

RESOLUTION NO. 35

Series 2017

A RESOLUTION APPROVING THE "TOWN OF BRECKENRIDGE HOUSING GUIDELINES (DECEMBER 12, 2017)"

WHEREAS, the Town staff has prepared and submitted to the Town Council the "Town of Breckenridge Housing Guidelines (December 12, 2017)," a copy of which is marked **Exhibit "A"**, attached to this resolution, and incorporated herein by reference; and

WHEREAS, the "Town of Breckenridge Housing Guidelines (December 12, 2017)" are administrative rules, regulations, policies, and standards that will be used by the staff to interpret, implement, and enforce various housing covenants held by the Town; and

WHEREAS, the Town Council has reviewed the "Town of Breckenridge Housing Guidelines (December 12, 2017)," and finds and determines that such document should be approved.

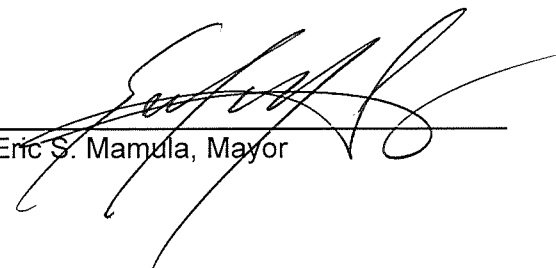
NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE, COLORADO:

Section 1. The "Town of Breckenridge Housing Guidelines (December 12, 2017)" (**Exhibit "A"** hereto) are approved.


Section 2. This resolution is effective upon adoption.

RESOLUTION APPROVED AND ADOPTED this 12th day of December, 2017.

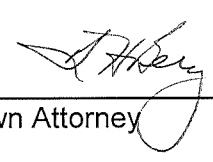
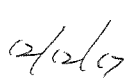
TOWN OF BRECKENRIDGE

By:   
Eric S. Mamula, Mayor

ATTEST:

  
Helen Cospolich, CMC,  
Town Clerk

APPROVED IN FORM

   
Town Attorney Date

Approved by the Town of Breckenridge  
Housing Authority

Signature

  
12/12/2017  
Date

# THE TOWN OF BRECKENRIDGE HOUSING AUTHORITY GUIDELINES

December 12, 2017~~September 26, 2017~~

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# INTRODUCTION

## RESIDENTIAL HOUSING RESTRICTION AND NOTICE OF LIEN FOR “BLUE 52 TOWNHOMES”

Pursuant to Article 11 of the Residential Housing Restriction and Notice of Lien for “Blue 52 Townhomes” (Restriction) the Town of Breckenridge Housing Authority (Housing Authority) has the right to periodically review and amend certain provisions of the Restriction through Guidelines adopted by the Housing Authority. The goal of these Guidelines is to formalize the administrative rules, regulations, policies, and standards that will be used by staff to interpret, implement, and enforce the Restriction. The provisions that may be amended in the Guidelines include:

A. Article 1 (Definitions)

A.B. Article 5 (Ownership Restrictions);

B.C. Article 7 (Use Restrictions); and

C.D. Article 8 (Resale of a Unit)

~~In addition, there are references to the Guidelines in other sections/articles of the Restriction.~~ These Guidelines address Articles 1, 5, 7, and 8 of the Restriction. ~~in addition to the other sections/articles that make reference to the Guidelines.~~ These Guidelines may be amended from time to time and any amendments made to these Guidelines shall be effective immediately upon approved approval by the Housing Authority.

## ARTICLE 1-DEFINITIONS

### **Assets**

Assets means the sum of all real and personal property, money, and other things of value owned or controlled by a person at the time of his or her purchase or lease of a Unit. Applicants will be required to complete a Buyer Qualification Application and provide a comprehensive list of family assets and liabilities. Applicants will be disqualified if assets exceed \$225,000. Some assets will be exempt, such as primary residence equity, retirement accounts, health savings and college savings accounts.

### **Eligible Household (Income)**

Income that will be subject to the income test/cap for a Unit includes the income of all person(s) listed on the deed with the exception of non-occupant co-signers. Documents that will be used to determine the income of a household may include, but are not limited to:

- W2 forms – (income from box #5)
- Federal Tax Returns
- Employment Verification Forms
- Most Recent Pay Stubs

### **Purchase Price**

[See the Restriction, Article 1, Section 1T.](#)

## ARTICLE 5-OWNERSHIP RESTRICTIONS

### 5.3 Compliance

An Owner shall submit any information, documents, or certificates requested from time to time by the Housing Authority (or its Agent) with respect to the occupancy and use of the Owner's Unit that the Housing Authority reasonably deems necessary to substantiate the Owner's continuing compliance with the provisions of this Restriction. Such information shall be submitted to the Housing Authority within such reasonable time period as the Housing Authority may establish. Documents to be requested can include, but are not limited to:

- Affidavit of Compliance
- Asset Accounting Form
- Driver's License
- Employer Verification Form
- Income Verification Form
- Tax Returns

### 5.4 Appreciating Limiting Promissory Note and Deed of Trust

See Exhibit A for the Appreciating Limiting Promissory Note and Exhibit B for the Deed of Trust.

### 5.5 Financing Guidelines

~~See the Restriction Article 5, Section 5.5A~~

## ARTICLE 7-USE RESTRICTIONS

(Left Blank Intentionally)

Currently, there are no updates to Article 6 of the Restriction.

There are no amendments or clarifications to Article 7 of the Restriction.



## ARTICLE 8-RESALE OF A UNIT

### **8.3 A (iii) Capital Improvements-addition to resale price**

The Townhomes at Blue 52 were completely finished at the time of initial sale by the developer and there are no opportunities to add space or improve unfinished space. The only Capital Improvements that may be reimbursed (added into the resale calculation) at time of resale at Blue 52 are improvements made by the owner that increase energy efficiency or water conservation. The amount that may be added into the resale calculation is capped at ten percent (10%) of the original Purchase Price for a residential unit paid to the developer by the first unit owner. Capital Improvements made by previous unit owners shall be counted against the cap in determining the amount of Capital Improvements to be allowed for a selling unit owner.

In calculating the amount of Capital Improvements to be allowed under this section, only the selling unit owner's actual out-of-pocket costs and expenses for labor and materials shall be eligible for inclusion, provided, however, that if the selling unit owner purchases only materials and does not pay any third party for labor, then such amount to be allowed shall include an amount attributable to the selling unit owner's personal labor or "sweat equity", which shall be determined by: (i) multiplying the amount paid for materials times two (2) as compensation for the selling unit owner's personal labor in making the I improvements; and (ii) adding to such sum the amount paid for materials.

A selling unit owner must submit to the Town prior to selling the residential unit a copy of a development permit or other permit and a certificate of occupancy or compliance issued by the Town for the improvements that demonstrates that the improvements ~~was~~ were made/completed by the unit owner during the unit owner's period of ownership of the residential unit, together with copies of invoices, receipts or other similar evidence of the costs and expenses for labor and materials, or materials alone. The Town shall provide each selling unit owner who makes a proper submission for allowance of Capital Improvements with a receipt or certificate verifying the amount of Capital Improvements and, after such receipt or certificate is issued by the Town, no subsequent unit owner may challenge the allowed amount of Capital Improvements as described in the receipt or certificate issued by the Town.

~~Capital Improvements at Blue 52 are subject to change. Inclusion of e~~ Expenses related to long term maintenance and subject to an approved schedule and inclusion of a depreciation schedule may be considered at a future date.

### **8.3 B Condition at Sale**

~~See the Restriction, Article 8, Section 8.3B.~~



APPROVED ~~September 26~~December 12, 2017

TOWN OF BRECKENRIDGE HOUSING AUTHORITY

By: \_\_\_\_\_  
Eric S. Mamula, Chair

ATTEST:

\_\_\_\_\_  
Secretary

STATE OF COLORADO     )  
  ) ss.  
COUNTY OF SUMMIT     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by Eric S. Mamula, as Chair, and Rick G. Holman, as Secretary, of the Town of Breckenridge Housing Authority.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

APPRECIATION LIMITING PROMISSORY NOTE  
(Blue 52 Townhomes)  
(the "Note")

\_\_\_\_\_  
Date

FOR VALUE RECEIVED, \_\_\_\_\_ (the "Maker"), jointly and severally if more than one, promises to pay to the order of the TOWN OF BRECKENRIDGE, P.O. Box 168, Breckenridge, CO 80424 ("Town"), fifteen (15) days after written demand for payment ("Due Date"), all sums that become due to Town from Maker after the date of this Note under the "Residential Housing Restriction And Notice Of Lien For 'Blue 52 Townhomes,' Town Of Breckenridge, Summit County, Colorado," dated \_\_\_\_\_, 2017 and recorded \_\_\_\_\_, 2017 under Reception No. \_\_\_\_\_ of the records of the Clerk and Recorder of Summit County, Colorado.

This Note shall not bear interest until the Due Date. If this Note is not paid on or before the Due Date, it shall thereafter bear interest at the rate of eighteen percent (18%) per annum from the Due Date until fully paid.

The Maker and any surety, guarantor, and endorser of this Note, jointly and severally, hereby waive notice of, and consent to any and all extensions of this Note or any part thereof without notice and each hereby waives demand, presentment for payment, notice of nonpayment and protest, and any and all notice of whatever kind or nature.

No waiver by the Holder of any one or more of the terms and conditions herein contained shall be deemed a waiver of the other terms and conditions herein contained; nor shall any such waiver be considered for any reason as continuing or perpetual in nature.

This Note is secured by a deed of trust on the following real property located in the Town of Breckenridge, Summit County, Colorado:

Unit \_\_\_\_, Blue 52 Townhomes, according to the map thereof recorded or to be recorded in the records of the Clerk and Recorder of the County of Summit, Colorado and as defined and described in the Declaration Of Covenants, Conditions, And Restrictions Of The Blue 52 Townhomes , dated \_\_\_\_\_, 2017 and recorded \_\_\_\_\_, 2017 under Reception No. \_\_\_\_\_ of the records of the Clerk and Recorder of Summit County, Colorado, subject to the rules and regulations of the Blue 52 Townhomes Association, together with any "Common Elements" of the Townhomes, in each case that are appurtenant to such Unit.

The undersigned hereby acknowledges receipt of a true copy of this Note.

\_\_\_\_\_  
Maker

\_\_\_\_\_  
Maker

IF THIS FORM IS USED IN A CONSUMER CREDIT TRANSACTION, CONSULT LEGAL COUNSEL

Exhibit A

THIS IS A LEGAL INSTRUMENT IF NOT UNDERSTOOD, LEGAL, TAX, OR OTHER  
COUNSEL SHOULD BE CONSULTED BEFORE SIGNING

DEED OF TRUST  
(Due on Transfer – Strict)  
(Blue 52 Townhomes)

THIS DEED OF TRUST is made this \_\_\_\_\_ day of \_\_\_\_\_, 2017 between \_\_\_\_\_ (Borrower), whose address is \_\_\_\_\_ and the Public Trustee of the County in which the Property (see paragraph 1) is situated (Trustee); for the benefit of the TOWN OF BRECKENRIDGE (Lender), whose address is P.O. Box 168, Breckenridge, CO 80424.

Borrower and Lender covenant and agree as follows:

1. **Property is Trust.** Borrower, in consideration of the indebtedness herein recited and the trust herein created, hereby grants and conveys to Trustee in trust, with power of sale, the following described property located in the County of Summit, State of Colorado:

Unit \_\_\_\_, Blue 52 Townhomes, according to the map thereof recorded or to be recorded in the records of the Clerk and Recorder of the County of Summit, Colorado and as defined and described in the Blue 52 Townhomes Declaration to be recorded in the Records, subject to the rules and regulations of the Association (as hereinafter defined), together with any “Common Elements” of the Townhomes, in each case that are appurtenant to such Unit (Property).

2. **Note; Other Obligations Secured.** This Deed of Trust is given to secure to Lender Borrower’s obligations as set forth in the Appreciation Limiting Promissory Note of even date herewith. Without limiting the generality of the preceding sentence, this Deed of Trust secures Borrower’s obligations to Lender as set forth in the Residential Housing Restriction And Notice Of Lien For “Blue 52 Townhomes,” Town Of Breckenridge, Summit County, Colorado, dated \_\_\_\_\_, 2017 and recorded \_\_\_\_\_, 2017 under Reception No. \_\_\_\_\_ of the records of the Clerk and Recorder of Summit County, Colorado.

3. **Title.** Borrower covenants that Borrower owns and has the right to grant and convey the Property, and warrants title to the same, subject to general real estate taxes for the current year, easements of record or in existence, and recorded declarations, restrictions, reservations and covenants, if any, as of this date.

4. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, and late charges as provided in the Note and shall perform all of Borrower’s other covenants contained in the Note.

5. **Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower’s obligations under any prior deed of trust and any other prior liens. Borrower shall



pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may have or attain a priority over this Deed of Trust by Borrower making payment when due, directly to the payee thereof. Despite the foregoing, Borrower shall not be required to make payments otherwise required by this paragraph if Borrower, after notice to Lender, shall in good faith contest such obligation by, or defend enforcement of such obligation in, legal proceedings which operate to prevent the enforcement of the obligation or forfeiture of the Property or any part thereof, only upon Borrower making all such contested payments and other payments as ordered by the court to the registry of the court in which such proceedings are filed.

**6. Preservation and Maintenance of Property.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on Leasehold. Borrower shall perform all of Borrower's obligations under any declarations, covenants, by-laws, rules, or other documents governing the use, ownership, or occupancy of the Property.

**7. Protection of Lender's Security.** Except when Borrower has exercised Borrower's rights under paragraph 6 above, if the Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if a default occurs in prior lien, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, with notice to Borrower if required by law, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to:

- (a) any general or special taxes or ditch or water assessments levied or accruing against the Property;
- (b) the premiums on any insurance necessary to protect any improvements comprising a part of the Property;
- (c) sums due on any prior lien or encumbrance on the Property;
- (d) if the Property is a leasehold or is subject to a lease, all sums due under such lease;
- (e) the reasonable costs and expenses of defending, protecting, and maintaining the Property and Lender's interest in the Property, including repair and maintenance costs and expenses, costs and expenses of protecting and securing the Property, receiver's fees and expenses, inspection fees, appraisal fees, court costs, attorney fees and costs, and fees and costs of an attorney in the employment of the Lender or holder of the certificate of purchase;
- (f) all other costs and expenses allowable by the evidence of debt or this Deed of Trust, and
- (g) such other costs and expenses which may be authorized by the court of competent jurisdiction.

Borrower hereby assigns to Lender any right Borrower may have by reason of any prior encumbrance on the Property or by law or otherwise to cure any default under said prior encumbrance.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Such amounts shall be payable upon notice from the Lender to Borrower requesting payment thereof, and Lender

may bring suit to collect any amounts so disbursed plus interest. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any actions hereunder.

8. **Borrower Not Released.** Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower, nor Borrower's successors in interest, from the original terms of this Deed of Trust. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower nor Borrower's successors in interest.

9. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by law, shall not be a waiver or preclude the exercise of any such right or remedy.

10. **Remedies Cumulative.** Each Remedy provided in the Note and this Deed of Trust is distinct from and cumulative to all other rights or remedies under the Note and this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

11. **Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 18 Transfer of the Property; Assumption. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs in this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

12. **Notice.** Except for any notice required by law to be given in another manner: (a) any notice to Borrower provided for in this Deed of Trust shall be in writing and shall be given and be effective upon (1) delivery to Borrower or (2) mailing such notice by first-class mail, addressed to Borrower at Borrower's address stated herein or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be in writing and shall be given and be effective upon (1) delivery to Lender or (2) mailing such notice by first-class mail, addressed to Lender at Lender's address stated herein or at such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower and Lender when given in any manner designated herein.

13. **Governing Law; Severability.** The Note and this Deed of Trust shall be governed by the law of Colorado. In the event that any provision or clause of this Deed of Trust or the Note conflicts with the law, such conflict shall not affect other provisions of the Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and Note are declared to be severable.

14. **Acceleration: Foreclosure: Other Remedies.** Except as provided in paragraph 18 Transfer of Property; Assumption, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, or upon any default in a prior lien upon the Property, (unless Borrower has



exercised Borrower's rights under paragraph 5 above), at Lender's option, all of the sums secured by this Deed of Trust shall be immediately due and payable (Acceleration). To exercise this option, Lender may invoke the power of sale and any other remedies permitted by law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Deed of Trust, including, but not limited to, reasonable attorney's fees.

If Lender invokes the power of sale, Lender shall give written notice to Trustee of such election. Trustee shall give notice to Borrower of Borrower's rights as provided by law. Trustee shall record a copy of such notice as required by law. Trustee shall advertise the time and place of the sale of the Property, for not less than four weeks in a newspaper of general circulation in each county for which the Property is situated, and shall mail copies of such notice of sale to Borrower and other persons as prescribed by law. After the lapse of such time as may be required by law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder for cash at the time and place (which may be on the Property or any part thereof as permitted by law) in one or more parcel as Trustee may think best and in such order as Trustee may determine. Lender or Lender's designee may purchase the Property at any sale. It shall not be obligatory upon the Purchaser at any such sale to see to the application of the purchase money.

Trustee shall apply the proceeds of the sale in the following order; (a) to all reasonable costs and expenses of the sale, including but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

**15. Borrower's Right to Cure Default.** Whenever foreclosure is commenced for nonpayment of any sums due hereunder, the owners of the Property or parties liable hereon shall be entitled to cure said defaults by paying all delinquent principal and interest payment due as of the date of cure, costs, expenses, late charges, attorney's fees and other fees all in the manner provided by law. Upon such payment, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as though no Acceleration had occurred, and the foreclosure proceedings shall be discontinued.

**16. Release.** Upon payment of all sums secured by this Deed of Trust, Lender shall cause Trustee to release this Deed of Trust and shall produce for Trustee the Note. Borrower shall pay all costs of recordation and shall pay the statutory Trustee's fees. If Lender shall not produce the Note as aforesaid, the Lender, upon notice in accordance with paragraph 12 (Notice) from Borrower to Lender, shall obtain , at Lender's expense, and file any lost instrument bond required by Trustee or pay the cost thereof to effect the release of this Deed of Trust.

**17. Waiver of Exemptions.** Borrower hereby waives all right of homestead and any other exemptions in the Property under state or federal law presently existing or hereafter enacted.

**18. Transfer of Property; Assumption.** The following events shall be referred to herein as a "Transfer": (1) a transfer or conveyance of title (or any portion thereof, legal or equitable) of the Property ( or any part thereof or interest therein), (ii) the execution of a contract or agreement creating a right to title (or any portion thereof, legal or equitable) in the Property (or any part

thereof or interest therein), (iii) or an agreement granting a possessory right in the Property (or any portion thereof), in excess of three (3) years, (iv) a sale or transfer of, or the execution of a contract or agreement creating a right to acquire or receive, more than fifty percent (50%) of the controlling interest or more than fifty percent (50%) of the beneficial interest in the Borrower, (v) the reorganization, liquidation or dissolution of the Borrower. Not to be included as a Transfer are (1) the creation of the lien or encumbrance subordinate to this Deed of Trust, (ii) the creation of a purchase money security interests for household appliances, or (iii) a transfer by devise, descent or by operation of the law upon the death of a joint tenant. At the election of Lender, in the event of each and every transfer:

- (a) All sums secured by this Deed of Trust shall become immediately due and payable (Acceleration).
- (b) If a Transfer occurs and should Lender not exercise Lender's option pursuant to this paragraph 18 to Accelerate, Transferee shall be deemed to have assumed all of the obligations of Borrower under this Deed of Trust including all sums secured hereby whether or not the instrument evidencing such conveyance, contract or grant expressly so provides. This covenant shall run with the Property and remain in full force and effect until said sums are paid in full. The Lender may without notice to the Borrower deal with Transferee in the same manner as with the Borrower with reference to said sums including the payment or credit to Transferee of undisbursed reserve Funds on payment in full of said sums, without in any way altering or discharging the Borrower's liability hereunder for the obligations hereby secured.
- (c) Should Lender not elect to Accelerate upon the occurrence of such Transfer then, subject to (b) above, the mere fact of a lapse of time or the acceptance of payment subsequent to any such events, whether or not Lender had actual or constructive notice of such Transfer, shall not be deemed a waiver of Lender's right to make such election nor shall Lender be stopped therefrom by virtue thereof. The issuance on behalf of the Lender of a routine statement showing the status of the loan, whether or not Lender had actual or constructive notice of such Transfer, shall not be a waiver or estoppel of Lender's said rights.

**19. Borrower's Copy.** Borrower acknowledges receipt of a copy of the Note and this Deed of Trust.



EXECUTED BY BORROWER:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF COLORADO        )  
  )ss  
COUNTY OF SUMMIT        )

The foregoing instrument was acknowledged before this \_\_\_\_\_ day of \_\_\_\_\_, 2017  
by \_\_\_\_\_ and  
\_\_\_\_\_.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

