedy available to the Town at law or in equity.

(c) The prevailing party in an action to enforce this Restrictive Covenant (as to liability, without regard to any award of damages), shall be entitled to recover from the non-prevailing party all costs and expenses incurred in connection with that action (including, without limitation, reasonable fees and disbursements of such party's attorneys and their staff).

(d) Failure to strictly enforce any term, condition, covenant or restriction contained in this Restrictive Covenant shall not constitute a waiver thereof. No action or inaction by the Town shall constitute a waiver of its rights and remedies under this Restrictive Covenant, except a written waiver duly approved, executed and delivered by the Town.

(e) The Town now has, and shall have at all times hereafter, a lien on each Employee Housing Unit as security for full performance and satisfaction of the obligations of the Owner of such Employee Housing Unit from time to time. Such lien may be foreclosed in like manner as a mortgage on real property in the State of Colorado, and in the event of foreclosure, the Town shall be entitled to recover all costs and expenses of collection and foreclosure from the defaulting Owner. No further notice of such lien shall be required to be recorded, but the Town may, at its option, elect to record a notice of lien as to an Employee Housing Unit at any time following violation of this Restrictive Covenant as to such Employee Housing Unit.

(f) This Restrictive Covenant is not intended to and does not vest any rights in any third party with respect to enforcement of the covenants, conditions and restrictions herein contained, and the Town has the sole power to enforce this Restrictive Covenant in the manner herein provided and may not assign its rights hereunder, unless otherwise agreed by the Town and the Owners in writing. The Town may contract with third parties for monitoring of the Owner's obligations and performance as required by this Restrictive Covenant.

6. Notices. All notices, requests, consents, demands and other communications given under this Restrictive Covenant must be in writing and delivered personally, by reputable overnight courier service or by certified mail, postage prepaid, addressed as follows:

To the Town: Town of Frisco
ATTN: Town Manager
P.O. Box 4100
Frisco, Colorado 80443

To an Owner: At the address designated by such Owner pursuant to paragraph 4(c) above, or if no such designation is made, at the address of such Owner on the deed to the Employee Housing Unit

To Declarant: Ocoee Properties, LLP
9742 Quay Loop
Westminster, CO 80021

Notices will be deemed delivered as follows: (i) if delivered personally, upon delivery, (ii) if delivered by reputable overnight courier, as of 12:00 noon on the business day designated to such courier for delivery at the address given above, delivery-fee prepaid, or (iii) if delivered by certified mail, as of the third business day after deposit in the U.S. Mail, addressed as above, postage-prepaid and return receipt requested. Any party may change its address for notice purposes by giving notice hereunder, and as to a change in address by the Town, by recording a statement of change in address for notice purposes in the real property records of Summit County, Colorado, with specific reference to this Restrictive Covenant and its notice provisions.

7. Miscellaneous.

(a) So long as it is an Owner Declarant agrees, and by taking title to an Employee Housing Unit, each Owner agrees:

(i) that (A) all requirements of the laws of the State of Colorado to be satisfied in order for this Restrictive Covenant to constitute a restrictive covenant running with the land are satisfied and that privity of estate exists or is deemed to exist, or (B) in the alternative, that this Restrictive Covenant satisfies the legal requirements for and constitutes an equitable servitude; and

(ii) to specifically provide in each deed of conveyance or other instrument of transfer of an Employee Housing Unit by Declarant or such Owner, as the case may be, that such conveyance or transfer is subject to this Restrictive Covenant (provided, however, that the failure of Declarant or an Owner to do so shall not impair, in any way, the validity of this Restrictive Covenant or its applicability to such conveyance or transfer).

(b) Declarant covenants, represents and warrants to the Town that: (i) Declarant has good and marketable title in fee simple to all of the Employee Housing Unit on the date of Declarant's execution, delivery and recordation of this Restrictive Covenant; (ii) Declarant has full legal authority to execute and deliver this Restrictive Covenant; (iii) the execution, delivery and recordation of this Restrictive Covenant do not violate the terms of any agreement that affects or is binding upon any Employee Housing Unit or Declarant; and (iv) as of the date of Declarant's execution, delivery and recordation of this Restrictive Covenant, no Employee Housing Unit is subject to any lien or encumbrance other than general taxes for 2002 and subsequent years and the terms of the Declaration.

(c) If any provision of this Restrictive Covenant is held by a court of competent jurisdiction to be invalid or unenforceable, such holding shall not impair the validity and enforceability of the remaining provisions of this Restrictive Covenant.

(d) Headings are included in this Restrictive Covenant for convenience, and shall not be considered in construing or interpreting the meaning of its provisions.

(e) Each Owner, by taking title to an Employee Housing Unit, shall be deemed to have waived and subordinated to this Restrictive Covenant and the Town's rights hereunder any and all right of homestead and any other exemption in or with respect to such Employee Housing Unit under state or federal law, whether now existing or hereafter enacted.

(f) This Restrictive Covenant is governed by and shall be construed in accordance with the laws of the State of Colorado. Declarant and, by accepting title to an Employee Housing Unit, each Owner consents to venue and jurisdiction in the District Court in and for Summit County, Colorado, in any action commenced relating to this Restrictive Covenant.

Executed and delivered as of this 5 day of JANUARY, 2006.

OCOEE PROPERTIES LIMITED PARTNERSHIP,
a Colorado limited partnership

BY: [Signature]
Edward C. Chang

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 5th day of JAN, 2006, by Edward C. Chang as Principal for Ocoee Properties Limited Partnership, a Colorado limited partnership.

Witness my hand and official seal.

My commission expires: 9/10/09

[Signature]
Notary Public



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