

SALES RESTRICTION
(LOTS 1 THROUGH 60, GRANBY RANCH FILING NO. 1B)

Lots 1 through 60, Granby Ranch Filing No. 1B (the "Subdivision") may not be conveyed or transferred, except for a bulk transfer of all such lots to a single person or entity, until they have been released from this Sale Restriction (the "Restriction") by a Qualifying Resolution of the Board of Trustees of the Town of Granby, Colorado, (the "Town") which Resolution has been recorded in the records of the Clerk and Recorder of Grand County ("Resolution"). A Resolution will only be approved when: (a) A Subdivision Improvements Agreement has been entered into between the Developer and the Town which provides a Guaranty of Completion for the Subdivision as required by Section 17-2-8 of the Granby Town Code; (b) an engineer designated by the Town has provided final engineering approval of construction drawings for the Subdivision improvements; and (c) any School Dedication Fees required by the Town regulations have been paid. This Restriction does not prohibit the Developer from entering into sales contracts for the lots within the Subdivision, provided each sales contract requires that: (a) Any earnest money is paid directly to an independent title company acting as escrow agent, and (b) such earnest money is repaid to the buyer on demand if a Resolution has not been recorded on or before the Closing Date specified in the sales contract.

The Board of Trustees of the Town reserves the right to vacate the plat of the Subdivision in the event no Resolution has been approved on or before December 31, 2008.

TOWN OF GRANBY, a Colorado municipal corporation

By: [Signature]
Edward Wang, Mayor

ATTEST: [Signature]
Town Clerk

Granby Realty Holdings, LLC, a Colorado limited liability company

By: [Signature]
Michael S. Gilliland, Manager



STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Acknowledged before me this 29th day of March, 2006, by Michael S. Gilliland, as Manager of Granby Realty Holdings, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: 1-31-09

(SEAL) [Signature]
Notary Public



GRANBY REALTY HOLDINGS, LLC
999 Village Road
Granby, CO 80446

March 29, 2006

VIA FEDERAL EXPRESS

Mr. Ron Skarka
Village Homes of Colorado, Inc.
100 Inverness Terrace East, Suite 200
Englewood, CO 80112

Dear Mr. Skarka:

At the request of Melissa Cipriani, enclosed are the following; which have been signed by Mike Gilliland on behalf of Granby Realty Holdings, LLC:

1. Sales Restriction (Lots 1 through 60, Granby Ranch Filing No. 1B); and
2. Sales Restriction (Lots 1 through 87, Granby Ranch Filing No. 2B).

Very truly yours,



Terry Smith
Secretary to Michael S. Gilliland

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Enclosures