

**DEED RESTRICTION, OCCUPANCY
AND RESALE AGREEMENT**

LAZY GLEN SUBDIVISION

This Deed Restriction, Occupancy and Resale Agreement ("Deed Restriction") is made by and between the Aspen/Pitkin County Housing Authority (hereinafter "Housing Authority") and Lazy Glen Homeowners' Association ("Association"), owner of the Lazy Glen Subdivision property. As used herein, "Owner(s)" refers to purchasers of residential lots in Lazy Glen Subdivision and "Lot(s)" refers to the subdivided lots in Lazy Glen Subdivision.

A. Residential Use. No Lot Owner shall occupy or use any Lot or permit the same or any part thereof to be occupied or used for any purpose other than for the location of a mobile home, modular home, manufactured home, or other approved structure for single-family residential purposes. No Lot may be re-subdivided or merged with any other Lot. Except as provided herein, no improvements upon any Lot shall be occupied by anyone other than the Owner thereof, members of the Owner's family, or guests of the Owner for a period of time not exceeding one (1) month.

B. Category Affordable Housing. Pursuant to Board of County Commissioners Resolution No. 98-168, recorded at Reception No. 422538 and three other deed restrictions recorded simultaneously with this document, the rental units located at 25825 Highway 82, Snowmass, Colorado, 8164, are deed restricted to category rental housing as provided in the deed restrictions.

C. (1) Primary Residence and Employment Required. Except as specified below, Owners must use their Lot only as their principal place of residence and Owners must remain employed within, or earn income by working at least 1500 hours per year within, the Roaring Fork Valley, unless the Owner is retired and over 65 years of age, having been previously employed or earned income within the Roaring Fork Valley for three consecutive years immediately before retirement, or unless the Owner is a disabled person having been previously so employed prior to such disability. The "Roaring Fork Valley" as used herein includes the Roaring Fork River Valley to its confluence with the Colorado River and the valleys with tributary streams or rivers, including the Frying Pan River, the Crystal River, Snowmass Creek and Capitol Creek. This use restriction shall not be applicable to those Owners who owned a mobile home in Lazy Glen Mobile Home Park as of September 13, 2001, and who subsequently purchased a Lot in Lazy Glen Subdivision, or to the spouse or child of a deceased Owner who has resided in the home with such deceased Owner, during the ownership of a home or Lot within the Property.

(2) The Owner(s) of the home and Lot, if eligible to vote, must be registered voters in Pitkin County.

(3) The Owner(s) of the home and Lot must file required Colorado income tax returns as full-time residents of Colorado.



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(4) Any vehicles owned by the home and Lot Owner must be registered in Pitkin County.

D. Application for Qualification of Purchasers. At least twenty-one days prior to the proposed sale of any Lot in Lazy Glen Subdivision, the proposed Purchaser ("Purchaser") shall provide to the Association and to the Housing Authority an affidavit and supporting documentary evidence to establish that the Purchaser is employed or earns income within the Roaring Fork Valley in accordance with Paragraph C above. Supporting documentary evidence shall include, to the extent applicable, the following:

(1) Colorado income tax return(s) as full-time Colorado resident(s) showing earned income;

(2) Records of employment within the Roaring Fork Valley for the year preceding the proposed purchase (i.e., wage stubs, employer name, address and phone number) demonstrating at least 1500 work hours within the Roaring Fork Valley for the year preceding the proposed purchase, and other evidence establishing employment or income earned within the Roaring Fork Valley for the year preceding the proposed purchase; and

(3) Affidavit and other documents establishing the proposed Purchaser's agreement and intent to use the Lot in Lazy Glen Subdivision as their principal place of residence.

E. Review of Qualifications of Purchaser.

(1) If the Association and/or Housing Authority questions the sufficiency of the Purchasers' qualifications, it shall promptly advise the Applicant and the Association or the Housing Authority of such questions or concerns and notify Applicant of any additional information needed for a determination as to the Applicant(s) qualifications.

(2) The Housing Authority and the Association shall review the application and information provided pursuant to the foregoing requirements, and shall require the questions or concerns of the Housing Authority and the Association to be satisfied by the Purchaser.

(3) Within 10 days of receipt of all information, the Association shall give notice to the Purchaser and to the Housing Authority of acceptance or denial of the qualifications of the proposed Purchaser under the above-referenced criteria and, if denied, shall state with particularity the reasons for such denial. Upon approval by the Association, the Housing Authority shall have five (5) days to make its decision.

(4) Prior to recording a deed, the Purchaser shall obtain and record with such deed an acknowledgment from the Association and from the Housing Authority that the Purchaser meets the required qualifications, as well as a Memorandum of Acceptance by Purchaser of the requirements of this Deed Restriction.



F. Ownership of Developed Residential Property. (1) An Owner who owns vacant land in any portion of Eagle, Garfield, Gunnison or Pitkin Counties which is part of the Roaring Fork River drainage as defined above must leave such land unimproved during the period of Ownership of a Lot. If such land is previously improved with a residence, the Purchaser must either sell such property prior to becoming an Owner, or relinquish title to the Lot by sale or termination of a contract to purchase.

(2) Notwithstanding the above, a Lot Owner who owns a business in the Roaring Fork Valley may purchase another residential unit in the Roaring Fork drainage under the following conditions: 1) the business owner must notify the Housing Authority that a unit has been found in the free market that he or she would like to purchase; 2) the business owner must then discuss with the Housing Authority the needs of the owner and the Housing Authority must be satisfied that such Owner's needs and the need for affordable housing would be served by approving the request; 3) the free market unit must be made deed restricted, the specific Category to be agreed to by both parties (the owner and the Housing Authority); and 4) the Housing Authority has the option to approve the request as long as a recorded deed restriction is placed on the free market property whereby the employer is only allowed to rent the unit to a qualified employee of Pitkin County unless the residential unit is located in the down valley area as defined by the Housing Authority. Should the unit be located down valley, the Owner would be allowed to rent to an individual employed somewhere in the Roaring Fork drainage, as herein defined. Such employee must be granted a right of first refusal on the property. If the Owner chooses to sell the unit and the employee does not exercise the right of first refusal, the unit shall be sold to a Pitkin County employee, or if no such buyer is found, someone employed in the Roaring Fork drainage.

(3) All Members of the Lazy Glen Homeowners Association prior to the date of recordation of the Lazy Glen Subdivision Plat are exempt from the requirements of this section and may hereafter own and develop residential property in the Roaring Fork Valley.

G. Right to Avoid Non-Complying Transfer. In the event any Owner shall attempt to sell his or her Lot without obtaining the Association's and Housing Authority's acceptance of the Purchaser's qualifications, or in the event it is determined that the proposed Purchaser is not qualified, such sale shall be void upon the filing of a certificate of non-compliance recorded in the records of the Clerk and Recorder of Pitkin County, Colorado, by the Association or by the Housing Authority.

H. Pre-Approved Transfers.

(1) In the event of any default on the part of any Lot Owner on any first mortgage which entitles the holder thereof to foreclose the same, any sale under such foreclosure, including delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the Purchaser qualification provisions hereof, but such purchaser or transferee shall thereafter be subject to the use restrictions and other provisions herein, provided that if the foreclosure sale purchaser or transferee in lieu of such foreclosure shall be the first mortgagee, such mortgagee may thereafter sell and



convey the Lot free of the Purchaser qualification provisions hereof, but its grantee shall thereafter be subject to the use restrictions and other provisions hereof.

(2) The following transfers of a Lot are also to be approved under the provisions of this Section:

(a) The transfer by operation of law to a spouse of a deceased Owner or of a joint tenant's interest to the surviving joint tenant(s) or of a co-tenant's interest to another co-tenant at the time of death;

(b) The transfer of a decedent's interest by will, under the laws of intestacy, or by a gift without consideration; and

(c) The transfer of an Owner's interest by certificate of purchase and treasurer's deed pursuant to a sale for delinquent taxes.

(3) In the event that the Lot shall be transferred in any manner described in paragraphs (a) through (c) above, the transferee, his grantees or successors in interest, shall thereafter be subject to all the terms and conditions hereof; provided that any child of a deceased Owner receiving transfer of ownership under (a) or (b) above shall have a period of one year following such transfer to comply with the use restrictions of **paragraph C** above.

I. Lease of Lot and Improvements Thereon. (1) The Owner of any Lot shall not lease the whole or any part of any Lot, or the improvements thereon, for any term to any person or persons or renew or extend any previously authorized lease where any part of the improvements on the Lot will not actually be occupied by the Owner thereof, for less than one month or any period of time in excess of three (3) months in any one (1) calendar year, unless consent thereto shall have been duly given by the Association, by an instrument in writing, signed by an authorized officer of the Association. Any consent given to a proposed lease shall be to a person employed in the Roaring Fork Valley as described in **paragraph C** above and shall be for no more than a year, provided that for good cause shown to the Association, such period may be extended to a maximum period of two years and no longer, and may be conditioned upon compliance by the Owner with any requirements made by the Association with respect to such lease. Whenever the Owner applies for consent to any lease, the Owner shall deliver to the Association a copy of the proposed lease to which consent is requested and evidence of tenant's employment.

(2) With such Association consent, an Owner in residence may have a maximum of two roommates provided the roommates are registered with the Association and subject to compliance by the roommates with the Association's covenants, rules and regulations.

J. Miscellaneous Provisions.

(1) This Deed Restriction shall run with the land and shall be binding on the Owners, their successors and assigns.



(2) In the event a Lot is sold or conveyed without compliance with the provisions of this Deed Restriction, any such conveyance is null and void and shall convey no title upon the intended grantee.

(3) In the event of a foreclosure sale of any Lot, the Owner of such Lot shall assign to the Housing Authority the right to redeem the Lot from the foreclosure sale and an option to acquire ownership of such Lot during the last 30 days of the Owner's redemption period, upon payment to the Public Trustee or mortgagee of the sum sufficient to redeem the Lot from such foreclosure sale. Upon demand by the Housing Authority upon assignment of the Lot, Owner shall deliver a quit claim deed to the Lot to the Housing Authority.


(4) In the event that an Owner sells a Lot, the Owner shall, upon closing, pay to the Housing Authority an administrative fee set by the Housing Authority not to exceed one percent (1%) of the sales price.

(5) In the event that title to a Lot vests by descent in individuals or entities who are not qualified to purchase a Lot as specified in **paragraph C** above, the Lot shall immediately be listed for sale by the non-qualified transferees to a qualified Purchaser. The non-qualified transferee(s) shall execute any and all documents necessary to effectuate such a conveyance. A non-qualified transferee(s) shall not occupy the Lot, or convey any interest in the Lot, except in accordance with this Deed Restriction.


(6) Upon recordation of this Deed Restriction, Occupancy and Resale Agreement in the records of Pitkin County and acceptance thereof by an Owner, the Lot Owner and subsequent Purchasers and non-qualified transferees may thereafter use and sell the Lot only pursuant to the provisions hereof, and such Lot shall be fully released from the Aspen/Pitkin County Affordable Housing Guidelines, as presently in effect and as amended from time to time.

(7) This Deed Restriction, Occupancy and Resale Agreement may be enforced by the Association or the Housing Authority against an Owner, Purchaser, non-qualified transferee or other person who violates the terms hereof, and in the event of litigation, the prevailing party shall be entitled to an award of costs and reasonable attorneys' fees.

ASPEN/PITKIN COUNTY HOUSING AUTHORITY

By 
Mary Roberts
Executive Director

LAZY GLEN HOMEOWNERS' ASSOCIATION

By 
Deborah Voigt
resident



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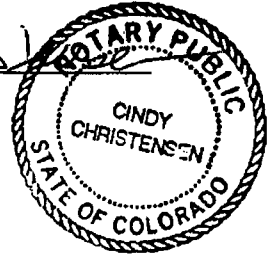
STATE OF COLORADO)
)ss.
COUNTY OF PITKIN)

Acknowledged before me this 2ND day of January, 2002, by Mary J. Roberts, as Executive Director of the Aspen/Pitkin County Housing Authority.

Witness my hand and official seal.

My commission expires: 7/22/04

Cindy Christensen
Notary Public



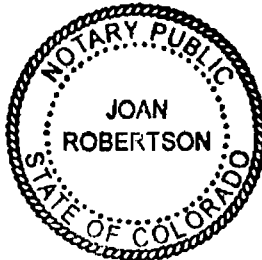
STATE OF COLORADO)
)ss.
COUNTY OF PITKIN)

Acknowledged before me this 26th day of Dec, 2001, by Deborah Voigt, as President of Lazy Glen Homeowners' Association.

Witness my hand and official seal.

My commission expires:

Joan Robertson
Notary Public



My Commission Expires 03/13/2002



MEMORANDUM OF ACCEPTANCE

**DEED RESTRICTION, OCCUPANCY
AND RESALE AGREEMENT
FOR LAZY GLEN SUBDIVISION**

Pursuant to Pitkin County Board of County Commissioners Resolution No. 98-168, recorded _____ at Reception No. 422538, Pitkin County Records, the undersigned Lot Owner in Lazy Glen Subdivision agrees to the provisions of the Deed Restriction, Occupancy and Resale Agreement, approved by such Resolution and which is to be recorded with this signature page.

OWNER, LOT _____, LAZY GLEN SUBDIVISION

STATE OF COLORADO)
)ss.
COUNTY OF _____)

Acknowledged before me this _____ day of _____, 2001 by _____, Owner.

WITNESS my hand and official seal.

My commission expires:

Notary Public

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