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ADDENDUM TO ANNEXATION AGREEMENT

THIS ADDENDUM modifies the Annexation Agreement dated August 7, 2000 by and between Verzuh Ranch, Inc. and the Town of Crested Butte recorded August 18, 2000 as Reception No. 504285 in the Gunnison County records ("Annexation Agreement").

1. Section 3.A.3 of the TOWN OF CRESTED BUTTE 1995 AFFORDABLE HOUSING GUIDELINES 2000 Edition, attached as Exhibit E to the Annexation Agreement, is revised to read as follows:

3. a. Except as provided in Section 3.A.3.b, does not own an interest, alone or in conjunction with others, in any other residence or residential land. An applicant and his or her spouse who owns residential real estate must sell the residence or residential land to an unrelated person or entity in which the applicant or spouse has no interest, for no less than fair market value prior to closing on a deed restricted housing tract. If the residential real estate is not sold by the time of closing on the deed restricted housing tract, the applicant becomes ineligible to purchase the tract and shall not close on it. (The seller may delay closing until the applicant sells the other residential real estate or the seller may void the contract to sell and may enter into a new contract to sell to a different Qualified Buyer.)
- b. Notwithstanding the provisions of Section 3.A.3.a, an applicant who is otherwise a Qualified Buyer may continue to own his or her primary residence in the Crested Butte Fire Protection District after acquiring title to a deed restricted housing tract. However, no certificate of occupancy will be issued for a residence on the deed restricted housing tract until such primary residence has been sold to an unrelated person or entity in which the applicant has no interest, for no less than fair market value.
- c. Except as provided in Section 3.A.3.b, neither a Qualified Buyer nor his or her spouse may own any other residence or residential land while owning a deed restricted housing tract.

2. Section 4(B)(3) of the TOWN OF CRESTED BUTTE 1995 AFFORDABLE HOUSING GUIDELINES 2000 Edition, attached as Exhibit E to the Annexation Agreement, is revised by adding the following Section 4.B.3.c:

