

WHEN RECORDED, RETURN TO:

Silverton Housing Authority
P.O. Box 250
Silverton, CO 81433

**SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE AFFORDABILITY COVENANTS**

THESE Covenants (this “Covenant,” “Declaration,” or “Agreement”) are hereby created and effective on the date executed below, by and between **THE HOUSING AUTHORITY OF THE TOWN OF SILVERTON**, an authority organized under C.R.S. 29-4-201 et seq. (“**Silverton Housing Authority**” or “**Housing Authority**”), **SAN JUAN COUNTY**, a political subdivision of the State of Colorado (the “**County**”), and **9318 DEVELOPMENT VENTURES LLC** (“**9318 Contracting**”).

RECITALS

WHEREAS, 9318 Development Ventures LLC owns certain real property more particularly described in **Exhibit A** hereto in Anvil Mountain Subdivision, Silverton, Colorado, including all dwellings, appurtenances, improvements, and fixtures associated therewith (collectively referred to as the “Property”) for the purposes of these Covenants; and

WHEREAS, on or about May 24, 2017, San Juan County executed the Restrictive Covenants Anvil Mountain Subdivision Silverton, San Juan County, Colorado (the “2017 Restrictive Covenants”) which placed restrictions on the properties in the Anvil Mountain Subdivision; and

WHEREAS, the 2017 Restrictive Covenants shall remain in full force and effect, but to the extent these Covenants conflict with any previously recorded restrictions of the 2017 Restrictive Covenants, these Covenants shall prevail; and

WHEREAS, on or about August 13, 2020, San Juan County executed the San Juan County Use Covenant and Regulatory Agreement Anvil Mountain Subdivision San Juan County, Colorado (the “2020 Deed Restriction”) which placed restrictions on the properties in Anvil Mountain Subdivision. The 2020 Deed Restriction was recorded in the San Juan County Clerk and Recording office as Reception No. 152950; and

WHEREAS, the Silverton Housing Authority and County intend for these Covenants to replace and supersede, in its entirety, the 2020 Deed Restriction; and



WHEREAS, these Covenants hereby impose certain use, occupancy and transfer restrictions upon the Property, which shall run with the land and be binding upon all subsequent owners and their heirs, successors, executors, administrators, devisees and assigns as addressed herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants set forth herein, the Silverton Housing Authority and the County hereby create, declare, represent, restrict and covenant as follows:

COVENANTS

1. **Property Subject to Affordability Covenants.** The Property, as more particularly described in Exhibit A hereto, is hereby burdened with the covenants and restrictions specified in these Covenants. The ownership, use and sale of the Property shall be restricted as specified in these Covenants.
2. **Definitions.** The following definitions shall apply in terms used in these Covenants:
 - A. **“Annual Compliance Recertification”** means an annual recertification under oath by the Owner to the Housing Authority or its assigns stating the Property has maintained occupancy by a Qualified Household in accordance with these Covenants and the Silverton Affordable Housing Guidelines, and any other use covenant monitoring or certifications required by the Housing Authority or the County from time to time.
 - B. **“County”** shall include employees of San Juan County or subcontractors retained by the County who are tasked with enforcing Use Covenants and Deed Restrictions.
 - C. **“Household”** means all individual(s) who will occupy the Property regardless of legal status or relation to the owner or lessee.
 - D. **“Housing Authority”** shall include employees of the Silverton Housing Authority or subcontractors retained by the Housing Authority who are tasked with enforcing Use Covenants and Deed Restrictions.
 - E. **“Maximum Sale Price”** means the maximum amount an owner can sell the Property.
 - F. **“Original Purchase Price”** means the price paid for the Property by the current Owner.



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

- G. “Owner”** means the owner of the fee simple title to the Property, as well as its owner’s agents, successors and assigns, buyers, heirs, devisees, transferees, grantees, owners or holder of title to the Property of record according to the Clerk and Recorder of San Juan County, during their period of ownership interest.
- H. “Primary Residence”** means the Property is occupied by one or more members of the Qualified Household for at least eight (8) months of the calendar year. Determination of San Juan County primary residency shall be based on the criteria the Housing Authority and the County deem reasonably necessary to make a determination, including but not limited to, voter registration, place of vehicle registrations, and/or state issued identification. Primary residence status may be maintained if unforeseen circumstances arise that requires the resident to temporarily leave the residence for a period of more than four (4) months if a Leave of Absence is granted to Owner by the Housing Authority which may be conditioned upon rental of the Property according to the Silverton Affordable Housing Guidelines Rental Procedure, as may be amended from time to time.
- I. “Qualified Household” and “Owner(s)”** means all persons holding title to the Property that (i) will use the Property as their Primary Residence and (ii) meet the Income Qualification criteria below at the time of purchase of the Property. Each of the criteria are further defined below:
- i. Primary Residence. The Property will be used as the sole and exclusive place of residence as defined herein.
 - ii. Income Qualification. The total annual income of all members of a Household over the age of eighteen (18) must, as determined by the Housing Authority or its designee to not exceed XX percent (XX%) of the Area Median Income in San Juan County as determined by the Silverton Housing Authority with reference to the U.S. Department of Housing and Urban Development calculation of AMI, or other AMI calculation adopted by the Silverton Housing Authority at the time of purchase of the Property.
- J. “Qualified Tenant”** shall mean a person(s) who has temporary use and occupancy of Property owned by a Qualified Owner who at the time of the execution of the lease have been determined by the Silverton Housing Authority, or its designee, to be earning no more than XX percent (XX%) of the Area Median Income. Tenants renting rooms in an Owner-occupied Property may be considered members of the Qualified Owner’s Household for Annual Compliance



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

Recertification for the purposes of meeting the Primary Residence Standard under the provisions of Section 2.J.

- K. **“Second Home”** shall mean the status of the Property when used by any person who has a primary residence that is other than the Property.
- L. **“Silverton Affordable Housing Guidelines”** or **“SAHG”** means the Silverton Affordable Housing Guidelines, as may be amended from time to time.
- M. **“Silverton Housing Authority”** shall include employees of the Silverton Housing Authority or subcontractors retained by the Housing Authority who are tasked with enforcing Use / Affordability Covenants or Deed Restriction agreements.
- N. **“Short Term Rental”** shall mean the rental or lease of the Property for a period of time that is fewer than thirty (30) days.

3. **Ownership and Use of the Property.**

- A. The ownership, use, and occupancy of the Property is restricted as follows: (i) The Property shall be owned and occupied by a Qualified Household, as defined in Section 2 of these Covenants; (ii) the Owner or uses the property as its Primary Residence, as defined within Section 2 of these Covenants.
- B. The Property shall not be rented without the express written consent of the Silverton Housing Authority or its assigns, allowing the Property to be rented to a Qualified Tenant as defined in Section 2 of these Covenants and in accordance with the most current version of the SAHG. Owners are subject to penalties for each day a Tenant occupies the Property without Housing Authority consent and for each day an executed lease is late in being submitted to the Housing Authority according to the SAHG policies and procedures. Under no circumstance shall the Property, or any portion thereof, be rented for an amount exceeding the Maximum Rental Rate, as defined in the most current version of the SAHG. The Maximum Rental Rate shall be determined in accordance with the SAHG, as may be amended from time to time and the definition of Qualified Tenant set forth in Section 2 of these Covenants. Compliance with this restriction is mandatory and enforceable regardless of any agreements, arrangements, or circumstances between the Owner and any tenant or occupant. Owner covenants that any lease of the Property shall include a reference that such lease is subject to the terms and conditions of these Covenants and SAHG, including but not limited to restrictions on the use and occupancy of the Property



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

and cooperation on providing required documentation for verification of Qualified Tenant and Primary Residence status, as defined in Section 2.

- C. The Property may not be sold or otherwise transferred to any person other than a Qualified Household in accordance with the procedures for prior verification contained in Section 4 below and pursuant to all provisions within these Covenants. The title to the Property may be held from time to time by the Housing Authority in the event of a foreclosure or as permitted by these Covenants or the SAHG.
- D. Owner is subject to Annual Compliance Recertification confirming and verifying the Owner's continued eligibility as a Qualified Household and their compliance with this Agreement. To confirm such eligibility, the Owner of the Property shall submit the following information to the Housing Authority: (i) a verification that the Owner continues to meet the requirements of a Qualified Household who uses the Property as its Primary Residence.
- E. Title of the Property shall be held in the name of the natural person(s) who are members of the Qualified Household.
 - 1. Notwithstanding the foregoing, a Qualified Household may seek a variance to allow title of the Property to be held in trust for the benefit of a natural person who also meets the definition and qualifications of a Qualified Household, as stated herein in Section 2.I. Such ownership in trust may only occur in the circumstances provided herein and at the sole written discretion of the Housing Authority, or its assign. To request a variance, the applicant shall submit a letter to the Housing Authority, or its assign, requesting a special review and a determination that title of the Property may be held in trust as set forth herein.
 - 2. To be Qualified for a variance, the following conditions must be met: (i) The beneficiary of the trust may not own other real property; and (ii) The beneficiary of the trust must be of the age of majority to qualify for this variance.
 - 3. Upon receipt of a request for a special review for a variance and any requested information and documentation, the Housing Authority, or its assign, may grant the request, in writing, with or without conditions.
- F. An Owner must not engage in any business activity on or in such Property, other than as permitted within the zoning district applicable to the Property.



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

- G. The Short-Term Rental, or the advertising of a short-term rental, of all or any portion of the Property is prohibited.
 - H. An Owner of the Property may not permit any use or occupancy of the Property except in compliance with this Agreement.
 - I. Any subsequent Owner of the Property must execute an Acknowledgement of Deed Restriction Agreement for the Property, in the form, or similar form provided by the Housing Authority, set forth in Exhibit C, and attached hereto and incorporated herein by this reference. The failure to execute such document shall not extinguish the legal force and effect of these Covenants on all current and subsequent Owners.
 - J. All sales of the Property shall be subject to the Maximum Sales Price as calculated in Section 5 below.
4. **Resale Restrictions.** The Property may not be sold or otherwise transferred to any person other than a Qualified Household subject to the calculation of the Maximum Sales Price in accordance with Section 5 and the provisions of these Covenants.
- A. In the event that an Owner desires to sell the Property, the instrument effectuating the sale or transfer of the Property shall be executed by the Housing Authority or its assigns in accordance with the most current SAHG procedures.
 - B. Upon sale and conveyance of the Property by Owner to a buyer, the buyer shall be subject to the same occupancy, use, and Income Qualification requirements set forth in these Covenants and the most recent version of the SAHG.
 - C. In the event the Property 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 the Property, for all purposes, shall be deemed to include and incorporate by this reference the covenant contained, even without reference therein to these Covenants.
5. **Maximum Sale Price:** In no event shall the Property be sold for an amount in excess of the Original Purchase Price plus the applicable percentage of appreciation per year, and as provided below.
- A. Appreciation shall be three percent (3%), simple annually.



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

- i. In the event an Owner owns the Property for only a portion of any year, the percentage increase shall be prorated monthly, from purchase date until the Property is listed for sale.
- B.** Increase in market value caused by Permitted Capital Improvements shall not increase the Owner's Original Purchase Price and are subject to depreciation as set forth in the most current SAHG. For the purpose of determining the Maximum Sale Price, the following amounts may be added at the discretion of the Silverton Housing Authority in accordance with the SAHG:
 - i. The cost of Permitted Capital Improvements as set forth in the most current SAHG.
 - ii. The cost of any permanent improvements constructed or installed as a result of any requirement imposed by any government agency or assessment by a homeowner's association for such permanent improvements, provided that written certification is provided and approved by the Silverton Housing Authority.
- C.** 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 Maximum Sale Price so as to induce the Owner to sell to such prospective buyer.

NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTEE BY THE SILVERTON HOUSING AUTHORITY, THE COUNTY, OR ASSIGNS, THAT UPON RESALE THE OWNER SHALL OBTAIN A PARTICULAR PRICE INCLUDING BUT NOT LIMITED TO THE MAXIMUM SALES PRICE OR ORIGINAL PURCHASE PRICE.

- 6. Default by Owner.** Owner shall be responsible for compliance with all terms of these Covenants. Any non-compliance with the terms of these Covenants or breach of any covenant(s) set forth in these Covenants, including non-compliance of use and occupancy of the Subject Property shall be deemed to be a Default by Owner, whether such non-compliance is a result of direct actions of the Owner or such non-compliance occurs during ownership.
- 7. Inspection.** If the Housing Authority has reasonable cause to believe that the occupancy or use of the Property does not comply with any provision(s) of these Covenants, the Housing Authority may inspect the Property between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, after providing the Owner and occupants a Notice to Inspect with at least



twenty four (24) hours written notice. Notice of Inspection may be given by posting notice on the door to the residence on the Property. The Notice of Inspection shall generally describe the suspected non-compliance with these Covenants and shall reference the Silverton Housing Authority's right to inspect set forth in these Covenants. The Housing Authority shall have permission to enter the Property during such times upon providing a Notice of Inspection without further consent.

8. **Notice and Cure.** In the event of a Default by Owner of these Covenants, the following procedures shall apply.
- A. Notice of Default.** The Housing Authority shall issue a Notice of Default to the Owner detailing the nature of the default. Notice will be issued formally in accordance with the General Provisions of these Covenants, and may include a notice posted on the front door of the Property and shared electronically. The Notice of Default shall (i) state the terms of these Covenants and SAHG for which the Owner has defaulted; (ii) state the period for the Cure; (iii) reference the potential remedies in these Covenants; and (iv) state the procedures for administrative appeal of the Notice of Default.
 - B. Period for Cure.** The Period for Cure shall generally be thirty (30) days, provided that a default by Owner for lease or use of the Property as a Short-Term Rental, non-primary residence or Second Home shall be cured by the Owner immediately. The Housing Authority may provide a longer period for Cure upon written agreement with the Owner, when the nature of the default will take longer than thirty (30) days to cure and the Owner is actively cooperating with the Housing Authority and making all reasonable efforts to effect the cure.
 - C. Administrative Appeal.** Owner has the right to request an administrative appeal of a Notice of Default. A request for an administrative appeal must be filed within ten (10) days of receiving a written Notice of Default. The Housing Authority shall conduct an administrative appeal hearing in accordance with procedures and requirements set forth in the SAHG.
 - D. Default.** If an administrative appeal request is not timely and properly submitted in writing and the default is not cured within the stated Period for Cure in the Notice of Default, the Owner shall be deemed to be in Default of these Covenants.
 - E. Court Review.** An administrative appeal decision shall be the final decision for the purpose of determining if a default has occurred. The date of the final decision shall be the date that a written decision of the administrative appeal is executed and



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

provided to the Owner (as appellant). A final decision from an administrative appeal hearing may be judicially appealed, in the District Court of San Juan County pursuant to C.R.C.P. 106.

9. **Remedies.** The Housing Authority has the right to the following remedies.

- A. Law and Equity.** These Covenants are enforceable by any appropriate legal action including but not limited to specific performance, injunction, reversion, or eviction. The remedies provided herein are cumulative and not exclusive of all other remedies provided by law and/or equity. In the event of violation, non-performance, default or breach of any term of these Covenants by the Owner, the Housing Authority shall have the right to enforce Owner's obligations herein by an action for any equitable remedy, including injunction or specific performance, as well as pursue an action to recover damages.
- B. Interest on Amounts Due.** Any amount due and owing to the Housing Authority shall bear interest rate of one and a half percent (1.5%) per month (eighteen percent [18%] per annum, compounded annually) until paid in full.
- C. Recovery of Costs to Enforce.** The Housing Authority shall be entitled to recover any costs related to enforcement of these Covenants, including but not limited to attorney's fees, court filing costs and county recording costs.
- D. Lien.** The Housing Authority may attach a lien for any amount due to the Housing Authority upon the Property and enforce the lien in the manner and according to the procedures set forth in Colorado Revised Statutes, §31-20-105, as amended from time to time, and the Owner expressly waives any objection to the attachment of a lien for amounts due to the Housing Authority.
- E. Joint and Several Liability.** In the event of a transfer or conveyance of the Property that violates the terms of these Covenants and constitutes a violation of these Covenants, both the grantor and grantee shall be jointly and severally liable for any damages and costs due under these Covenants.
- F. Recovery of Wrongful Gains.** In the event of any lease of the Property to a person who is not an Qualified Household, as defined in these Covenants, or use of the Property as a Short Term Rental, non-primary residence or Second Home, any amounts collected or receipt of other things of value by the Owner or assigns under such leases shall be paid to the Housing Authority as a material requirement of curing the notice of default.



10. **Liquidated Damages.** In the event of a violation of these Covenants by the Owner, the determination of actual monetary damages would be difficult to ascertain. Therefore, the liquidated damages shall be calculated and applied in the amount of Three Hundred Dollars (\$300.00) per day for each day that the Owner is in violation of these Covenants after having failed to timely cure the violation of these Covenants. Liquidated damages shall be in addition to the Housing Authority's ability to recover costs as stated in Section 9 of these Covenants. Liquidated damages shall be in addition to the Housing Authority's right to seek equitable remedies of injunction and/or specific performance. In the event of any lease or use of the Property as a Second Home, non-primary-residence or Short Term Rental, any amounts collected or receipt of other things of value by the Owner or assigns under such leases shall be paid to the Housing Authority as liquidated damages as demanded by the Housing Authority (in lieu of the \$300 daily liquidated damages), including such amounts collected or received by Owner prior to receipt of a Notice of Default and prior expiration of a thirty (30) day period to cure, and such amounts shall be in addition to the right of the Housing Authority to recover costs and seek equitable remedies.

11. **Foreclosure.**

- A. In the event of a foreclosure or acceptance of a deed in lieu of foreclosure by the holder (including assigns of the holder) of the promissory note secured by a first deed of trust on the Property, and subject to the issuance of a public trustee's deed to the holder following expiration of all statutory redemption rights, or issuance of a deed in lieu of foreclosure to the holder, the Housing Authority or its assigns shall have the option to purchase the Property as provided in the Option to Purchase, in a form similar to **EXHIBIT B: Option to Purchase**, attached hereto and incorporated herein.
- B. Notwithstanding any provision herein to the contrary, except for persons or entities having a valid lien on the Property, only a Qualified Household may acquire an interest in the Property at a foreclosure sale or in lieu of foreclosure.
- C. Notwithstanding the foregoing, in the event of foreclosure or acceptance of a deed in lieu of foreclosure by the holder (including assigns of the holder) of the promissory note secured by a first deed of trust on the Property, if the holder of such deed of trust is the grantee under the public trustee's deed or deed in lieu of foreclosure and the Housing Authority does not exercise its Option to Purchase as provided in Section 11.A, then the Housing Authority and County agree to release the Property from the requirements of these Covenants.



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

- D. Nothing contained herein shall require the Housing Authority to release and waive its ability to enforce these Covenants in the event of a foreclosure of a lien secured in second or subsequent position.
- E. If the Housing Authority or its assigns exercises the Option to Purchase described in this Section 11, and acquires title to the Property, the Housing Authority or its assigns may sell the Property to a Qualified Household or rent the Property to Qualified Tenants who meet the income, occupancy, and all other qualifications, established by the SAHG, until such time that the Property can be sold to an Qualified Household, or may elect to release and terminate these Covenants, with consent of the County.
- F. All obligations recorded of record against the Property and subsequent to these Covenants shall be subordinated to terms hereof.

12. Covenants Run with the Land. These Covenants and the terms, covenants, conditions and other provisions hereof shall constitute covenants running with title to the Property for the benefit of, and enforceable by the Housing Authority and its successors and assigns and these Covenants shall bind the Property and all subsequent owners, occupants, successors and assigns. Each and every lease and each and every contract, deed or other instrument hereafter executed conveying the Property or any portion thereof shall expressly provide that such lease or conveyance is subject to these Covenants; provided, however, that the covenants, conditions and restrictions contained herein shall survive and be effective as to lessees and successors and/or assigns of all or any portion of the Property, regardless of whether such lease, contract, deed or other instrument hereafter executed leasing or conveying the Property or any portion thereof provides that such lease or conveyance is subject to these Covenants. Each subsequent owner(s), occupant(s) and Qualified Household(s), upon acceptance of a deed or lease of the Property, shall be personally obligated hereunder for the full and complete performance and observance of all covenants, conditions, and restrictions contained herein during an Owner's period of ownership or Qualified Household's occupancy.

13. Obligation to Maintain Homeowner's Insurance. Owners shall maintain at all times full replacement cost coverage for the Property through an insurance provider licensed with and compliant with the Colorado Department of Regulatory Agencies which will repair or replace the Property in the event of damage or destruction. Failure to maintain adequate homeowner's insurance shall be considered a violation of SAHG and a material breach of these Covenants.

14. Priority. These Covenants supersede and fully replace the 2020 Deed Restriction placed upon the Property by the County. In the event any of the provisions of these Covenants are in conflict



with previously recorded Declarations, Covenants, Conditions, Restrictions, or Agreements, these Covenants shall prevail to the extent of said conflict.

15. General Provisions.

- A. Venue.** The exclusive venue for any dispute arising from or relating to these Covenants shall be the San Juan County District Court of San Juan County, Colorado.
- B. Severability.** If any term, provision, covenant or condition of these Covenants is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of these Covenants shall continue and remain in full force and effect.
- C. Counting Days.** If the final day of any notice, default or other event falls on a Saturday, Sunday, legal holiday recognized by the State of Colorado or day upon which the Silverton Town Hall is closed for any reason, then the final day shall be deemed to be the next day which is not a Saturday, Sunday, legal holiday or day that the Silverton Town Hall is closed.
- D. Modifications.** Any modifications of these Covenants shall be effective only when made by writings signed by the Owner, the County and the Silverton Housing Authority and recorded with the Clerk and Recorder of San Juan County, Colorado.
- E. Waiver.** No waiver of one or more of the terms or provisions of these Covenants shall be effective unless provided in writing. No waiver of any term or provision of these Covenants in any instance shall constitute a waiver of such provision in any other instance.
- F. Amendment.** These Covenants may only be amended in writing by the Housing Authority and County and recorded with the Clerk and Recorder's Office of San Juan County, Colorado.
- G. Assignment.** With Consent of the County the Housing Authority may in its sole discretion assign the benefits and delegate the responsibilities of these Covenants to any other public entity, non-profit corporation or other entity which is organized and exists for the purpose to provide and promote affordable housing for full time residents.



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

- H. No Third-Party Beneficiaries.** Nothing contained in these Covenants is intended to or shall create a contractual relationship with, cause of action in favor of, or claim for relief for, any third party.
- I. No Joint Venture.** Notwithstanding any provision hereof, the Housing Authority and County shall never be in a joint venture with Owner, and the Housing Authority shall never be liable or responsible for any debt or obligation of Owner.
- J. Government Immunity.** The Housing Authority and County and their officers, attorneys, and employees, are relying on, and do not waive or intend to waive any provision of these Covenants, the monetary limitations or any rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. SS 24-10-101, et seq., as amended, or otherwise available to the Housing Authority and County or their officers, attorneys, or employees.
- K. Choice of Law.** These Covenants shall be governed and construed in accordance with the laws of the State of Colorado. Venue for any legal action arising from these Covenants shall be in San Juan County, Colorado.
- L. Successors.** Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of the parties. These Covenants shall be a burden upon and run with the Property for the benefit of the Housing Authority and County or their assigns, who may enforce the Covenants and compel compliance therewith through the initiation of judicial proceedings for, but not limited to, specific performance, injunctive relief, reversion, eviction and damages.
- M. Recording.** The Housing Authority shall record these Covenants in the real property records of San Juan County, Colorado at the Owner's expense.
- N. Personal Liability.** By taking title to the Property, all subsequent Owners shall be personally liable for compliance with the applicable terms and conditions of these Covenants.
- O. Further Actions.** Any Owner of the Property and the Housing Authority shall execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of these Covenants or any agreement or document relating hereto or entered into in connection herewith.



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

- P. Section Headings.** Paragraph or section headings within these Covenants are inserted solely for convenience of reference and are not intended to and shall not govern, limit or aid in the construction of any terms or provisions contained herein.
- Q. Gender and Number.** Whenever the context so requires in these Covenants, the neuter gender shall include any or all genders and vice versa and the use of the singular shall include the plural and vice versa.
- R. Successors.** Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of the parties hereto and all of those parties obtaining a subsequent interest in the Property. In the event that the Silverton Housing Authority ceases to exist for any reason or fails to perform the duties set forth in these Covenants, San Juan County, a political subdivision of the State of Colorado may elect to become the successor-in-interest to Silverton Housing Authority under this Declaration.
- S. Notice.** Any notice, consent or approval, which is required to be given hereunder, shall be given by either depositing in the U.S. Mail with first class postage pre-paid; mailing by certified mail with return receipt requested; sending by overnight delivery with a nationally recognized courier service that delivers to the physical address of the Property; or, by hand- delivering to the intended recipient.
- T. Actions of Silverton Housing Authority Independent from County.** The actions of the Silverton Housing Authority in administering and/or enforcing these Covenants are wholly independent from the County.



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

IN WITNESS WHEREOF, the undersigned has executed this instrument on the day and the year first written below:

9318 DEVELOPMENT VENTURES LLC

By _____

Name: _____

Its _____

STATE OF COLORADO)

) ss.

COUNTY OF SAN JUAN)

The foregoing instrument was subscribed, sworn to and acknowledged before me this ___ day of _____, 20___, by _____

_____.

Witness my hand and official seal. My commission expires _____.

SAN JUAN COUNTY, COLORADO

By: _____

Austin Lashley, Chair of the Board of County Commissioners

Attest: _____

William Tookey, County Administrator

HOUSING AUTHORITY OF THE TOWN OF SILVERTON

By: _____

Dayna Kranker, Chair of the Board of the Housing Authority of the Town of Silverton

Attest: _____

Anne Chase, Director of the Housing Authority of the Town of Silverton



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

EXHIBIT A

LEGAL DESCRIPTION

Lot 27 of the Anvil Mountain Subdivision, according to the recorded plat thereof filed for record on September 30, 2011, at Reception number 148169 and Amended Easement and Setbacks filed for record on July 25, 2019, at Reception number 152386 at the Clerk and Recorder's Office, San Juan County Colorado.

DRAFT



EXHIBIT B

OPTION TO PURCHASE

In the event of a foreclosure or acceptance of a deed in lieu of foreclosure by the holder (including assigns of the holder) of the promissory note secured by a first deed of trust (“Holder”) on the real property known as Lot 27 of the Anvil Mountain Subdivision, according to the recorded plat thereof filed for record on September 30, 2011 at Reception number 148169 and Amended Easement and Setbacks filed for record on July 25, 2019 at Reception number 152386 at the Clerk and Recorder's Office, San Juan County Colorado, (the “Property”), and subject to the issuance of a public trustee’s deed to the Holder following expiration of all statutory redemption rights, or issuance of a deed in lieu of foreclosure to the Holder, the Housing Authority of the Town of Silverton (“Silverton Housing Authority,” “Housing Authority”) or its assigns shall have the option to purchase the Property, which shall be exercised in the following manner:

1. **Notice of Foreclosure Proceedings:** The Holder shall give such notice to the Silverton Housing Authority of intent to foreclose at least sixty days prior to commencing foreclosure proceedings.

Said notice shall be sent by certified mail, return receipt requested and addressed as follows:

Silverton Housing Authority
C/O Town of Silverton
PO Box 250
Silverton, CO 81433

Town of Silverton
C/O Town Administrator
PO Box 250
Silverton, CO 81433

2. **Option to Purchase:** The Silverton Housing Authority or its assigns shall have sixty (60) days after issuance of the public trustee’s deed or deed in lieu of foreclosure in which to exercise this Option to Purchase. In the event of a deed in lieu of foreclosure, the Silverton Housing Authority may exercise the Option to Purchase by tendering to the Holder or its assigns, in cash or certified funds, the amount equal to the amount due on the note and any additional reasonable costs incurred by the Holder during the option period. In the event of foreclosure and issuance of a public trustee’s deed, the Silverton Housing Authority may exercise the Option to purchase by tendering to the Holder or its assigns, in cash or certified funds, the redemption price which would have been required of the borrower or any person who might be liable upon a deficiency on the last day of the statutory redemption period(s) and any additional reasonable costs incurred by the Holder during the option period which are directly related to the foreclosure.



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

3. **Title.** Upon receipt on the option price, the Holder shall deliver to the Silverton Housing Authority or its assignee a special warranty deed, conveying the Property to the Silverton Housing Authority or its assignee. The holder shall convey only such title as it is received through the public trustee's deed or deed in lieu of foreclosure and shall not create or participate in the creation of any additional liens or encumbrances against the Property following issuance of the public trustee's deed to the Holder. The Holder shall not be liable for any of the costs of conveyance to the Silverton Housing Authority or its assignee.
4. **Release:** Upon issuance of a public trustee's deed or deed in lieu of foreclosure to the Holder, the Silverton Housing Authority or its assigns shall have sixty (60) days in which to exercise the Option to Purchase as set forth herein by notifying the Holder in writing of its intent to exercise the option.

In the event that the Silverton Housing Authority or its assigns does not notify the Holder in writing of its intent to exercise the Option to Purchase as set forth herein, the Silverton Housing Authority's Option to Purchase and the Silverton Housing Authority 735 Martha Rose Affordability Covenants recorded at Reception Number _____ in the records of the Clerk and Recorder of San Juan County, Colorado shall be automatically released only with respect to the Property which is the subject of foreclosure as of the thirty-first day after the issuance of such public trustee's deed or deed in lieu of foreclosure. The Holder shall not be required to take any affirmative action to obtain such release.

It is the intent of the Silverton Housing Authority that the Option to Purchase and the referenced Affordability Covenants be terminated automatically upon the failure of the Silverton Housing Authority or its assigns to provide written notice of its intent to exercise its Option to Purchase to the Holder, whether such failure is intentional or unintentional, and that such termination will be effected without the necessity of any affirmative action on the part of the Holder and without the necessity of filing a release of such Deed Restriction Agreement or option of public record.

It is agreed that this Section 4 shall not result in a release of the Affordability Covenants from any other property which is not the subject of foreclosure, and nothing contained herein shall require the Housing Authority to release and waive its ability to enforce the Affordability Covenants in the event of a foreclosure of a lien secured in second or subsequent position.



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

5. **Successors and Assigns**: The provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of any Owner of the Property and the Silverton Housing Authority.

6. **Modification**: The parties hereto agree that any modifications to this Option to Purchase shall be effective only when made by writings signed by all parties and recorded with the Clerk and Recorder's Office of San Juan County, Colorado.

DRAFT



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

EXHIBIT C

ACKNOWLEDGEMENT OF THE SILVERTON HOUSING AUTHORITY 735 MARTHA ROSE AFFORDABILITY COVENANTS

WHEREAS, [Buyer Name] _____ (the “Buyer”) is purchasing from [Seller Name] _____ (the “Seller”) at a price of [purchase price amount] _____, the real property and improvements located in [Address & Neighborhood] _____ more particularly described as:

Lot 27 of the Anvil Mountain Subdivision according to the plat recorded under Reception No. 148169 and Amended Easement and Setbacks recorded under Reception No. 152386, in the real property records of San Juan County, Colorado (the “Subject Property”); and

WHEREAS, the Seller of the Subject Property is requiring, as a prerequisite to the sales transaction, that the Buyer acknowledge and agree to the terms, conditions and restrictions found in that certain instrument entitled “SILVERTON HOUSING AUTHORITY 735 MARTHA ROSE AFFORDABILITY COVENANTS” recorded on _____, 20__, under Reception No. _____, in the real property records of San Juan County, Colorado (the “Covenants,” “Use Covenants”).

NOW, THEREFORE, as an inducement to the Seller to sell the Property, the Buyer:

1. Acknowledges that Buyer has carefully read the entire Affordability Covenants, has had the opportunity to consult with legal and financial counsel concerning the Affordability Covenants, and fully understands the terms, conditions, provisions, and restrictions contained in the Affordability Covenants, and agrees to abide by the Affordability Covenants.
2. Buyer acknowledges that the Affordability Covenants impose a future sale to a Qualified Household at no greater than the Maximum Sales Price exclusively on the sale or conveyance of the Subject Property.
3. I/we acknowledge that no sales/purchases are exempt from the requirement that the Property be occupied by a Qualified Household in accordance with the Affordability Covenants. All future buyers shall complete an application for approval of Qualified Household status with the Silverton Housing Authority or its designee. Current and future buyers agree that (i) the Owner or lessee qualifies as a Qualified Household; (ii) the Owner uses the Property as its Primary Residence; and (iii) the Owner is in compliance with the terms and conditions of these Covenants.



SILVERTON HOUSING AUTHORITY
735 MARTHA ROSE
AFFORDABILITY COVENANTS

4. Notice to Buyer, pursuant to Section 12 of the Affordability Covenants, should be sent to:

5. I/we direct that this acknowledgement be placed of record in the real estate records of San Juan County, Colorado and a copy provided to Silverton Housing Authority.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on the _____ day of _____, 20____.

BUYER(S):

Printed Name

Printed Name

STATE OF _____)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____

_____.

Witness my hand and official seal.

Notary Public