

**MEMORANDUM OF UNDERSTANDING
L3 CONDOMINIUMS GARFIELD
COUNTY EMPLOYEE UNIT PRIORITY**

This Memorandum of Understanding (“**MOU**”) is entered into this 21st day of October, 2024 (“**Effective Date**”), by and between HFHRFV L3 SPE, LLC, a Colorado limited liability company (“**L3 SPE**”), and the Board of County Commissioners of Garfield County (“**Garfield County**”), a body corporate and politic pursuant to C.R.S. § 30-11-101(1) (“**Employer**”). L3 SPE and Employer are referred to individually herein as “**Party**” and are referred to collectively herein as “**Parties.**”

WHEREAS, L3 SPE is purchasing or has purchased that certain multifamily residential development commonly known as L3 Apartments located at 253 Wulfsohn Road, Glenwood Springs, Colorado (the “**L3 Project**”), for purposes of conversion to condominiums to be sold to qualified applicants that are full time employees of Roaring Fork Valley employers with combined household gross income at or below 80%, 100%, 120% or 150% Area Median Income (“**AMI**”) (based on the residential unit being purchased) for Garfield County, Colorado (the “**County**”), with preference to employment in the geographic area of Garfield, Pitkin, and Eagle Counties, State of Colorado, and otherwise qualifies as “**Qualified Buyers**” (as such term is defined in the Master Deed Restriction Agreement).

WHEREAS, Employer desires to purchase one or more priority rights for its employees, qualified pursuant to the terms herein and in the Declaration of Master Deed Restriction for the Occupancy and Resale of Units (“**Master Deed Restriction Agreement**”) to be recorded in the real property records of the County, for the purchase of one or more residential units at the L3 Project (individually, an “**L3 Unit**” and collectively, “**L3 Units**”) in accordance hereof.

WHEREAS, the L3 Project will consist of eighty-eight (88) residential units, with thirty-five (35) units initially designated for priority purchase rights available to the Employer and other third-party employers (the “**Priority Pool**”).

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants contained herein, and for other good and valuable consideration, the parties agree as follows:

1. Definitions; Recitals. Defined terms used herein that are not otherwise defined herein shall have the meaning ascribed to such term(s) in the Master Deed Restriction Agreement (as further described below). The above recitals are hereby incorporated herein in their entirety.
2. Purchase of Priority Purchase Right(s).
 - a. Employer hereby purchases ONE (1) Priority Purchase Right (as hereinafter defined)

in the L3 Project for its employees, qualified pursuant to the terms and conditions of this MOU and the Master Deed Restriction Agreement, to purchase and occupy L3 Units, subject to the provisions of this MOU. Promptly after the recording of (i) the condominium map for the L3 Project for its conversion to condominiums and (ii) the Master Deed Restriction Agreement, the Parties shall execute and record a Memorandum of Priority Purchase Rights providing notice to third-parties, in a form substantially consistent with the form attached hereto as Exhibit B, in the real property records of the County.

- b. For *each* Priority Purchase Right purchased by Employer pursuant to this MOU, Employer shall remit \$150,000 to either L3 SPE or Land Title Guarantee Company in accordance with Section 3 below. As used herein, the term “**Employee Homebuyer**” (collectively, “**Employee Homebuyers**”) shall mean a household in which at least one member is a full-time employee of Employer with a combined household gross income at or below 80%, 100%, 120% or 150% AMI (based on the specific L3 Unit being purchased) for Garfield County, with preference to employment in the geographic area Garfield, Pitkin, and Eagle Counties, State of Colorado, and otherwise qualifies as a Qualified Buyer.
3. Payment Terms. Concurrent with the mutual execution and delivery of this MOU by the Parties, but in no event more than three (3) business days thereafter, Employer shall remit a lump sum amount equaling \$150,000 (“**Purchase Right Payment**”) as follows: (i) directly to the closing title company, Old Republic National Title Ins. Co., Attn: M. Taylor Knudsen and Sandra Paige, Phone (713) 482-2805 (“**Closing/Escrow Agent**”), to be held in escrow pursuant to that certain Escrow Agreement by and between L3 SPE and Escrow Agent, or (ii) if after L3 SPE’s acquisition of the L3 Project, Employer shall remit such amount directly to L3 SPE in accordance with written instructions provided by L3 SPE’s Manager, Habitat for Humanity of the Roaring Fork Valley, Inc. If L3 SPE does not complete the purchase of the L3 Project, L3 SPE shall thereafter instruct LTGC to promptly return the Purchase Right Payment to Employer.
4. Existing Tenancies for L3 Project. The Parties hereby acknowledge that there are existing residential tenancies at the L3 Project as of the date hereof (each, individually, a “**Existing Tenancy**”), the terms of which may extend as much as 12 months following the date L3 SPE acquires the L3 Project (the “**Closing Date**”). L3 SPE agrees that it shall not enter into any agreement (including any amendment to an existing lease) that would extend an Existing Tenancy to a date later than the first anniversary of the Closing Date that adversely affects the ability of Employer to make full and timely use of its Priority Purchase Rights.
5. Condominiumization Process. Employer acknowledges that L3 SPE intends to diligently pursue a land-use application with the City of Glenwood Springs to condominiumize all units within the L3 Project promptly after the Closing Date.

6. Review and Selection. During L3 SPE's selection process for Qualified Buyers, L3 SPE's *Homebuyer Selection Committee* and staff will evaluate each applicant's qualification against the selection criteria of housing need, ability to pay, willingness to partner, and residency. By purchase of the Priority Purchase Rights pursuant to the terms hereof and subject to L3 SPE's Priority Purchase Right Policies & Procedures to be provided in writing to Employer (as updated from time to time, "**Priority Policies & Procedures**"), L3 SPE agrees to grant priority to applicants who meet the qualification criteria and income requirements for L3 Units outlined above for ONE (1) L3 Unit, which specific L3 Units shall be designated in writing to Employer and maintained in the internal records of the L3 Project's homeowners association or by the manager for L3 SPE, said ledger will not otherwise be reflected in any document recorded in the real property records of the County. Nothing herein shall prevent a Qualified Buyer, who is employed by the Employer, from being eligible to apply for and purchase a non-designated priority unit if Employer has allocated all, ONE (1), of its Priority Purchase Rights to ONE (1) Employee Homebuyer.

a. Priority Policies & Procedures. L3 SPE shall include the following terms and conditions, or substantively similar terms, in the initial draft and all future updates unless otherwise agreed to by the Parties:

- i. L3 SPE will sell a set number of units to each AMI threshold (similar to the thresholds used in the attached Exhibit A). There will be no difference in the sale price between the 80%, 100%, or 120% AMI units, however, a higher price applies for 150% AMI and RO units. For example, a unit that is initially sold to an 80% AMI buyer could subsequently be sold to a 120% AMI buyer so long as the AMI percentage threshold is preserved.
- ii. If an Employee Homebuyer purchases an L3 Unit and ceases to be employed by the Employer, upon written request by the Employer to L3 SPE's *Homebuyer Selection Committee*, the *Homebuyer Selection Committee* shall shift the Employer's Priority Right associated with that unit to another non-priority designated unit or to the Priority Pool.
- iii. Nothing herein shall prevent a Qualified Buyer, who is employed by the Employer, from being eligible to apply for and purchase a non-designated priority unit if Employer has allocated all, ONE (1), of its Priority Purchase Rights to ONE (1) Employee Homebuyer.
- iv. The Priority Pool is a working list used to prioritize Priority Purchase Rights in the event there are no non-priority designated units available at any given time or in the event an employer elects to pass on a unit designated to that employer. For example, in the event an employee homebuyer wants to sell their unit, but the employer does not have a replacement Qualified Buyer, the

employer's Priority Purchase Right associated with that unit would be added to the Priority Pool list and applied to a different unit; the application would be subject to availability of L3 Units at that time and subject to any other employer(s) already on the list waiting for a redesignation of a Priority Purchase Right.

7. Declaration and Master Deed Restriction Agreement. L3 SPE shall prepare and record the Master Deed Restriction Agreement in a form substantially similar to the declaration for the Wapiti Commons recorded at Reception No. [993043] in the Clerk and Records County public records. See Attached Exhibit C. All terms and conditions of the Master Deed Restriction Agreement and any declaration of covenants recorded against the L3 Project (as amended from time to time) shall apply to and remain in force for any and all L3 Units, including any L3 Units owned by an Employee Homebuyer.
8. Resale of L3 Units and Transfers of Priority Purchase Rights. L3 SPE shall manage the process for the sale of any L3 Unit owned by an Employee Homeowner, or new resale of another home to be allocated to Employer for purchase by an Employee Homebuyer through the qualification and selection process provided for herein and as provided in the Priority Policies & Procedures.
9. Default of L3 Project Documentation; Cessation of Employment.
 - a. Employer hereby acknowledges that if at any time a Employee Homebuyer is in default of the terms and conditions of this MOU, the Master Deed Restriction Agreement, and/or any recorded declaration or other document applicable to the L3 Project, L3 SPE may exercise its rights under the Master Deed Restriction Agreement's "Right of First Refusal" and purchase such L3 Unit. L3 SPE shall follow the Priority Policies & Procedures to select another qualified purchaser, shall notify Employer, and give priority to Employer's applicants if Employer has a Priority Purchase Right applicable to such available L3 Unit.
 - b. If any Employee Homeowner ceases to be employed by Employer for any reason, and therefore that L3 Unit owner is no longer an Employee Homeowner (as defined herein), Employer shall notify L3 SPE as soon as possible. Such L3 Unit owner may continue to occupy the L3 Unit as long as such homeowner complies with the Master Deed Restriction Agreement and all documents of record. Subject to the Priority Policies & Procedures, L3 SPE shall transfer Employer's Priority Purchase Right for such L3 Unit either (a) to another non-priority designated unit or (b) to the next L3 Unit to be offered for sale in the Priority Pool, which unit is not otherwise subject to an existing and superior Priority Purchase Right owned by a third party, including, without limitation, any existing and superior Priority Pool rights.
10. Transfer of Priority Purchase Right. Employer may not assign, transfer, sell, or otherwise

convey (“**Transfer**”) any Priority Purchase Right to any third party, including any other qualifying Roaring Fork Valley employer, without L3 SPE’s prior written consent, which shall not be unreasonably withheld, conditioned or delayed, and, notwithstanding any language herein to the contrary, Employer may not Transfer a Priority Purchase Right for any amount other than the Purchase Right Payment of \$150,000 per L3 Unit Priority Purchase Right.

11. Conflict. In the event of any conflict between the provisions of this MOU and the Master Deed Restriction Agreement, the Master Deed Restriction Agreement shall control.
12. Notices. All notices, instructions and other communications given hereunder or in connection herewith shall be in writing. Any such notice, instruction or communication shall be sent either (i) by registered or certified mail, return receipt requested, postage prepaid, (ii) by electronic mail with confirmation, or (iii) via a reputable nationwide overnight courier service, in each case to the address set forth below. Any such notice, instruction or communication shall be deemed to have been delivered three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent via a reputable nationwide overnight courier service.

If to L3 SPE: HFHRFV L3 SPE, LLC
c/o Habitat for Humanity of the Roaring Fork Valley, Inc.
53 Calaway Court
Glenwood Springs, CO 81601
Attn: Gail Schwartz, President
Phone: (970) 309-1411
E-mail: gails@habitatroaringfork.org

With a copy to: Fennemore Craig, PC
3615 Delgany Street, Suite 1100
Denver, CO 80216
Attn: Arthur Griffin
Phone: (303) 813-3824
E-mail: agriffin@fennemorelaw.com

If to Employer: Board of County Commissioners of Garfield County
Attn: County Manager
108 8th Street
Glenwood Springs, CO 81601
Phone: 970-945-1377

Any Party may give any notice, instruction or communication in connection with this MOU using any other means (including personal delivery or ordinary mail), but no such notice, instruction or communication shall be deemed to have been delivered unless and until it is actually received by the Party to whom it was sent. Any Party may change the address to which notices, instructions or communications are to be delivered by giving the other Parties to this MOU notice thereof in the manner set forth in this Section.

13. This MOU will remain in effect unless terminated by the mutual written Agreement of the Parties and may be terminated only by mutual written agreement by the Parties.

The parties hereby execute this Memorandum of Understanding on the date written above.

L3 SPE:

HFHRFV L3 SPE, LLC,
a Colorado limited liability company

By: Habitat for Humanity of the Roaring Fork Valley, Inc.,
a Colorado nonprofit limited liability company,
its Manager

By: _____
Name: Gail Schwartz
Title: President

EMPLOYER:

Board of County Commissioners of Garfield County

By: _____

Name: _____

Title: _____

EXHIBIT A

Sample Purchase Prices by % AMI

80 % units					
	<u>SqFt Per Unit</u>	<u>\$ Per SqFt</u>	<u>Sale \$ Per Unit</u>	<u># of Units</u>	<u>Total Sale \$</u>
Studio - E2	454	\$704.85	\$320,000.00	8	\$2,560,000.00
Jr. One Bedroom - E	535	\$672.90	\$360,000.00	8	\$2,880,000.00
One Bed, One Bath	722	\$537.40	\$388,000.00	0	\$0.00
				16	\$5,440,000.00
100% units					
	<u>SqFt Per Unit</u>	<u>\$ Per SqFt</u>	<u>Sale \$ Per Unit</u>	<u># of Units</u>	<u>Total Sale \$</u>
Studio - E2	454	\$704.85	\$320,000.00	8	\$2,560,000.00
Jr. One Bedroom - E	535	\$672.90	\$360,000.00	8	\$2,880,000.00
One Bed, One Bath	722	\$537.40	\$388,000.00	0	\$0.00
				16	\$5,440,000.00
120% units					
	<u>SqFt Per Unit</u>	<u>\$ Per SqFt</u>	<u>Sale \$ Per Unit</u>	<u># of Units</u>	<u>Total Sale \$</u>
Studio - E2	454	\$704.85	\$320,000.00	0	\$0.00
Jr. One Bedroom - E	535	\$672.90	\$360,000.00	8	\$2,880,000.00
One Bed, One Bath	722	\$537.40	\$388,000.00	8	\$3,104,000.00
				16	\$5,984,000.00
150% units					
	<u>SqFt Per Unit</u>	<u>\$ Per SqFt</u>	<u>Sale \$ Per Unit</u>	<u># of Units</u>	<u>Total Sale \$</u>
One Bed, One Bath	722	\$632.70	\$456,808.87	28	\$12,790,648.46
				28	\$12,790,648.46
RO units					
	<u>SqFt Per Unit</u>	<u>\$ Per SqFt</u>	<u>Sale \$ Per Unit</u>	<u># of Units</u>	<u>Total Sale \$</u>
One Bed, One Bath	722	\$692.52	\$500,000.00	12	\$6,000,000.00
				12	\$6,000,000.00
Total Units				88	
Below 120% AMI				48	
Between 120% & 150% AMI				76	
RO Units				12	

EXHIBIT B

FORM OF MEMORANDUM OF PRIORITY PURCHASE RIGHT

MEMORANDUM OF PRIORITY PURCHASE RIGHT

THIS MEMORANDUM OF PRIORITY PURCHASE RIGHT ("**Memorandum**") is entered into on _____, 20__ by and between HRHRFV L3 SPE, LLC, a Colorado limited liability company ("**Grantor**"), and ROARING FORK SCHOOL DISTRICT RE-1 ("**Grantee**"). Hereinafter, Grantor and Grantee may be referred to individually as a "**Party**," or jointly as the "**Parties**."

RECITALS

A. Grantor purchased that certain multifamily residential development commonly known as L3 Apartments located at 253 Wulfsohn Road, Glenwood Springs, Colorado, as more particularly described in Exhibit "A" attached hereto (the "**Property**"), for purposes of conversion to condominiums to be sold to qualified applicants that are full time employees of Roaring Fork Valley employers with combined household gross income at or below 80%, 100%, 120% or 150% Area Median Income (AMI) (based on the residential unit being purchased) for Garfield County, Colorado (the "**County**"), with preference to employment in the geographic area of Garfield, Pitkin, and Eagle Counties, State of Colorado (collectively, the "**Preferred Geographic Area**"), and otherwise qualifies as Qualified Buyers (as such term is defined in that certain Declaration of Master Deed Restriction for the Occupancy and Resale of Units ("**Master Deed Restriction Agreement**"), recorded against the Property in the real property records of the County.

B. In conjunction with Grantor's conversion of the Property to condominiums, Grantor created a program pursuant to which employers in the Preferred Geographic Area could purchase one or more priority rights for its Qualified Buyers to purchase residential units at the Property (such rights individually and collectively referred to herein as, "**Priority Purchase Rights**"), as such term is defined in the MOU (defined hereinafter)).

C. Grantor and Grantee are parties to that certain Memorandum of Understanding dated _____, 20__ ("**MOU**"), pursuant to which Grantee purchased one or more Priority Purchase Rights for its employees, qualified as Qualified Buyers pursuant to the terms thereof and in the Master Deed Restriction Agreement, to purchase of one or more residential units at the Property (each a "**Unit**" and collectively, the "**Units**").

C. The Parties desire to enter into and record this Memorandum in the real property records of the County to put third-parties on notice of Grantee's Priority Purchase Rights purchased pursuant to the MOU.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the mutual covenants contained herein, the Parties hereto agree as follows:

1. Grantee's Priority Purchase Rights. Pursuant to the MOU, Grantee purchased [WRITTEN NUMBER (#)] Priority Purchase Rights for its employees, qualified as Qualified Buyers, to purchase and occupy Units of the Property, subject to the provisions of such agreements.

2. Designation and Record of Priority Purchase Rights. This Memorandum shall be recorded against the Property but not against any specific Unit or Units. The specific application of Grantee's Priority Purchase Rights and all other Priority Purchase Rights purchased by other employers as it relates to any specific Units shall be maintained in the internal records of the Property's homeowners association or by Grantor's managing entity.

3. Recitals; Defined Terms. The above recitals are incorporated herein in their entirety. Unless otherwise defined herein, capitalized terms have the same meanings attributed to them in the MOU.

3. Memorandum. This Memorandum is intended solely for notice and recording purposes only and does not modify, amend, supersede, diminish, supplement or change the terms of the MOU, the Master Deed Restriction Agreement, or any other agreement by and between Grantor and Grantee.

4. Counterparts. This Memorandum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement.

[Signatures Follow on Next Two Pages]

“GRANTEE”

ROARING FORK SCHOOL DISTRICT RE-1

By: _____

Name: Ben Bohmfalk

Title: Board President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)

COUNTY OF _____)

On _____, 20__ before me, _____,
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY of PERJURY under the laws of the State of Colorado that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

(Seal)

EXHIBIT "A"
LEGAL DESCRIPTION OF THE PROPERTY

[to be added prior to executing and recording]

EXECUTION VERSION

***DECLARATION OF MASTER DEED RESTRICTION
FOR THE OCCUPANCY AND RESALE OF UNITS
IN WAPITI COMMONS***

THIS DECLARATION OF MASTER DEED RESTRICTION FOR THE OCCUPANCY AND RESALE OF UNITS IN WAPITI COMMONS (the "Deed Restriction" or "Deed Restrictions") is made, established and created this 24 day of January, 2024 by Habitat for Humanity of the Roaring Fork Valley, Inc. (hereinafter referred to as "HFH-RFV"), a Colorado not-for-profit corporation, 53 Calaway Court, Glenwood Springs, CO 81601 as the owner and developer of the Wapiti Commons Housing Project in Rifle, CO.

RECITALS

A. HFH-RFV is the current owner of the real property described on Exhibit "A" which is referred to herein as the "Property". HFH-RFV desires and intends by this Declaration to establish Deed Restrictions which will insure that the Property is utilized permanently in accordance with the basic principles of HFH-RFV and the needs of the community;

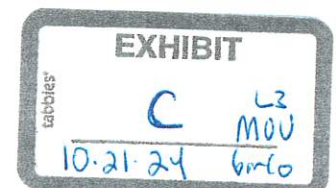
B. HFH-RFV intends to restrict the acquisition or transfer of the Townhome and Condominium Units constructed on the Property to "Qualified Buyers" as that term is defined in this Deed Restriction. Such Townhome Units are described on the Amended Final Plat of Wapiti Commons recorded on December 12, 2023, as Reception number 992038 in the Garfield County records and in the Declaration for Wapiti Commons recorded on January 24, 2024, as Reception number 993039 in the Garfield County records. The Condominium Units to be constructed on Lots 6 and 7 of Wapiti Commons will be described on a Condominium Map and Supplement to this Declaration to be recorded following substantial completion of those Condominium Units. The Townhome and Condominium Units are collectively referred to as the "Units" and individually a "Unit". In addition, this Deed Restriction shall constitute a resale agreement setting forth the maximum resale price for which a Unit may be sold ("Maximum Resale Price") and the terms and provisions controlling the resale of a Unit. Finally, by this Deed Restriction, HFH-RFV restricts the Property and the Units against use and occupancy inconsistent with this Deed Restriction.

C. "Qualified Buyers" are natural persons meeting the Family Selection criteria of HFH-RFV as the same are adopted from time to time, and who must represent and agree pursuant to this Deed Restriction to occupy the Units as their sole place of residence, not to engage in any business activity in the Units, other than that permitted in that zone district or by applicable ordinance, and not to sell or otherwise transfer the Units for use in a trade or business.

D. An "Owner" is a person or persons who is/are a Qualified Buyer who acquires an ownership interest in a Unit in compliance with the terms and provisions of this Deed Restriction and who executes and records a Memorandum of Acceptance in the form attached here as Exhibit "C", it being understood that such person or persons shall be deemed an "Owner" hereunder only during the period of his, her or their ownership interest in a Unit and shall be obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during such period.

DECLARATION

HFH-RFV hereby declares that the Property and all Units constructed thereon shall at all times be owned, held, used and conveyed subject to the following terms, provisions, conditions and restrictions:



1. The ownership, use and occupancy of the Property and the Units shall henceforth be limited exclusively to housing for natural persons who meet the definition of Qualified Buyers and their families at the time of their initial selection and purchase.
2. An Owner, in connection with the purchase of a Unit, must: a) occupy such Unit as his or her sole place of residence during the time that such unit is owned; b) not engage in any business activity on or in such Unit, other than permitted in that zone district, applicable ordinance or any covenants restricting use of the Unit; c) sell or otherwise transfer such Unit only in accordance with this Deed Restriction; d) not sell or otherwise transfer such Unit for use in a trade or business; e) not permit any use or occupancy of a Unit except in compliance with this Deed Restriction.
3. It shall be a breach of this Deed Restriction for Owner to default in payments or other obligations due or to be performed under a promissory note secured by a first deed of trust encumbering a Unit.
4. This Deed Restriction shall constitute a covenant running with all Units, as a burden thereon, for the benefit of, and shall be specifically enforceable by the HFH-RFV or, in the event that HFH-RFV ceases to exist or function, by Habitat for Humanity International and their respective successors and assigns, as applicable, by any appropriate legal action including but not limited to specific performance, injunction, reversion, or eviction of non-complying owners and/or occupants.
5. In the event that an Owner desires to sell its Unit, the Owner shall notify HFH-RFV, which shall then proceed to find a Qualified Buyer for a Unit in conformity with its then existing Family Selection process and criteria or at its sole discretion, HFH-RFV may purchase the Unit itself for the Maximum Resale Price. The Qualified Buyer selected shall execute and close upon a standard Real Estate Purchase Contract with Owner, where the purchase price shall be determined in accordance with the provisions of this Deed Restriction.

MAXIMUM RESALE PRICE

6. In no event shall any Unit be sold for an amount ("Maximum Resale Price") more than the lesser of:
 - a. the initial sales price, plus an increase of three percent (3%) of such price per year to the date of the Owner's notice of intent to sell, or the date upon which a requirement for the Owner to sell is first applicable (prorated at the rate of .25% for each whole month for any part of a year).
 - b. the amount based upon the Consumer Price Index, All Items, U.S. City Average, Urban Wage Earners and Clerical Workers (Revised), published by the U.S. Department of Labor, Bureau of Labor Statistics calculated as follows: the Owner's purchase price divided by the Consumer Price Index published at the time of Owner's purchase stated on the Settlement Statement or Closing Disclosure, multiplied by the Consumer Price Index current at the date of Owner's intent to sell, or the date upon which a requirement for the Owner to sell is first applicable. In no event shall the multiplier be less than one (1).

NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTEE BY HFH-RFV THAT ON RESALE THE OWNER SHALL OBTAIN THE MAXIMUM RESALE PRICE.

7. Determining Maximum Resale Price:
 - a. For the purpose of determining the Maximum Resale Price in accordance with this Section, the Owner may add to the amount specified in Paragraph 6 above, the cost of Permitted Capital Improvements (as defined in Exhibit "B") in a total amount not to exceed \$20,000.00; \$5,000 in allowable capital improvements for every 5 years that the Unit is owned with a maximum capital improvement amount of \$20,000. In calculating such amount, only those Permitted Capital Improvements identified in Exhibit "B" hereto shall qualify for inclusion. All such Permitted Capital Improvements installed or constructed over the life of the unit shall qualify. However, the allowance permitted by this subsection is a fixed amount, which shall be calculated on a cumulative

basis applicable to the Owner and all subsequent purchasers, and shall not exceed the maximum dollar amount set forth in this subsection 7a.

- b. Permitted Capital Improvements shall not include any changes or additions to a Unit made by the Owner during construction or thereafter, except in accordance with Paragraph 7a above. Permitted Capital Improvements shall not be included in HFH-RFV's listed purchase price, even if made or installed during original construction.
- c. In order to qualify as Permitted Capital Improvements, the Owner must furnish to HFH-RFV the following information with respect to the improvements which the Owner seeks to include in the calculation of Maximum Resale Price:
 - 1) Original or duplicate receipts to verify the actual costs expended by the Owner for the Permitted Capital Improvements;
 - 2) Owner's affidavit verifying that the receipts are valid and correct receipts tendered at the time of purchase; and
 - 3) True and correct copies of any building permit or certificate of occupancy required to be issued by the City of Rifle Building Department with respect to the Permitted Capital Improvements.
- d. For the purpose of determining the Maximum Resale Price in accordance with this Section, the Owner may also add to the amounts specified in Paragraphs 6 and 7a, the cost of any permanent improvements constructed or installed as a result of any requirement imposed by any governmental agency, provided that written certification is provided to HFH-RFV of both the applicable requirement and the information required by Paragraph 7c, 1) - 3).
- e. In calculating the costs under Paragraphs 7a and 7d, sweat equity shall be added under the following conditions:
 - 1) Information regarding the actual physical labor by the owner based on 80% of the average amount of TWO bids for the work approved by HFH-RFV.
 - 2) That the work was done under supervision of a qualified certified tradesperson for the work that was done by the Owner.
8. Owner shall not permit any prospective buyer to assume any or all of the Owner's customary closing costs nor accept any other consideration which would cause an increase in the purchase price above the bid price so as to induce the Owner to sell to such prospective buyer.
9. In the event that title to a Unit vests by descent in individuals and/or entities who are not Qualified Buyers as that term is defined herein (hereinafter "Non-Qualified Transferee(s)"), the Unit shall immediately be listed for sale as provided in Paragraph 5 above, and the highest bid by a Qualified Buyer, for not less than ninety-five percent (95%) of the Maximum Resale Price or the appraised market value, whichever is less, shall be accepted. If all bids are below ninety-five percent (95%) of the Maximum Resale Price or the appraised market value, the Unit shall continue to be listed for sale until a bid in accordance with this section is made, which bid must be accepted. The cost of the appraisal shall be paid by the Non-Qualified Transferee(s). The following shall apply to all Non-Qualified Transferees:
 - a. Non-Qualified Transferee(s) shall join in any sale, conveyance or transfer of a Unit to a Qualified Buyer and shall execute any and all documents necessary to do so; and
 - b. Non-Qualified Transferee(s) agree not to: 1) occupy a Unit; 2) rent all or any part of a Unit, except in strict compliance with Paragraph 12 thereto; 3) engage in any other business activity on or in a

Unit; 4) sell or otherwise transfer a Unit except in accordance with this Deed Restriction; or 5) sell or otherwise transfer a Unit for use in a trade or business.

- c. HFH-RFV or its successors, as applicable, shall have the right and option to purchase a Unit, exercisable within a period of fifteen (15) calendar days after receipt of any sales offer submitted by a Non-Qualified Transferee(s), and in the event of exercising their right and option, shall purchase the Unit from the Non-Qualified Transferee(s) for a price of ninety-five percent (95%) of the Maximum Resale Price, or the appraised market value, whichever is less. The offer to purchase shall be made by the Non-Qualified Transferee within fifteen (15) days of acquisition of the Unit.
- d. Where the provisions of this Paragraph 9 apply, HFH-RFV may require a Non-Qualified Transferee to rent a Unit in accordance with the provisions of Paragraph 15, below.

OWNER RESIDENCE AND EMPLOYMENT

10. Units shall be utilized only as the sole and exclusive place of residence of an Owner and his/her family at the time of initial selection of Owner pursuant to the Family Selection process. Only two adults shall occupy the residence. Exceptions will be granted by HFH-RFV for adult children and parents of the Owners. Income from all adults living in the Unit is required to be included for qualification purposes during the selection process and provided to the Owner's outside lender (including USDA) after purchase based on reporting requirements.
11. In the event Owner changes domicile or ceases to utilize its Unit as his sole and exclusive place of residence, the Unit will be offered for sale pursuant to the provisions of Paragraph 5 of this Deed Restriction. Owner shall be deemed to have changed Owner's domicile by becoming a resident elsewhere or accepting permanent employment outside Garfield County, or by not residing in the Unit. Where the provisions of this Paragraph 11 apply, HFH-RFV may require the Owner to rent its Unit in accordance with the provisions of Paragraph 12, below.

RENTAL

12. Owner may not, except with prior written approval of HFH-RFV, and subject to HFH-RFV's conditions of approval, rent its Unit for any period of time. Prior to occupancy, any tenant must be approved by the Homeowner's Association, if applicable, and HFH-RFV in accordance with its Family Selection Criteria. HFH-RFV shall not approve any rental if such rental is for a period of less than six (6) months or is being made by Owner to utilize its Unit as an income producing asset, except as provided below, and shall not approve a lease with a rental term in excess of twelve (12) months. A signed copy of the lease must be provided to HFH-RFV prior to occupancy by any tenant. Any such lease approved by HFH-RFV shall show the length of the lease and the monthly rent. The monthly rent cannot exceed the Owner's costs, which include the monthly expenses for the cost of principal and interest payments, taxes, property insurance, condominium or homeowners assessments, utilities remaining in Owner's name, plus an additional twenty dollars (\$20) and a reasonable (refundable) security deposit.

The requirements of this paragraph shall not preclude the Owner from sharing occupancy of a Unit with non-owners on a rental basis provided the Owner continues to meet the obligations contained in this Deed Restriction, including Paragraph 10.

13. NOTHING HEREIN SHALL BE CONSTRUED TO REQUIRE HFH-RFV TO PROTECT OR INDEMNIFY THE OWNER AGAINST ANY LOSSES ATTRIBUTABLE TO THE RENTAL OF A UNIT, INCLUDING (NOT BY WAY OF LIMITATION) NON-PAYMENT OF RENT OR DAMAGE TO THE PREMISES; NOR TO REQUIRE HFH-RFV TO OBTAIN A QUALIFIED TENANT FOR THE OWNER IN THE EVENT THAT NONE IS FOUND BY THE OWNER.

BREACH

14. In the event that HFH-RFV has reasonable cause to believe the Owner is violating the provisions of this Deed Restriction, HFH-RFV, by its authorized representative, may inspect the Unit between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, after providing the Owner with no less than 24 hours' written notice.
15. HFH-RFV, in the event a violation of this Deed Restriction is discovered, shall send a notice of violation to the Owner detailing the nature of the violation and allowing the Owner fifteen (15) days to cure. Said notice shall state that the Owner may request a hearing before HFH-RFV Board of Directors within fifteen (15) days to determine the merits of the allegations. If no hearing is requested and the violation is not cured within the fifteen (15) day period, the Owner shall be considered in violation of this Deed Restriction. If a hearing is held before HFH-RFV, the decision of HFH-RFV based on the record of such hearing shall be final for the purpose of determining if a violation has occurred.

REMEDIES

16. There is hereby reserved to the parties hereto any and all remedies provided by law for breach of this Deed Restriction or any of its terms. In the event the parties resort to litigation with respect to any or all provisions of this Deed Restriction, the prevailing party shall be entitled to recover damages and costs, including reasonable attorneys' fees.
17. In the event a Unit is sold and/or conveyed without compliance herewith, such sale and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported buyer. Each and every conveyance of a Unit, for all purposes, shall be deemed to include and incorporate by this reference, the covenants herein contained, even without reference therein to this Deed Restriction.
18. In the event that the Owner fails to cure any breach, HFH-RFV may resort to any and all available legal action, including, but not limited to, specific performance of this Deed Restriction or a mandatory injunction requiring sale of a Unit by Owner as specified in Paragraphs 3, 9 and 11. The costs of such sale shall be taxed against the proceeds of the sale with the balance being paid to the Owner.
19. In the event of a breach of any of the terms or conditions contained herein by the Owner, his heirs, successors or assigns, HFH-RFV's initial listed purchase price of a Unit as set forth in Paragraph 6a of this Deed Restriction shall, upon the date of such breach as determined by HFH-RFV, automatically cease to increase as set out in Paragraph 6 of this Deed Restriction, and shall remain fixed until the date of cure of said breach.

FORECLOSURE

20. If any Unit is sold at a foreclosure sale or otherwise acquired by any person or entity in lieu of foreclosure, HFH-RFV shall have the option to acquire such Unit within thirty (30) days after (i) the issuance of a public trustee's deed to the purchaser, or (ii) receipt by HFH-RFV of written notice from such person or entity of the acquisition of such Unit in lieu of foreclosure, as applicable, for an option price not to exceed (a) in the event of a foreclosure, the redemption price on the last day of all statutory redemption periods and any additional reasonable costs incurred by the holder during the option period which are directly related to the foreclosure or (b) in the event of a transfer in lieu of foreclosure, the amount paid, or the amount of debt forgiven, by the transferee plus the reasonable costs incurred by the transferee with respect to its acquisition of such Unit. Notwithstanding any provision herein to the contrary, except for persons or entities having a valid lien on a Unit, only Qualified Buyers may acquire an interest in a Unit at a foreclosure sale or in lieu of foreclosure. If any person or entity having a lien on a Unit is not a Qualified Buyer and acquires an interest in such Unit in a foreclosure sale or in lieu of foreclosure, the provisions of Paragraph 17 shall apply. It is the intent of HFH-RFV that the terms and provisions of this provision shall remain in full force and effect with respect to the Units until modified, amended or terminated in accordance with paragraph 32 hereof.

EXHIBIT "A"

Legal Description

The land area, including Lots, as shown on the Amended Final Plat of Wapiti Commons recorded on the 12th day of December, 2023 as Reception Number 992038 in the Office of the Clerk and Recorder of Garfield County, Colorado

EXHIBIT "B"

Permitted Capital Improvements

1. The term "Permitted Capital Improvement" as used in the Deed Restriction shall only include the following:
 - a. Improvements or fixtures erected, installed or attached as permanent, functional, non-decorative improvements to real property, excluding repair, replacement and/or maintenance improvements;
 - b. Improvements for energy and water conservation;
 - c. Improvements for the benefit of seniors and/or handicapped persons;
 - d. Improvements for health and safety protection devices;
 - e. Improvements to add and/or finish permanent/finished storage space; and/or
 - f. Improvements to finish unfinished space.

2. Permitted Capital Improvements as used in this Deed Restriction shall NOT include the following:
 - a. Landscaping;
 - b. Upgrades/replacements of appliances, plumbing and mechanical fixtures, carpets and other similar items included as part of the original construction of the unit;
 - c. The cost of adding decks and balconies, and any extension thereto;
 - d. Jacuzzis, saunas, steam showers and other similar items;
 - e. Improvements required to repair, replace and maintain existing fixtures, appliances, plumbing and mechanical fixtures, painting, carpeting and other similar items; and/or
 - f. 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 HFH-RFV staff prior to being added to the Maximum Resale Price as defined herein.

Exhibit "C"

**MEMORANDUM OF ACCEPTANCE
DECLARATION OF MASTER DEED RESTRICTION FOR THE OCCUPANCY
AND RESALE OF UNITS IN WAPITI COMMONS
RIFLE, COLORADO**

RECITALS

A. _____, the Buyer, is purchasing from _____, Seller, at the price of \$_____ a Unit in Wapiti Commons in Rifle, CO, according to the Amended Final Plat of Wapiti Commons recorded on December 12, 2023 at Reception Number 992038 and, if applicable, the Condominium Map for Wapiti Commons recorded in the records of the County of Garfield, State of Colorado (the "Property"); and

B. The Property is subject to the Declaration of Master Deed Restriction for the Occupancy and Resale of Units in Wapiti Commons recorded on _____, 20____ as Reception No. _____, in the records of the County of Garfield, State of Colorado (the "Deed Restriction"); and

C. It is a requirement of the Deed Restriction that prior to the delivery of a deed conveying the Property, the Buyer shall execute a Memorandum of Acceptance evidencing Buyer's acknowledgment and agreement to the terms, conditions, limitations, restrictions, and uses set forth in the Deed Restriction.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to comply with the Deed Restriction, the Buyer:

1. Acknowledges that the undersigned Buyer has carefully read the entire Deed Restriction, has had the opportunity to consult with legal and financial counsel concerning it, and fully understands it.

2. Hereby accepts and agrees to be bound by the Deed Restriction, in its entirety, including all exhibits, as the same is defined herein and as it is recorded in the Garfield County records as set forth herein, with the following changes and/or additions:

- a. That the closing of Buyer's acquisition of the Property occurred on _____;
- b. The purchase price that Buyer is paying for the Property is \$_____;
- c. That any notice to the Buyer as required by the Deed Restriction should be sent to:

3. Hereby directs that this Memorandum be placed of record in the real estate records of Garfield County, Colorado.

IN WITNESS WHEREOF, the undersigned Buyer has executed this Memorandum of Acceptance on the date set forth opposite their signature.

Date: _____

Printed Name: _____

Printed Name: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The above and foregoing document was acknowledged before me this ____ day of _____, 202____.
by _____.

Witness my hand and official seal.

Notary Public

My commission expires: _____

My address is: _____

Exhibit "D"

**RIDER TO DECLARATION OF MASTER DEED RESTRICTION FOR
THE OCCUPANCY AND RESALE OF UNITS IN WAPITI COMMONS**

For USDA Rural Development Section 502 Loans

This Rider is attached to and incorporated into, and amends and supplements, the Declaration of Master Deed Restriction for the Occupancy and Resale of Units in Wapiti Commons (the "Deed Restriction") made and established by Habitat for Humanity of the Roaring Fork Valley, Inc. ("HFH-RFV") and recorded in the Garfield County Clerk and Recorder's Office on January __, 2024.

The Deed Restriction creates certain covenants, terms and provisions with respect to the Units, as defined in the Deed Restriction.

This Rider amends the Deed Restriction for the purpose of enabling a purchaser of a Unit to obtain financing (the "Loan") from the United States Department of Agriculture Rural Housing Service within the Rural Development mission area ("RD") to acquire a Unit which has been constructed or will be constructed by HFH-RFV; and

The Loan shall be secured by a mortgage or a deed of trust from each prospective purchaser (the "RD Mortgage").

The provisions of paragraph 20 of Deed Restriction shall not apply to an RD Mortgage. Instead, upon the occurrence of an event of default under the RD Mortgage (as determined by RD—an "Event of Default"), and without the consent of HFH-RFV, RD shall be permitted to accelerate its Note, foreclose on the RD Mortgage, take an assignment in lieu of foreclosure, or exercise its other remedies for default. RD may provide copies of a notice of an Event of Default to HFH-RFV but no failure to do so shall invalidate the default or RD's subsequent actions. HFH-RFV may require the Owner of a Unit to provide copies of any notices from RD. HFH-RFV shall have the right, but not the obligation, to cure an Event of Default in a Unit Owner's name or on the Unit Owner's behalf. The Unit Owner shall be responsible to HFH-RFV for all payments made, and expenses incurred, by HFH-RFV in curing such default. HFH-RFV shall have the right to refinance or pay off the RD Loan prior to any foreclosure sale and may bid as a member of the public at the foreclosure sale. HFH-RFV acknowledges that if RD is the purchaser at the foreclosure sale, or accepts a deed in lieu of foreclosure, disposition may only be made pursuant to its regulations.