

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"), subsequently modified in the Addendum To Annexation Agreement dated October 11, 2000, and recorded in the real property records of Gunnison County on October 13, 2000 at Reception No. 505918.

1. Section 3.A.3.b of the Town of Crested Butte 1995 Affordable Housing Guidelines, 2000 Edition, Part VI., Verzuh Annexation is amended by replacing the phrase "the Crested Butte Fire Protection District" in the first sentence of that paragraph with the phrase "Gunnison County."

2. Section 3.A.4 of the Town of Crested Butte 1995 Affordable Housing Guidelines, 2000 Edition, Part VI., Verzuh Annexation is amended by deleting it in its entirety and replacing it with the following:

"4. Resides in Gunnison County at the time a purchase contract for the tract is signed."

3. Section 4., Paragraph B.3. of the Town of Crested Butte 1995 Affordable Housing Guidelines, 2000 Edition, Part VI., Verzuh Annexation, is amended by the addition of the following:

"c. For an unimproved tract, the 3% per annum increase in the maximum sale price under Section 4.B.3.a or the CPI increase in the maximum sale price under Section 4.B.3.b shall commence on the date that the Qualified Buyer acquires title to such tract. For improvements constructed on such tract, the 3% per annum increase in the maximum sale price under Section 4.B.3.a or the CPI increase in the maximum sale price under Section 4.B.3.b shall commence on the date that the Town issues a certificate of occupancy for such improvements."

Except as modified by this Addendum and the above-referenced Addendum, the terms and provisions of the Annexation Agreement are hereby reaffirmed and ratified.

Approved this 31st day of January, 2003.

TOWN OF CRESTED BUTTE, COLORADO

A municipal corporation

By: Linda Powers
Linda Powers, Mayor

Attest:

Eileen Hughes
Eileen Hughes, Town Clerk

TOWN OF CRESTED BUTTE, COLORADO
A municipal corporation

Attest:

By: Linda Powers
Linda Powers, Mayor

Eileen Hughes
Eileen Hughes, Town Clerk

STATE OF COLORADO)
)ss.
COUNTY OF GUNNISON)

The foregoing instrument was acknowledged before me this 3^d day of February, 2003, by Linda Powers, Mayor, and Eileen Hughes, Town Clerk of the Town of Crested Butte.

Witness my hand and official seal. My commission expires: 2-28-2005.

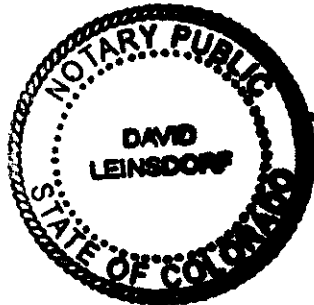


[Signature]
Notary Public

STATE OF COLORADO)
)ss.
COUNTY OF GUNNISON)

The foregoing instrument was acknowledged before me this 31st day of January, 2003, by Billy Joe Lacy as President of Verzuh Ranch, Inc., a Colorado corporation.

Witness my hand and official seal. My commission expires: 09/13/04.



[Signature]
Notary Public