Regular Board Meeting
Jackson/Teton County Housing Authority
Teton County Old Library
320 S. King St.
Jackson, WY

November 6, 2019
2:00 P.M.

JACKSON/TETON COUNTY AFFORDABLE HOUSING

1. Call to Order

2. Pronouncement of Quorum

3. Public Comment

4. Approval of Regular Meeting Minutes for October 2, 2019

5. Review of August Financials, & Staff Update

6. End of FY 18/19 Budget Review

7. Melody Ranch Townhomes Roof Repair Financing and Purchase of Restrictions

8. 440 W. Kelly Ave. Update

9. 105 Mercill Ave. Update

10. 174 N. King St. Update

11. Aspen – Pines Water & Sewer District CSP application

12. Amended and Restated Restrictions for 1510 Sublette Drive, 30 Pine Glades Drive, and 36 Pine Glades Drive.

13. Millward Ground Lease Compliance – Exterior Structures.

14. Matters from Staff

15. Matters from Board

16. Executive Session

17. Adjourn

Jackson/Teton County Housing Authority
Meeting Minutes
October 10, 2019
Teton County Old Library

The regular meeting of the Jackson/Teton County Housing Authority Board was called to Order on October 10, 2019 at 2:02 pm in the Conference Room of the Teton County Old Library building at 320 S. King Street, Jackson, Wyoming. Attendees were Amy Robinson, Matt Faupel, Stacy Stoker, Julia Johari, attorney John Graham, and two members of the public.

Pronouncement of Quorum

Board Vice-Chair, Amy Robinson and Chair, Matt Faupel were present. Matt Faupel declared a quorum.

Public Comment

No Public Comments

Approval of Regular Meeting Minutes for September 4, 2019

Matt Faupel motioned to approve the Regular Meeting minutes for September 4, 2019. Amy Robinson seconded the motion. The motion was approved unanimously.

Review of August Financials & Staff Update

A discussion occurred regarding the 791 Wind River Lane Weighted Drawing, and the 763 Wind River Lane Weighted Drawing. This discussion included the Rules & Regulations update that went into effect on October 7th, 2019. No action was taken.

St John's Medical Center CSP Application

Purpose of Agenda Item – Consideration of St. Johns Medical Center's request for the position of Director Critical Care as a Qualified Critical Services Provider (CSP) position. St. John's Medical Center is already an approved CSP Organization. Background – Community based institutional or non-profit organizations that have paid or volunteer employees who are on call 24 hours per day for public safety emergencies can apply to the Housing Authority Board to become qualified CSP Organizations with approved CSP positions. Qualified CSPs receive one point (entry) in weighted drawings with a maximum of two per household. They must have completed all required certifications, have worked at least one year at a local business and have a recommendation from their supervisor. Definition of a Critical Services Provider: An employee or volunteer of a community based institutional or non-profit organization on call 24 hours per day for public safety emergencies.

Staff reviewed the Key Points from the application:

- The position provides immediate response for health and safety services.
- The position has employees on call 24/hrs. per day for public safety emergencies.
- The position is full-time during day and night shifts and is on call if not scheduled for the shift.
- The position requires completion of BSN-Nursing, BLS, ACLS, ENPC or PALS, and TNCC or ATCN.
- Time it takes to complete certification is 4 years. Attachments
- Critical Services Organization Application from St. Johns Medical Center.

A short discussion occurred.

Motion

Amy Robinson moved to approve St. Johns Medical Center's Director Critical Care as a Qualified Critical Services Provider position. Matt Faupel seconded the motion. The motion was approved unanimously.

440 W. Kelly Ave. Update

Staff let the Board know that the Town Council and County Commissioners will be discussing this property at the October 7th Joint Information Meeting.

105 Mercill Ave. Update

Staff let the Board know that a workshop was held to discuss some of the key points for the development agreement and ground lease. No action was taken.

174 N. King St. Ave. Update

John Graham gave an update to Staff and the Board Staff regarding the ground lease and development agreement, with an emphasis on financing. A discussion occurred. No action was taken.

Housing Department Rules and Regulations Clean-Up – Update

Staff let the Board know that the 2nd Ordinance was read, approved, and that there has been no public comment. No action was taken.

Matters from the Staff

Staff updated the Board about a situation with Millward homeowners building structures. The Housing Department has reached out to the Millward HOA to find out what the terms of their allowances for structures are. The Housing Department's ground leases state that homeowners are not allowed to build structures on their properties. A short discussion occurred. No action was taken.

Staff let the Board know that the lease at the Grove Phase I states that tenants are responsible for maintenance of their own appliances. Staff asked for the Board's recommendation to clarify the terms of what repair costs the Housing Department is responsible for.

Matters from the Board

No matters from the Board.

Adjourn

Amy Robinson motioned to adjourn at 2:36pm. Matt Faupel seconded. The motion passed unanimously.

Respectfully Submitted:

Annie Kent Droppert, Clerk _____

Approved by the Board of Housing Authority Commissioners as evidenced by their signatures below:

Matt Faupel Date_____ _____

_____

Chair

Amy Robinson Date_____ _____

_____

Vice Chair

Annie Droppert Kent Date_____ _____

_____

Clerk

JACKSON/TETON COUNTY HOUSING AUTHORITY

Balance Sheet

As of September 30, 2019

	Sep 30, 19	Aug 31, 19	$ Change
ASSETS			
Current Assets			
Checking/Savings			
FIB - Administration	764,548.68	763,356.23	1,192.45
FIB - Millward Ground Lease	94,818.15	94,818.15	0.00
FIB - Supply	1,000.01	0.00	1,000.01
Total Checking/Savings	860,366.84	858,174.38	2,192.46
Accounts Receivable			
Ground Lease Receivables	4,211.52	(3,073.56)	7,285.08
Total Accounts Receivable	4,211.52	(3,073.56)	7,285.08
Total Current Assets	864,578.36	855,100.82	9,477.54
Fixed Assets			
Buildings & Improvements			
260 West Broadway	1,391,040.08	1,391,040.08	0.00
Accumulated Depreciation	(621,234.82)	(621,234.82)	0.00
The Grove Phase I	6,776,024.29	6,776,024.29	0.00
Total Buildings & Improvements	7,545,829.55	7,545,829.55	0.00
Furniture, Fixtures & Equipment	22,024.69	22,024.69	0.00
Land & Projects			
440 West Kelly Avenue	1,703,568.00	1,703,568.00	0.00
575 East Hall Avenue	1,159,017.60	1,159,017.60	0.00
Hall Street	2,565,214.22	2,565,214.22	0.00
Millward Neighborhood	1,412,795.50	1,412,795.50	0.00
Mountain View Meadows	450,000.00	450,000.00	0.00
Rains Property	2,002,815.01	2,002,815.01	0.00
The Grove	3,385,000.00	3,385,000.00	0.00
Wilson Meadows	353,080.00	353,080.00	0.00
Total Land & Projects	13,031,490.33	13,031,490.33	0.00
Total Fixed Assets	20,599,344.57	20,599,344.57	0.00
Other Assets			
Allowance for Doubtful Accounts	(273,481.00)	(273,481.00)	0.00
Snow King Apts. Int. Receivable	3,481.00	3,481.00	0.00
Snow King Apts. Note Receivable	270,000.00	270,000.00	0.00
Total Other Assets	0.00	0.00	0.00
TOTAL ASSETS	21,463,922.93	21,454,445.39	9,477.54
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	3,177.22	3,237.20	(59.98)
Total Accounts Payable	3,177.22	3,237.20	(59.98)
Other Current Liabilities			
Current Portion of LTD	112,000.00	112,000.00	0.00
Escrow Payable	10,000.00	10,000.00	0.00
Security Deposits	54,104.58	55,379.58	(1,275.00)
Total Other Current Liabilities	176,104.58	177,379.58	(1,275.00)
Total Current Liabilities	179,281.80	180,616.78	(1,334.98)

JACKSON/TETON COUNTY HOUSING AUTHORITY

Balance Sheet

As of September 30, 2019

	Sep 30, 19	Aug 31, 19	$ Change
Long Term Liabilities			
Current Portion of LT Debt	(112,000.00)	(112,000.00)	0.00
Note Payable - FIB(6348)	2,586,181.11	2,596,020.23	(9,839.12)
Total Long Term Liabilities	2,474,181.11	2,484,020.23	(9,839.12)
Total Liabilities	2,653,462.91	2,664,637.01	(11,174.10)
Equity			
Retained Earnings	18,752,896.18	18,752,896.18	0.00
Net Income	57,563.84	36,912.20	20,651.64
Total Equity	18,810,460.02	18,789,808.38	20,651.64
TOTAL LIABILITIES & EQUITY	21,463,922.93	21,454,445.39	9,477.54

JACKSON/TETON COUNTY HOUSING AUTHORITY

Profit & Loss by Class

July through September 2019

	Administration	Broadway	Hall	Housing Supply	Millward	Rains	The Grove	Wilson Meadows	Wilson Park	TOTAL
Ordinary Income/Expense										
Income										
Rent Income	0.00	58,502.73	375.00	8,100.00	4,520.00	0.00	95,918.79	530.00	400.00	168,346.52
Total Income	0.00	58,502.73	375.00	8,100.00	4,520.00	0.00	95,918.79	530.00	400.00	168,346.52
Gross Profit	0.00	58,502.73	375.00	8,100.00	4,520.00	0.00	95,918.79	530.00	400.00	168,346.52
Expense										
Insurance	0.00	(324.69)	0.00	0.00	0.00	0.00	8,371.00	0.00	0.00	8,046.31
Management Fees	0.00	0.00	0.00	0.00	0.00	0.00	7,865.25	0.00	0.00	7,865.25
Professional Fees	8,375.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,375.00
Rent(Ground Lease Fee)	0.00	38,929.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38,929.02
Repairs & Maintenance	0.00	1,752.75	0.00	0.00	0.00	539.50	8,292.61	0.00	0.00	10,584.86
Taxes & Licenses	0.00	(467.58)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(467.58)
Telephone	0.00	0.00	0.00	0.00	0.00	0.00	273.04	0.00	0.00	273.04
Utilities	0.00	896.95	0.00	0.00	0.00	0.00	6,063.40	0.00	0.00	6,960.35
Total Expense	8,375.00	40,786.45	0.00	0.00	0.00	539.50	30,865.30	0.00	0.00	80,566.25
Net Ordinary Income	(8,375.00)	17,716.28	375.00	8,100.00	4,520.00	(539.50)	65,053.49	530.00	400.00	87,780.27
Other Income/Expense										
Other Income										
Interest Income	185.21	0.00	0.00	0.00	23.31	0.00	0.00	0.00	0.00	208.52
Other Income	731.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	731.11
Total Other Income	916.32	0.00	0.00	0.00	23.31	0.00	0.00	0.00	0.00	939.63
Other Expense										
Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00	31,156.06	0.00	0.00	31,156.06
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	31,156.06	0.00	0.00	31,156.06
Net Other Income	916.32	0.00	0.00	0.00	23.31	0.00	(31,156.06)	0.00	0.00	(30,216.43)
Net Income	(7,458.68)	17,716.28	375.00	8,100.00	4,543.31	(539.50)	33,897.43	530.00	400.00	57,563.84

JACKSON/TETON COUNTY HOUSING AUTHORITY

Profit & Loss by Class

September 2019

	Administration	Broadway	Housing Supply	Millward	Rains	The Grove	TOTAL
Ordinary Income/Expense							
Income							
Rent Income	0.00	19,500.91	2,700.00	1,440.00	0.00	32,892.58	56,533.49
Total Income	0.00	19,500.91	2,700.00	1,440.00	0.00	32,892.58	56,533.49
Gross Profit	0.00	19,500.91	2,700.00	1,440.00	0.00	32,892.58	56,533.49
Expense							
Insurance	0.00	(108.23)	0.00	0.00	0.00	0.00	(108.23)
Management Fees	0.00	0.00	0.00	0.00	0.00	2,621.75	2,621.75
Professional Fees	3,180.00	0.00	0.00	0.00	0.00	0.00	3,180.00
Rent(Ground Lease Fee)	0.00	12,976.34	0.00	0.00	0.00	0.00	12,976.34
Repairs & Maintenance	0.00	120.00	0.00	0.00	539.50	3,299.75	3,959.25
Taxes & Licenses	0.00	(155.86)	0.00	0.00	0.00	0.00	(155.86)
Utilities	0.00	318.82	0.00	0.00	0.00	2,564.15	2,882.97
Total Expense	3,180.00	13,151.07	0.00	0.00	539.50	8,485.65	25,356.22
Net Ordinary Income	(3,180.00)	6,349.84	2,700.00	1,440.00	(539.50)	24,406.93	31,177.27
Other Income/Expense							
Other Income							
Interest Income	40.88	0.00	0.00	4.96	0.00	0.00	45.84
Other Income	2.26	0.00	0.00	0.00	0.00	0.00	2.26
Total Other Income	43.14	0.00	0.00	4.96	0.00	0.00	48.10
Other Expense							
Interest Expense	0.00	0.00	0.00	0.00	0.00	10,573.73	10,573.73
Total Other Expense	0.00	0.00	0.00	0.00	0.00	10,573.73	10,573.73
Net Other Income	43.14	0.00	0.00	4.96	0.00	(10,573.73)	(10,525.63)
Net Income	(3,136.86)	6,349.84	2,700.00	1,444.96	(539.50)	13,833.20	20,651.64

MEMO

TO: **Jackson/Teton County Housing Authority Board**
FROM: **Housing Department Staff**
DATE: **October 31, 2019**
SUBJECT: **Monthly Staff Update**

Database – The Housing Department's database continues to be updated. Several revisions are being done to help staff with tracking data, running reports, etc. It is being linked to our Online Intake Form so that data is easier to track.

Sales and Rentals – Year-to-Date Stats, January 1 to October 31, 2019:

- 8 homes sold/closed to date
- 4 homes under contract, closings 11/5, 11/8, 11/12 & 11/12
- 3 homes qualified, contracts pending review by buyers

The chart below shows the stats requested by the Board for weighted drawings.

Unit	Bedrooms	Total Applicants	Average Points	Selected Household Points	Status
Unit 46 Millward	3	9 (No Dogs)	10	10 entries Picked on 1	Closed
Unit 19 Melody Ranch	2	8	6	10 entries Picked on 1	Closed
Unit 205 199 East Pearl	1	37	2	10 entries Picked on 3	Closed
Unit 14 Sage Meadows	2 + loft	HA purchased	NA	NA	Closed
Unit 202 Grove rentals	2	5	10	5 entries Picked on 1	moved in
Unit 307 Grove rentals	1	5	6	6 entries Picked on 1	moved in
Unit 35 810 West	2	26	6	10 entries picked on 1	Closed

Unit 14 Sage Meadows	2	3	6	7 entries picked on 1	Closed
Unit 210 Grove Rentals	2	9	4	4 entries picked on 3	Moved in
Unit 13 Homesteads at TV	3	1	NA	NA	Closed
Unit 4 Spruce Townhomes	3	14	7	10 entries picked on 1	Under Contract
Unit 32 Millward	3 +	7	6	5 entries picked on 4	Closed
Unit 7 Raver Condominiums	1	2	7	7 entries picked on 3	Re-ran drawing, no entries
Unit 208 Grove Rentals	2 +	8	4	10 entries picked on 6	Moved in
Unit 107 Pearl at Jackson	1	11	4	10 entries picked on 4	Closed
Unit 30 Pine Glades	3	15		9 entries picked on 3	Under Contract
Unit 89 Wilson Third	2	17	6.5	10 entries picked on 3	Under Contract
Unit 12 MR Town Homes					Under weighted drawing
Unit 5 810 West	2	17	6.5	10 entries picked on 1	Contract pending review from Buyer
Unit 6 Ellinwood	1	15	3	5 entries picked on 5	Contract pending review from buyer
Unit 35 Ellingwood	2	13	5	10 entries picked on 8	Under Contract
Unit 3 MR Townhomes	2	6	4	8 entries picked on 8	Contract pending review from buyer

Listed below are the families who have been chosen in drawings this year and have either closed or are in the process of purchasing their new home.

- Sonia Susano Hernandez and Aron Ramierez + 2 children
    - Sonia works at Children's Learning Center. Aaron works at Mountain Top Tile and Tasker Care.
    - 3-bedroom, 2-bathroom unit.
    - Closed

- KC and Mary Bess + 2 Children
    - KC works at Mad River and Mary works at JH Wildlife Safaris
    - 2-bedroom, 2-bathroom unit
    - Closed
- Nate Siegler
    - Nate is a caretaker for Brittenham Lodge
    - 1-bedroom unit
    - Closed
- Blake & Bailey Morley + 1 child
    - Blake works as General Manager at Blue Spruce and Bailey is a Villa Rental Coordinator at Clear Creek Group
    - 2-bedroom unit
    - Closed
- Wesley & Stefanie Womack + 2 children
    - Wes & Stefanie are Engineers at Epsilon Tech
    - 2-bedroom + loft unit
    - Closed
- Janet Romero and David Morillon Torija + one child
    - Janet works at Saint John's Medical Center and David works at Lucky's Market
    - 2-bedroom plus unit
    - Moved in
- Cataline Garcia Hernandez + one child
    - Catelina works at Stitch Upholstery as a seamstress
    - 1-bedroom unit
    - Moved in
- Maureen Murphy
    - Moe works for JH Chamber of Commerce
    - 1-bedroom unit
    - Closed
- Elizabeth Ricciardi and Thomas Deltz + 2 children
    - Beth is a photographer and Thom works at Flynn Irrigation and JHMR
    - 3-beroom unit
    - Closing 9/3/19
- Rosslyn and Shelby Read
    - Rosslyn works at Climb WY and Shelby works at Community Foundation
    - 3-bedroom unit
    - Closed 9/20/2019
- Pemba Sherpa and Nim Sherpa + 1 child
    - Pemba and Nim are self-employed landscapers and cleaners
    - 2-bedroom + unit
    - , moved in
- Adam and Abigale Chenault
    - Adam works at Teton Art Services and Abigale works at Calico
    - Closing on or before 10/17/19
- Lizbeth Perez Garcia and Alexander Charintsev + 1 child
    - Lizbeth works at St. Johns and Alexander works at Dubbe Moulder Archects
    - 2-bedroom, 2-bathroom

    - qualified, moved in
  - Patrick and Alicia McGaugh + 3 children
    - Patrick works for Grand Teton National Park and Alicia works for Little Lamb's Preschool
  - Arty Polo and Erin Guertin + 2 children
    - Arty works for Teton Youth and Family Services as Program Director and Erin owns Genevieve Catering, LLC.

Scott Dropinski

- Scott works for the airlines, the Blue Lion, and self-employed wood working

Jacob and Rachel Rambo +1 child

- Jacob works for Local & Trio, Rachel works for Cathy and Dustin Hindley

Matthew Clos and Andrea Mazer + 1 child

- Matt works at JHMR and Andrea works for Teton County Public Health

Beau and Leslie Beckworth + 2 children

Beau works for Café Genevieve, Boreal Property Mgmt, and Mountain Man Wood Floors, Leslie works for Teton County Weed and Pest

Town and County Employee Housing Programs: Teton County currently owns 15 housing units that they use for housing their employees. The Housing Department has worked with the County on their employee rental units since the program's inception in 2008. The Housing Department began working with the Town of Jackson on their soon to be 50 housing units in May of 2019. This work includes collecting initial rent and security deposits, tracking rents, inspecting units upon move-out to ensure they are clean and ready for a new tenant, signing leases, and showing units to potential tenants.

Town of Jackson Employee Rentals 5/1/19 to present – 30 units have been rented to Town employees since July 31st

Teton County Employee Rentals 1/1/19 to present – 12 units have been rented to County employees since January 1st

Grove Phase 2 Warrantees –To date, the Grove Phase 2 warranty issues were thought to be resolved, but some final touches to leaking thresholds are being done.

Grove Phase 1 Lease Renewals – Requalification of tenants at The Grove began in May with lease renewals taking place September 1. This involves collecting employment and income verification from all 20 tenants at The Grove. All tenants have been qualified for 2019. Two families are moving out. One is moving into a Hidden Hollow restricted unit, and the other is moving somewhere unknown. Another family was chosen for a Habitat unit and will be leaving The Grove in February. Another tenant is moving out to go on a back-packing trip from Mexico to Canada. They will be leaving the end of March.

Employee/Affordable Rental Housing Verification –The owners of these units are required to annually verify the units are being rented to employees working in Teton County. Recently approved standardized restriction templates are now in use for new units. There are currently 692 total Employee/Workforce/Affordable Rental units.

- Unit 103, Osprey Landing – Owner received a default notice from the Housing Department with a deadline of 10/31/19. The Housing Department received a reply dated 10/25/19. Owner is actively seeking to cure the violation. A reply was sent by the Housing Department that

documents will be expected by 11/25/19 or the HD will be compelled to find a qualified tenant for this unit.

- 429 Snow King – Verifications for 2019 will be sent soon to this owner. Information will be included that indicate a default will be sent for occupancy violation.
- Ranches at Spring Creek –No update available. Housing will follow up with planning to confirm validity of restriction requirements.
- Meadowbrook Unit B9 – The restated restriction was recorded 10/25/19. The unit is currently under contract.
- 655 Powderhorn Lane – Owners have provided verification documents as requested.
- Mill Iron Timberworks, Unit 2-2B – Housing Department to follow up with owner on submission of verification documents.

Sunset Clause Releases – There were a total of 99 units that have a sunset clause restriction in Housing Department inventory. 2017 - 20 expired. 19 expire in 2019, 10 are due to expire in 2020, and two in 2021. One new Certificate of Release was recorded 10/15/19. One is in the process of being recorded, two others pending payment and official request to release.

Request to Rent/Leave of Absence – One possible leave of absence has expired. Circumstances were that Owner did not need to utilize the leave but may need to request leave with future developments.

Request for Exception – Three Exception Requests were submitted since the last HAB meeting. One was approved, two were denied.

Qualified Mortgage Request – Three new qualified mortgage requests were received and approved since the last HAB meeting.

Transfer of Title – One request is in the process of being recorded. One request is pending.

Employment-Based/Workforce Ownership Requalification's – 15 Employment-Based and 3 Workforce Ownership units have been requalified to date. There are currently 49 Employment-Based Units and 10 Workforce Ownership Units.

Affordable Check-Ins – 9 of the affordable check in units have provided the requested documents. There are a total of 15 units to date that are required to meet the conditions of the Rules and Regulations adopted 6/2018.

Proof of Insurance – All affordable homes were asked to provide proof of insurance on their homes. All 33 developments have been sent requests. Declaration pages continue to filter in. A review of coverage is scheduled for the first part of November with possible recommendations from the Housing Department.

Violations – One outstanding violation – Millward Redevelopment and other structures. Waiting on information from the HOA Board and direction from the HAB. One new complaint resolved.

Online Systems – Owners of restricted units now have the ability to upload verification documents online. Requalification for Workforce and Employment Based units as well as the affordable check-ins can now upload all information online. Eventually, we will also be able to allow people to enter a

drawing online. This is more complicated because documentation must be approved before a drawing is entered. Staff has given greater priority to the compliance side of online verification.

Spanish-Language Outreach
The majority of Housing Department documents have been translated into Spanish. We are also working on translating the How to Sell and How to Buy booklets. We have partnered with Habitat for Humanity to give housing information presentations to employees of various local companies. Habitat has helped us translate those presentations into Spanish and has provided staff to answer questions in Spanish. The Housing Department is partnering with Teton County Park & Rec. Housing information will be available with staff onsite to answer questions in both English and Spanish at their next community "Movie Night" event in July. We have also added Spanish translations to all our weighted drawing e-mail and text notifications by utilizing google translate.

Housingjh.org – the Housing Action plan states that we coordinate access to housing opportunities. Staff has been partnering with Teton Habitat and the Housing Trust, and will begin working on "housingjh.org", a "one stop shop" for Jackson housing resources in September. We hope to launch housingjh.org in the Winter season.

Homeowner Spotlights – Homeowner spotlights are posted on the jhaffordablehousing.org website. They include pictures, short bios, and quotes from some of our new homeowners. Please see the attached for our latest Homeowner Spotlight and visit **jhaffordablehousing.org** for more.

Annual Report – The annual report for 2018 has been released.

Housing Portfolio – The Deed Restricted Housing Portfolio is a booklet containing information on deed restricted housing in Teton County. It will be released very soon.

SPET Education – Informational flyers were created to educate the public regarding housing statistics to gear up for the Specific Purpose Exise Tax (SPET) election on November 5th. The community will be able to vote on Proposition #7: Community Housing Opportunities for $5.5 Million.

Budget Performance - FY18/19

ACCOUNT	TOTALS	BUDGET	REMAINING BALANCE	% USED	% of FYTD
					100%
Expenses				**(% cash out)**	
Broadway	$ 193,756.93	$ 215,600.00	$ 21,843.07	89.87%	
Hall	$ 55.00	$ 101.00	$ 46.00	54.46%	
Millward	$ 480.00	$ 10,681.00	$ 10,201.00	4.49%	
The Grove Phase 1	$ 394,752.82	$ 372,252.00	$ (22,500.82)	106.04%	
Wilson Meadows	$ -	$ 140.00	$ 140.00	0.00%	
Wilson Park	$ -	$ 101.00	$ 101.00	0.00%	
Supply	$ 1,834.63				
Administration	$ 63,264.87	$ 500.00	$ (62,764.87)	12652.97%	
TOTAL	**$ 654,144.25**	**$ 599,375.00**	**$ (52,934.62)**	**109.14%**	

Revenue				**(%cash in)**	**NET INCOME**
Broadway	$ 244,086.53	$ 228,978.00	$ 15,108.53	106.60%	$ 50,329.60
Hall	$ 1,705.00	$ 1,400.00	$ 305.00	121.79%	$ 1,650.00
Millward	$ 19,310.00	$ 17,280.00	$ 2,030.00	111.75%	$ 7,190.00
The Grove Phase 1	$ 411,961.53	$ 377,250.00	$ 34,711.53	109.20%	$ 2,788.58
Wilson Meadows	$ 2,025.00	$ 1,920.00	$ 105.00	105.47%	$ 2,025.00
Wilson Park	$ 1,700.00	$ 1,400.00	$ 300.00	121.43%	$ 1,700.00
Supply	$ 553,658.61	$ -	$ 553,658.61		$ 553,658.61
Administration	$ 43,238.50	$ 10,000.00	$ 33,238.50	432.39%	$ (20,026.37)
TOTAL	**$ 1,277,685.17**	**$ 638,228.00**	**$ 639,457.17**	**200.19%**	**$ 599,315.42**

MEMO

TO: **Jackson/Teton County Housing Authority Board**
FROM: **Stacy Stoker, Housing Manager**
DATE: **November 1, 2019**
SUBJECT: **November 6, 2019 Housing Authority Board Agenda**

Item 6. End of FY 18/19 Budget Review

The final reconciled budget is attached. This reconciled Budget Performance document has been prepared by staff. The monthly and YTD financials are prepared by an accountant. As requested by the board, the Housing Authority's accountant, Stewart Johnson will be present at the November 6 meeting to answer any questions the board may have.

Item 7. Melody Ranch Townhomes Roof Repair Financing and Purchase of Restrictions

On October 24, 2019 the JIM directed the Housing Authority to provide financing to the eight permanently restricted unit owners in the amount of $160,000 per unit at no interest for three years. After three years, the money must be repaid. This can be done by selling the home with an increased value making the home a Workforce unit instead of an Affordable unit, or the owners can refinance with a lending institution with the increased value allowing for equity.

If an owner can demonstrate that they do not have the ability to repay the loan, they will be allowed to keep the loan with 3% compounded interest for an additional seven years at which time the loan must be repaid and the restriction on the home will remain an Affordable restriction.

The JIM also directed the Housing Authority to purchase deed restrictions on Market and Sunset units. An Affordable restriction will be purchased for $160,000 and a Workforce restriction will be purchased for $100,000. The funds are limited to $1,043,260. Affordable restrictions will be given priority and the funds will be used first come first served.

The Town will be providing 45% of the funding and the County will provide 55%.

The Melody Ranch Townhomes HOA voted unanimously on October 28, 2019 to assess each owner $160,000 for the roof repair and relocation. The Housing Department is currently waiting for a copy of the minutes for that meeting.

Once the Housing Department receives the minutes from the meeting, we will send a letter to the homeowners explaining the financing, restriction purchase and the process for applying.

Motion:

I move to approve financing in the amount of $160,000 for each permanently restricted unit and the purchase of Workforce or Affordable restrictions as directed by the Jackson Town Council and Teton County Board of Commissioners at their October 24 Special JIM meeting.

Item 8. 440 W. Kelly Ave. Update
The Board of County Commissioners and Town Council will consider this item at the December 2nd JIM.

Item 9. 105 Mercill Ave. Update
Staff is working with Mercill Partners to finalize a Development Agreement and Ground Lease. These documents will be provided to the Board of County Commissioners at their December 3, 2019 meeting if not sooner.

Item 10. 174 N. King St Update
The Town Council is considering the Development Agreement for this item at its November 4, 2019 meeting.

Item 11. Aspen Pines Water & Sewer District CSP Application
Please see attached staff report and application.

Motion:

I move to approve the Aspen Pines Water and Sewer District as a CSP Organization and their request to add the position of Water and Wastewater Operators as approved Critical Services Provider positions.

Item 12. Amended and Restated Restrictions for 1510 Sublette Drive, 30 Pine Glades Drive, and 36 Pine Glades Drive
The Town Council and Board of County Commissioners have directed the Housing Department to replace restrictions with the approved restriction templates as units are sold. These units are all under contract and will be closing within the next month. The prior restrictions require the Housing Authority along with the owner to make any modifications.

Item 13. Millward Ground Lease Compliance – Exterior Structures.
There are currently two versions of ground leases at Millward. Some units have the original ground lease and some have the new version that was modified in 2013. Both are attached along with the Millward Rules and Regulations.

It has come to the attention of the Housing Department that structures such as green houses, raised gardens, fences and playhouses are beginning to pop up at Millward. The addendum "Restrictions" Sections C.1 and C.3 and of the original ground lease does not allow additional structures or fences. Section 6 and 9 of the Millward Rules and Regulations do not allow additional structures or fences.

Staff is seeking direction as to how to conduct compliance at Millward. Should the Housing Department allow the HOA to handle compliance or should the Housing Department conduct compliance?

In the past, the owners were required to get approval from the HOA and the Housing Department. Approval has only been given for decks.

Item 14. Grove Phase 1 Purchase Offer
The Housing Authority has received an offer to purchase the building located at 250 Scott Lane also known as The Grove Phase 1. Please see the attached offer.

MEMO

TO: Jackson/Teton County Housing Authority Board
FROM: Billi Jennings, Housing Sales Coordinator
DATE: November 6, 2019
SUBJECT: Housing Authority Board Agenda – Critical Services Provider (CSP) Application

Purpose of Agenda Item – Consideration of a CSP Application from Aspen Pines Water and Sewer District.

Background – Community based institutional or non-profit organizations that have paid or volunteer employees who are on call 24 hours per day for public safety emergencies can apply to the Housing Authority Board to become qualified CSP Organizations with approved CSP positions.

Qualified CSPs receive one point (entry) in weighted drawings with a maximum of two per household. They must have completed all required certifications, have worked at least one year at a local business and have a recommendation from their supervisor.

Definition of a Critical Services Provider: An employee or volunteer of a community based institutional or non-profit organization on call 24 hours per day for public safety emergencies.

Key Points – The application states the following:

- The position provides immediate response for health and safety services.
- The position has employees on call 24/hrs. per day for public safety emergencies.
- The application indicated that there are power outages multiple times a year and they need to keep the water system, sewer collections, and wastewater treatment facility operational.
- The application indicated that having Teton county employees available for emergency response is necessary especially when there are closures of Teton Pass and Snake River Canyon.
- Required Certifications for Water and Wastewater Operators are a level 1 water system certificate, a level 1 distribution certificate, a level 1 collection certificate, a level 1 through 4 wastewater treatment certificates.
- Time for completion of all certifications is 1 to 3 years.

Attachments

- Critical Services Organization Application from Aspen Pines Water and Sewer District.

Recommendation - The community benefits from having CSP's who are on call living in Teton County for quick response for public safety reasons, and the policy is in alignment with the housing goals of the Town and County. Here is a list of currently approved water positions for the Town of Jackson, Public Works:

- o Wastewater Superintendent
- o Water Utility Manager
- o Wastewater Manager
- o Wastewater Treatment Plant Operator
- o Collection System Operator
- o Water Operator
- o Water Utility Operator

Staff recommends approval of the Aspen Pines Water and Sewer District as a CSP Organization, with the positions of Water Operator and Wastewater Operator as approved CSP positions.

Motion – I move to approve the Aspen Pines Water and Sewer District as a CSP Organization and their request to add the position of Water and Wastewater Operators as approved Critical Services Provider positions.

RECEIVED
OCT 08 2019
BY

Critical Services Provider Organization Application

This form is used for organizations who wish to obtain approval from Jackson/Teton County Affordable Housing Department so that their emergency services employees or volunteers will be eligible to receive preference for homes in Housing Department lotteries.

Name of Organization: Aspens Pines Water & Sewer District

Address: P.O. Box 716, 4745 W. Willowbrook Ln. Wilson, Wy. 83014

Mission Statement of Organization:
Professionally Providing water & sewer services

Contact Person (Supervisor)

Name: Ahren Schutthers

Title: District Manager

Phone: 307-739-9777, 1

Email: wwtp1@wyom.net

1. Does your organization provide immediate response for health and safety services?
   ☒ Yes ☐ No
   If yes, please explain. If no, you can stop here.
   Emergency Response for Water, Wastewater Systems

2. Please provide a real life example of a time that your organization provided emergency response for a public safety emergency.
   Power outages, (multiple times/year) keeping water System, Sewer Collection, Waste water treatment facility operational

3. Does your organization have paid employees or volunteers who are on call 24 hrs/day for public safety emergencies? ☒ Yes ☐ No

4. If you answered Yes to the above question, please provide job titles, provide a brief job description and required certification along with time to complete certifications for those positions. Please do this for each job position. (Use a separate sheet if needed).

   Job Title Water and wastewater operators

   Required Certification(s)
   Level 1 water system, Level 1 distribution, level 1 Collection, Level 1→4 wastewater treatment

Time it takes to complete certification(s) 1-3 years minimum
Job Description
for all certifications

Job Title

Required Certification(s)

Time it takes to complete certification(s)
Job Description

Job Title

Required Certification(s)

Time it takes to complete certification(s)
Job Description

Job Title

Required Certification(s)

Time it takes to complete certification(s)
Job Description

Job Title

Required Certification(s)

Time it takes to complete certification(s) _____
Job Description

5. How does having the employees who fill the above positions living locally in Teton County affect your organization?
Must have Teton County employees for Emergency Response. Teton Pass and Snake River closures make it so Teton County Residents are essential.

Ahren Schultheis
Name (printed)

District
Job Title

Signature

307-739-9777, 1
Phone

Please print this application and complete the signature lines. Scan and email back to bjennings@tetonwyo.org, fax to 734-3864, or mail to JTCAHD, P.O. Box 714, Jackson, WY 83001

This application will be considered by the Jackson Town Council and the Board of County Commissioners at their regular board meetings following receipt of the completed application. You will be notified in writing of their decision.

COMPLETE AMENDMENT AND RESTATEMENT
Special Restrictions
for Affordable Ownership Housing
Located at **1510 Sublette Drive, Town of Jackson, Wyoming**

This Complete Amendment and Restatement of the Special Restrictions for Lot 24 of Cottonwood Park Homestead Neighborhood Fourth Filing Addition to the Town of Jackson (Affordable Housing – Categories 1, 2, & 3) recorded in the Office of the Teton County Clerk as document number 0696461 book of photo 654 pages 303-313. for 1510 Sublette Drive is made this_____ Day of_ _____, 2019 (the "Effective Date"), by Teton County Housing Authority (TCHA) and the undersigned owner ("Owner") ("Special Restrictions").

RECITALS:

WHEREAS, the undersigned Owner holds fee ownership interest in that certain real property, known as 1510 Sublette Drive Town of Jackson, Wyoming, and more specifically described as follows:

> Unit 35 of Ellingwood Condominiums Phase II Addition to the Town of Jackson, Teton County, Wyoming, according to that plat recorded in the Office of the Clerk of Teton County, Wyoming on April 13, 2007 as Plat No. 1196, and as further defined and described in the Declaration for Condominium Recorded for said property.

PIDN:22-40-16-06-2-49-011 (the "Land");

WHEREAS, in furtherance of the Town of Jackson, Wyoming's goal of providing affordable housing to qualified Teton County residents who will occupy the housing as their primary residence, and as a condition of its Final Development Plan Approval for 3 Creek Ranch DEV 03-0011 (the "FDP Approval"), Owner was required to provide thirteen (13) Affordable Ownership Category 1 units, thirteen (13) Affordable Ownership Category 2 units, and ten (10) Affordable Ownership Category 3 units. The Categories have since been changed to income ranges through Town of Jackson Land Development Regulation updates and updates to the Jackson/Teton County Housing Department Rules and Regulations.

> 1510 Sublette Drive is a two (2) bedroom one and one half (1.5) bathroom ownership condominium in income range 80% - 120%.

The Income Ranges are defined in the Jackson/Teton County Housing Department Rules and Regulations enforced by the Housing Department, such Rules and Regulations are defined in Section 1 below;

WHEREAS, in furtherance of the goals, objectives, requirements and conditions of the FDP Approval, Owner was required to restrict the initial and all subsequent sales and transfers of each Residential Unit, defined below, to a "Qualified Household";

WHEREAS, consistent with the foregoing, the Property is subject to those certain Special Restrictions for Lot 24 of Cottonwood park Homestead Neighborhood Fourth Filing Addition to the Town of Jackson (Affordable Housing – Categories 1, 2, & 3) recorded February 27, 2007 as Document number 0696461 in book of photo 654 pages 303-313 (the "2007 Special Restrictions");

WHEREAS, in accordance with Section 21 of the 2007 Special Restrictions, the Special Restrictions may be modified with the written consent of Owner and TCHA .

WHEREAS, the Jackson Town Council and Teton County Board of County Commissioners voted to amend their 1990 Resolution creating the Teton County Housing Authority ("TCHA") and further amend the 1999 Resolution, to form a regional Housing Authority pursuant to Wyoming Statute §15-10-116(b) with the County of Teton and the Town of Jackson forming the regional housing authority known as the Jackson/Teton County Housing Authority ("JTCHA"), making the JTCHA the successor in interest to all deeds, documents, leases, and contracts of TCHA;

WHEREAS, the Jackson Town Council and Teton County Board of County Commissioners further resolved to create the Jackson/Teton County Affordable Housing Department ("Housing Department") who will be employees of Teton County and agents acting on behalf of the JTCHA;

WHEREAS, in accordance with such Section 21 of the 2007 Special Restrictions, and consistent with the foregoing Recitals, JTCHA and the undersigned Owner now desire to amend, restate and replace in their entirety with respect to the Residential Unit and Land the 2007 Special Restrictions by adopting these Complete Amended and Special Restrictions for Affordable Ownership Housing Located at 1510 Sublette Drive, Town of Jackson, Wyoming ("Special Restrictions");

WHEREAS, Owner desires to adopt these Special Restrictions and declare that the Residential Unit and Land shall be held, sold, and conveyed in perpetuity subject to these Special Restrictions, which Special Restrictions shall be in addition to all other covenants, conditions or restrictions of record affecting the Residential Unit and Land, and shall be enforceable by the Jackson/Teton County Housing Authority, a duly constituted housing authority pursuant to W.S. §15-10-116, as amended, and its successors or assigns, the Jackson/Teton County Affordable Housing Department (collectively "Housing Department") and the Town of Jackson, Wyoming.

RESTRICTIONS:

NOW, THEREFORE, in satisfaction of the conditions in and consideration of the FDP Approval and in further consideration of the foregoing Recitals, which are incorporated herein by this reference, undersigned Owner hereby declares, covenants and agrees for itself and each and every person acquiring ownership of the Residential Unit, that the Land and each Residential Unit shall be held, used, occupied, developed, transferred and conveyed subject to the following Special Restrictions in perpetuity.

SECTION 1. JACKSON/TETON COUNTY HOUSING DEPARTMENT HOUSING RULES AND REGULATIONS. References made herein to the "Rules and Regulations" are references to the written policies, procedures and guidelines of the Housing Department, as the same may be amended from time to time and which policies, procedures and guidelines are on file with the Housing Department or otherwise with the Town of Jackson, Wyoming, or if there are no such written policies, procedures or guidelines (or a written policy, procedure or guideline with respect

to a specific matter) then the reference shall be to the current applied policy or policies of the Housing Department or its successor. Procedural and administrative matters not otherwise addressed in these Special Restrictions shall be as set forth in the Rules and Regulations.

SECTION 2. OWNERSHIP BY QUALIFIED HOUSEHOLD ONLY.

A. Qualified Household. The ownership, use and occupancy of the Residential Unit shall be limited to natural persons who meet the definition of a Qualified Household for Affordable Housing, as set forth below ("Qualified Household").

1. Employment Requirement. At least one (1) member of the Qualified Household at time of purchase and during ownership must maintain an average of thirty (30) hours per week employment on an annual basis, or a minimum of one thousand five hundred and sixty hours (1,560) per year, for a local business. A "local business" means a business physically located within Teton County, Wyoming, holding a business license with the Town of Jackson, Wyoming or one that can provide other verification of business status physically located in Teton County, Wyoming, and the business serves clients or customers who are physically located in Teton County, Wyoming.
2. Income Restriction. The Qualified Household's gross income shall fall between 80% and 120% of the median family income in Teton County, Wyoming, as determined by the current year's published Federal Department of Housing & Urban Development median family income chart for Teton County, Wyoming ("Income Cap") at time of purchase.
3. No Teton County Residential Real Estate. No member of the Qualified Household may own (whether individually, in trust, or through an entity including without limitation a partnership, limited partnership, limited liability company, corporation, association, or the like) residential real estate within one hundred and fifty (150) miles of Teton County, Wyoming at the time of purchase or any time during ownership of the Residential Unit.
4. Determination by the Housing Department. The Housing Department shall determine whether a prospective owner is a Qualified Household. In addition to any requirements set forth in the Rules and Regulations, such determinations shall be based upon written applications, representations, information and verification as are deemed by the Housing Department to be necessary to establish and substantiate eligibility.
5. Asset Limit. The maximum asset limit for Qualified Households is two (2) times the income limit for a household size of four in accordance with the applicable income range, as further defined and clarified in the Housing Rules and Regulations.

B. No Legal Action. No owner of the Residential Unit, prospective purchaser of the Residential Unit, Tenant, renter or occupant, or other party shall have the right to sue or bring other legal process against the Town of Jackson, Wyoming or the Housing Department, or any person affiliated with the Town of Jackson, Wyoming or the Housing Department arising out of these Special Restrictions, and neither shall the Town of Jackson, Wyoming or the Housing Department have any liability to any person aggrieved by the decision of the Town of Jackson, Wyoming or the Housing Department regarding qualification of a Qualified Household or any other matter relating to these Special Restrictions.

C. Ownership by Housing Department. Notwithstanding the foregoing, the Housing Department may purchase and own the Residential Unit

SECTION 3. RESTRICTIONS ON OCCUPANCY, IMPROVEMENT AND USE OF RESIDENTIAL UNITS. In addition to any restrictions included in the Rules and Regulations, occupancy and use of a Residential Unit shall be restricted as follows:

A. Occupancy. Each Residential Unit shall be occupied as the Qualified Household's sole and exclusive primary residence, and each owner of a Residential Unit shall physically reside therein on a full-time basis, at least ten (10) months out of each calendar year. Except for permitted guests, no persons other than the members of the Qualified Household may occupy the Residential Unit.

B. Business Activity. No business activities shall occur in a Residential Unit, other than a home occupation use that is allowed by applicable zoning and properly permitted.

C. Guests. No persons other than those comprising the Qualified Household shall be permitted to occupy the Residential Unit for periods in excess of thirty (30) cumulative days per calendar year.

D. Renting. No Residential Unit, or any part thereof, including without limitation, the garage, any portion of any structure, or any room within any structure, may be rented or otherwise occupied by persons other than the members of the Qualified Household.

E. Maintenance. The owner shall take good care of the interior of the Residential Unit and all other aspects of the Residential Unit not otherwise maintained by a homeowner's association and shall make all repairs and maintain the Residential Unit in a safe, sound, habitable, and good condition and state of repair. In case of damage to the Residential Unit, the owner shall repair the damage or replace or restore any destroyed parts of the Residential Unit, as speedily as practical.

F. Capital Improvements. The Owner may only undertake capital improvements to the Residential Unit in accordance with the policies set forth in the Rules and Regulations, which policies may include but are not limited to, a limitation on the valuation of such improvements at resale, requirements regarding the advance written approval of such improvements, and documentation of proposed and completed improvements.

G. Insurance. The owner shall keep the Residential Unit continuously insured against "all risks" of physical loss (not otherwise covered by a homeowner's association insurance), for the full replacement value of the Residential Unit.

H. Compliance with Laws, Declaration. The Residential Unit shall be occupied in full compliance with these Special Restrictions and the Rules and Regulations, along with all laws, statutes, codes, rules, or regulations, covenants, conditions and restrictions, and all supplements and amendments thereto, and any other rules and regulations of any applicable homeowner's association, as the same may be adopted from time to time.

I. Periodic Reporting, Inspection. In order to confirm compliance with these Special Restrictions, the Rules and Regulations and other covenants, regulations, ordinances, or rules governing the ownership, occupancy, use, development or transfer of a Residential Unit, each owner shall comply, and shall cause all occupants to comply, with any reporting or inspection requirements as set forth herein and as may be required by the Housing Department from time to time. Upon reasonable notice to owner, the Housing Department shall have the right to inspect the Residential Unit from time to time to determine compliance with these Special Restrictions and to review the written records required to be maintained by Owner. Owner shall maintain such records for a period of two (2) years.

SECTION 4. TRANSFER LIMITATIONS. Each Residential Unit may only be sold in accordance with Sections 5 and 6 below or transferred in accordance herewith as follows:

A. Divorce. In the event of the divorce of an owner, the Housing Department may consent to the transfer of a Residential Unit to a spouse of an owner, which spouse may not otherwise qualify as a Qualified Household, only upon receipt of an order issued by a Court of competent jurisdiction ordering such transfer.

B. Death. In the event of the death of an owner, the Housing Department may consent to the transfer of a Residential Unit to an heir or devisee of such deceased owner, which heir or devisee may not otherwise qualify as a Qualified Household, only upon receipt of an order issued by a Court of competent jurisdiction ordering such transfer.

C. Nonqualified Transferee. If title to a Residential Unit vests in a Nonqualified Transferee, as defined in the Rules and Regulations, the Residential Unit shall immediately be listed for sale in accordance with these Special Restrictions and the Rules and Regulations, or in the alternative, the Housing Department may exercise its option herein to purchase the Residential Unit. The following shall apply when the Housing Department determines there is a Nonqualified Transferee:

1. The Housing Department shall provide the Nonqualified Transferee a reasonable period within which to qualify as a Qualified Household.
2. If the Nonqualified Transferee does not qualify as a Qualified Household within such reasonable period, he or she shall cooperate with the Housing Department to effect the sale, conveyance or transfer of the Residential Unit to a Qualified Household and shall execute any and all documents necessary to such sale, conveyance or transfer.
3. A Nonqualified Transferee shall comply with these Special Restrictions, the Rules and Regulations, the Declaration, zoning and all Laws governing the ownership, occupancy, use, development or transfer of the Residential Unit, and further may only occupy the Residential Unit with the prior written consent of the Housing Department.

SECTION 5. SALE OF A RESIDENTIAL UNIT. An owner desiring to sell a Residential Unit shall give written notice to the Housing Department of such desire (the "Notice to Sell"), and after receipt of such notice, the Housing Department shall determine the "Maximum Resale Price," as provided herein and in accordance with the Rules and Regulations. Upon the Housing Department's determination of the Maximum Resale Price, the sale of the Residential Unit shall be facilitated

by the Housing Department and shall be completed in accordance with the procedure set forth in the Rules and Regulations, which procedure may include, without limitation: a fee (not to exceed two percent (2%)) of the Maximum Resale Price paid to the Housing Department for such facilitation; requirements regarding listing the Residential Unit with the Housing Department and/or a licensed real estate agent, as the Housing Department may direct; standard terms for the sales contract; and procedure for the selection of the purchaser (which selection procedure may include a weighted drawing process). Any such conveyance of a Residential Unit shall be subject to these Special Restrictions. Each purchaser of a Residential Unit shall execute a Buyer's Acknowledgment of Special Restrictions and Option, on a form to be provided by the Housing Department. Notwithstanding the foregoing, upon receipt of notice from an owner of such owner's desire to sell a Residential Unit, the Housing Department may purchase such Residential Unit. So long as such owner is not otherwise in default as defined herein, the purchase price in such case shall be the Maximum Resale Price as calculated below and subject to adjustment as provided herein. If an owner is in default, other provisions of these Special Restrictions may apply in determining the purchase price.

SECTION 6. MAXIMUM RESALE PRICE. To further the Town of Jackson, Wyoming's goal of providing affordable housing, a Residential Unit may not be sold for a purchase price in excess of the "Maximum Resale Price." The Maximum Resale Price is the current owner's purchase price plus an increase in price of the Denver-Boulder-Greeley CPI (if such ceases to exist then a comparable CPI Index as determined in the sole discretion of the Housing Department) or three percent (3%), whichever is lower per year of ownership compounded annually, plus the depreciated cost of pre-approved or government-required capital improvements, plus any other costs allowed by the Housing Department, less any required maintenance and/or repair adjustment, all as more fully described in the Rules and Regulations. Notwithstanding the determination of the Maximum Resale Price, the actual sales proceeds delivered to a selling owner may be reduced to account for restoration or repair of a Residential Unit (including without limitation, replacement of carpets, painting, roof repair, siding maintenance/replacement, etc.) determined necessary in the Housing Department's sole and absolute discretion. Finally, to ensure that the sales price of any Residential Unit is limited to the Maximum Resale Price, no purchaser of a Residential Unit shall assume any obligation of a selling owner, nor shall such purchaser pay or provide to a selling owner any other form of consideration in connection with the sale of the Residential Unit. The calculation of the Maximum Resale Price, as made by the Housing Department, shall be final and binding on all parties.

NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTY THAT UPON THE RESALE OF A RESIDENTIAL UNIT, OWNER SHALL OBTAIN THE ENTIRE MAXIMUM RESALE PRICE.

SECTION 7. DEFAULT. Each of the following shall be considered a default ("Default"):

A. A violation of any term of these Special Restrictions, the Rules and Regulations, the Declaration, or any laws affecting a Residential Unit.

B. Failure to pay or default of any other obligations due or to be performed with respect to a Residential Unit which failure to pay or default could result in a lien against a Residential Unit, including without limitation, homeowner dues, property taxes, payment required by a promissory note or mortgage purporting to affect a Residential Unit. Owner shall

notify the Housing Department in writing of any notification received from any lender or third party of past due payments or default in payment or other obligations due or to be performed within five (5) calendar days of Owner's notification.

C. If the Residential Unit is taken by execution or by other process of law, or if Owner is judicially declared insolvent according to law, or if any assignment is made of the property of Owner for the benefit of creditors, or if a receiver, trustee or other similar officer is appointed to take charge of any substantial part of the Residential Unit or Owner's property by a court of competent jurisdiction.

D. Fraud or misrepresentation by purchaser and/or Owner in the provision of an application, reporting requirement, inspection requirement or any other informational requirement to the Housing Department.

In the event the Housing Department believes there to be a Default, the Housing Manager, or a designee of the Housing Department, shall send written notice to Owner of such violation, the required action to cure and the timing for such cure. If Owner disputes the Housing Department's decision, Owner shall proceed in accordance with the Rules and Regulations.

SECTION 8. DEFAULT REMEDIES. In addition to any other remedies the Housing Department may have at law or equity, in the event of a Default, the Housing Department's remedies shall include without limitation, as an exercise of its regulatory authority, the following:

A. Purchase Option.

1. The Housing Department shall have the option to purchase the Residential Unit for a purchase price equal to the Maximum Resale Price, or the appraised value whichever is less, subject to the Housing Department's ability to limit appreciation as provided in this Section ("Option") and further subject to the Housing Department's ability to reduce proceeds as provided above.

2. If the Housing Department desires to exercise its Option, the Housing Department shall provide written notice to the owner of such election. Such notice shall include the purchase price and the timing for the closing of the purchase. The Option must be exercised within ninety (90) days from receipt of a notification of borrower Default or the property foreclosure.

B. Forced Sale. The Housing Department may require Owner to sell the Residential Unit in accordance with the resale procedures set forth in these Special Restrictions and the Rules and Regulations. Such sale shall be subject to these Special Restrictions.

C. Whether the Housing Department elects to exercise its Option or to force a sale in accordance herewith, all proceeds, unless otherwise required by statute, will be applied in the following order:

FIRST, to the payment of any unpaid taxes;

SECOND, to the payment of any Qualified Mortgage;

THIRD, to assessments, claims and liens on the Residential Unit (not including any mortgage or lien purportedly affecting the Residential Unit which is not a Qualified Mortgage);

FOURTH, to the payment of the closing costs and fees;

FIFTH, to the two percent (2%) facilitation fee to the Housing Department;

SIXTH, to the payment of any penalties assessed against Owner by the Housing Department;

SEVENTH, to the repayment to the Housing Department of any monies advanced by it in connection with a mortgage or other debt with respect to a Residential Unit, or any other payment made Owner's behalf;

EIGHTH, to any repairs needed for the Residential Unit; and

NINTH, any remaining proceeds shall be paid to Owner.

If there are insufficient proceeds to satisfy the foregoing, Owner shall remain personally liable for such deficiency.

D. Appointment of Housing Department as Owner's Attorney-in-Fact. In the event the Housing Department exercises its Option or requires the Forced Sale, Owner hereby irrevocably appoints the then-serving Housing Manager as such Owner's attorney-in-fact to effect any such purchase or sale on Owner's behalf (including without limitation the right to cause an inspection of the Residential Unit and make such repairs to the Residential Unit as the Housing Department may reasonably deem necessary), and to execute any and all deeds of conveyance or other instruments necessary to fully effect such purchase or sale and conveyance.

E. Limitation on Appreciation at Resale. The Housing Department may fix the Maximum Resale Price of a defaulting owner's Residential Unit to the Maximum Resale Price for the Residential Unit as of the date of an owner's Default (or as of such date after the Default as the Housing Department may determine), and in such event, the Maximum Resale Price shall cease thereafter to increase.

F. Equitable Relief. The Housing Department shall have the right of specific performance of these Special Restrictions and the Rules and Regulations and the right to obtain from any court of competent jurisdiction a temporary restraining order, preliminary injunction and permanent injunction to obtain such performance. Any equitable relief provided for herein may be sought singly or in combination with such other remedies as the Housing Department may be entitled to, either pursuant to these Special Restrictions or under the laws of the State of Wyoming.

G. Enforcement. The Housing Department may, for purposes of enforcing these Special Restrictions or the Rules and Regulations, seek enforcement through the Town or County Land Development Regulations, including but not limited to Division 8.9 Enforcement.

SECTION 9. QUALIFIED MORTGAGE.

A. Only a mortgage which is a "Qualified Mortgage" shall be permitted to encumber a Residential Unit. A "Qualified Mortgage" is a mortgage that:

1. the principal amount of such mortgage at purchase does not exceed ninety-six and one half percent (96.5%) of the purchase price, and thereafter the principal amount of such mortgage, any refinanced mortgage and/or additional mortgages combined do not exceed ninety-five percent (95%) of the then current Maximum Resale Price as the same is determined by the Housing Department at the time or times any such mortgage purports to encumber the Residential Unit; and

2. runs in favor of a "Qualified Mortgagee," defined as:

   i. An "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision; or

   ii. A "community loan fund", or similar non-profit lender to housing projects for income-eligible persons (e.g., is not given to or acquired by any individual person); or

   iii. A non-affiliated, legitimate, "finance company." In no event may such finance company be an individual or any company that is affiliated with or has any affiliation with Owner or any family member of Owner; or

   iv. JHTCA or Housing Department for any monies advanced by JHTCA or Housing Department in connection with a mortgage or other debt with respect to Residential Unit.

B. Any mortgage, lien or other encumbrance executed or recorded against a Residential Unit that is not a Qualified Mortgage shall:

1. be deemed unsecured; and

2. only be a personal obligation of an owner and shall not affect or burden, and shall not be enforceable against, such Residential Unit.

Additionally, the execution or recordation of such mortgage, lien or other encumbrance shall be deemed a default hereunder and JTCHA and/or the Housing Department may exercise any and all of its remedies hereunder or otherwise, including without limitation the right of the Housing Department to purchase and to force a sale.

C. In the event an owner fails to make timely payment owed or otherwise breaches any of the covenants or agreements made in connection with any mortgage, lien or other encumbrance purporting to affect the Residential Unit, including without limitation a Qualified Mortgage, fails to timely make any other payment required in connection with the Residential Unit, including without limitation homeowner association dues and fees, assessments, payments to contractors, materialmen, or other vendors for work undertaken for which a lien could be filed against the Residential Unit, the Housing Department shall have (in addition to the any other remedies) the right to:

1. Cure such default and assume the payments and other obligations of Owner. In such event, Owner shall be in default of these Special Restrictions, and the Housing Department may exercise any and all of its remedies hereunder or otherwise, including without limitation its option to purchase and its right to force a sale. In addition to such remedies, Owner shall also be liable to the Housing Department for any amounts advanced.

2. Acquire the loan from the lender by paying the balance due together with reasonable accrued interest and costs, and the Housing Department shall thereafter have the right to foreclose upon the Residential Unit in accordance with the mortgage and other loan documents or take such other action as the Housing Department shall determine.

3. Purchase the Residential Unit at any foreclosure sale, and in such event, notwithstanding anything to the contrary herein, the Residential Unit shall remain subject to these Special Restrictions.

ANY LENDER BY ENTERING INTO A LOAN TRANSACTION WITH AN OWNER OF A RESIDENTIAL UNIT HEREBY CONSENTS TO THE FOREGOING AND ACKNOWLEDGES THAT ANY INTEREST ACQUIRED BY VIRTUE OF ITS LIEN OR MORTGAGE SHALL BE SUBJECT AND SUBORDINATE TO THESE SPECIAL RESTRICTIONS.

SECTION 10. TERMINATION, AMENDMENT AND CORRECTION OF SPECIAL RESTRICTIONS.

A. Termination by the Town of Jackson, Wyoming**.** These Special Restrictions may be terminated after a determination by the Town of Jackson, Wyoming that these Special Restrictions are no longer consistent with the goal of providing affordable housing.

B. Termination Resulting from Foreclosure by a Qualified Mortgagee. These Special Restrictions as applied to a Residential Unit may be terminated by a Qualified Mortgagee in the event of a lawful foreclosure of the Residential Unit by such Qualified Mortgagee, as follows:

1. The Qualified Mortgagee provided to the Housing Department copies of all notices of intent to foreclose and all other notices related to the foreclosure contemporaneously with its service of such notices upon an owner.

2. The Housing Department did not exercise its rights as provided in Section 10, Qualified Mortgage.

3. Termination may occur only after expiration of all applicable redemption periods and subsequent recordation of a Sheriff's Deed (or other transfer document as approved by the Housing Department in its sole and absolute discretion) conveying title to a purchaser, who is not (i) Owner, (ii) a member of the Qualified Household, (iii) a person affiliated with or related to Owner or any member of the Qualified Household, or (iv) the Housing Department.

4. In the event of a foreclosure hereunder, the Qualified Mortgagee shall pay to the Housing Department all proceeds remaining, if any, after payment of the Qualified Mortgage loan amount, interest, penalties and fees, which proceeds would have been payable to Owner of the foreclosed Residential Unit.

5. Notwithstanding the notice requirements to the Housing Department in this Section, if a Qualified Mortgagee has failed to provide the Housing Department copies of all notices of intent to foreclose and all notices related to the foreclosure contemporaneously with its service on an owner, such Qualified Mortgagee, prior to foreclosing on the Residential Unit, shall provide the Housing Department with notice of its intent to foreclose (“Mortgagee Notice to the Housing Department”). The Mortgagee Notice to the Housing Department shall include all information relevant to Owner’s default and the actions necessary to cure such default. The Housing Department shall have forty-five (45) days from the date of the Mortgagee Notice to the Housing Department to exercise its rights under Section 10, Qualified Mortgage. If the Housing Department fails to exercise its rights within such 45-day period, the Qualified Mortgagee may foreclose on the Residential Unit as provided herein.

Nothing herein shall limit or restrict an owner's right of statutory redemption, in which event, if an owner redeems, these Special Restrictions shall remain in full force and effect.

C. Amendment. These Special Restrictions may be amended by a signed, written amendment executed by the Parties hereto and recorded in the Teton County Clerk’s Office against the title to the Land, in whole or in part, with the written consent of Owner of the Residential Unit Complex and the Town of Jackson, Wyoming.

D. Correction. The Housing Department may unilaterally correct these Special Restrictions to address scrivener’s errors, erroneous legal descriptions or typographical errors.

SECTION 11. SPECIAL RESTRICTIONS AS COVENANT. These Special Restrictions shall constitute covenants running with the Land and the Residential Unit, as a burden thereon, and shall be binding on all parties having any right, title, or interest in the Land, the Residential Unit, or any part thereof, their heirs, devisees, successors and assigns, and shall inure to the benefit of and shall be enforceable by JTCHA, the Housing Department and the Town of Jackson.

SECTION 12. NOTICES. All notices required to be served upon the parties to this Special Restriction shall be transmitted by one of the following methods: hand delivery; prepaid overnight courier; or by postage paid certified mail, return receipt requested, at the address set forth below for said party; or at such other address as one party notifies the other in writing

pursuant to this paragraph. Notice shall be effective when hand delivered, one (1) day after being deposited with an overnight courier or five (5) business days after being placed in the mail. Either party may change its address in the manner provided for giving notice.

To Housing Department
Jackson/Teton County Affordable Housing Department
P.O. Box 714
Jackson, WY 83001

With a Copy to:
Town of Jackson.
P.O. Box 1687
Jackson, WY 83001

To Owner
Adam and Abigale Chenault
P.O. Box 1855
Wilson, WY 83014

SECTION 13. ATTORNEY'S FEES. In the event any party shall be required to retain counsel and file suit for the purpose of enforcing the terms and conditions of these Special Restrictions, the prevailing party shall be entitled to recover, in addition to any other relief recovered, a reasonable sum as determined by the court for attorney's fees and costs of litigation.

SECTION 14. CHOICE OF LAW, FORUM, These Special Restrictions and each and every related document, are to be governed by and construed in accordance with the laws of the State of Wyoming. The parties agree that the appropriate court in Teton County, Wyoming and/or the Ninth Judicial District for the State of Wyoming shall have sole and exclusive jurisdiction over any dispute, claim, or controversy which may arise involving these Special Restrictions or its subject matter. Owner by accepting a deed for the Land hereby submits to the personal jurisdiction of any such court in any action or proceeding arising out of or relating to this Special Restrictions.

SECTION 15. SEVERABILITY. Each provision of these Special Restrictions and any other related document shall be interpreted in such a manner as to be valid under applicable law; but, if any provision, or any portion thereof, of any of the foregoing shall be invalid or prohibited under said applicable law, such provision shall be deemed modified to the extent necessary and possible to render it valid and enforceable, or if such modification is not possible, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provision(s) of such document.

SECTION 16. SECTION HEADINGS. Paragraph or section headings within these Special Restrictions are inserted solely for convenience or reference, and are not intended to, and shall not govern, limit or aid in the construction of any terms or provisions contained herein.

SECTION 17. WAIVER. No claim of waiver, consent or acquiescence with respect to any provision of these Special Restrictions shall be valid against any party hereto except on the basis of a written

instrument executed by the parties to these Special Restrictions. However, the party for whose benefit a condition is inserted herein shall have the unilateral right to waive such condition.

SECTION 18. INDEMNIFICATION. Owner shall indemnify, defend, and hold the Housing Department and the Town of Jackson, and each entity's directors, officers, agents and employees harmless against any and all loss, liability, claim, or cost (including reasonable attorneys' fees and expenses) for damage or injury to persons or property from any cause whatsoever on or about the Residential Unit, or for Owner's breach of any provision of these Special Restrictions. Owner waives any and all such claims against the Housing Department and the Town of Jackson.

SECTION 19. SUCCESSORS AND ASSIGNS. These Special Restrictions shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, devisees, administrators and assigns.

SECTION 20. GOVERNMENTAL IMMUNITY. Neither the Town of Jackson, Wyoming nor the Housing Department waives governmental immunity by executing these Special Restrictions and each specifically retain immunity and all defenses available to either of them as government pursuant to Wyo. Stat. Ann. § 1-39-104(a) and any other applicable law.

IN WITNESS WHEREOF, Owner has executed this instrument on the _____ day of _____, 2019 (the "Effective Date").

OWNERS:

_____

Adam Chenault

_____

Abigale Chenault

STATE OF Wyoming)
) ss.
COUNTY OF Teton)

On the _____ day of_____, 2019, the foregoing Special Restrictions for Affordable Housing was acknowledged before me by Adam Chenault and Abigale Chenault, as Owners, of 1510 Sublette Drive.

Witness my hand and official seal.

(Seal)

_____

Notary Public

JACKSON/TETON COUNTY HOUSING AUTHORITY:

_____
Matthew Faupel, Chair

ATTEST:

_____
Anne Kent Droppert, Clerk

STATE OF Wyoming)
) ss.
COUNTY OF Teton)

On the _____ day of_____, 2019, the foregoing Special Restrictions for Affordable Housing was acknowledged before me by Matthew Faupel, as Chair, of Jackson/Teton County Housing Authority.

Witness my hand and official seal.

(Seal)

_____
Notary Public

STATE OF Wyoming)
) ss.
COUNTY OF Teton)

On the _____ day of_____, 2019, the foregoing Special Restrictions for Affordable Housing was acknowledged before me by Anne Kent Droppert, as Clerk, of Jackson/Teton County Housing Authority.

Witness my hand and official seal.

(Seal)

_____
Notary Public

Approval as to Form:

JACKSON/TETON COUNTY AFFORDABLE HOUSING DEPARTMENT

_____
Stacy A. Stoker, Housing Manager

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of _____, 2019, the foregoing Special Restrictions for Affordable Housing was acknowledged before me by Stacy A. Stoker as Housing Manager for the Jackson/Teton County Affordable Housing Department.

Witness my hand and official seal.

(Seal)

_____
Notary Public

COMPLETE AMENDMENT AND RESTATEMENT
Special Restrictions
For Workforce Ownership Housing
Located at
30 Pine Glades Drive, Town of Jackson, Wyoming

This Complete Amendment and Restatement of the Special Restrictions for Employment-Based Housing Located at Spruce Townhome Addition, Lot 1 Employment-Based as modified by the Corrective Amendment to Special Restrictions for Employment-Based Housing Located at Spruce Townhome Addition, Lot 1 Employment-Based recorded in the Office of the Teton County Clerk as document numbers 0868651 book of photo 878 pages 994-1009 and 0870103 book of photo 880 pages 731-733 for 30 Pine Glades Drive is made this _____ Day of _____, 2019 (the "Effective Date"), by Teton County Housing Authority (TCHA) and the undersigned owner ("Owner") ("Special Restrictions").

RECITALS:

WHEREAS, the undersigned Owner holds fee ownership interest in that certain real property known as 30 Pine Glades Drive located in Teton County, Wyoming, and more specifically described as follows:

> Lot 1 of Spruce Townhomes Addition to the Town of Jackson, Teton County, Wyoming, according to that plat recorded in the Office of the Teton County Clerk on October 8, 2014 as Plat Number 1343
>
> PIDN: 22-41-16-33-4-43-001 (the "Land");

WHEREAS, as a condition of its Final Development Plan Approval P07-126 & 127, and later amendment to application , dated January 22, 2008 for the property commonly known as the Pine Glades Phase One Addition to the Town of Jackson (the "FDP Approval"), Owner was required to dedicate Seven three-bedroom townhomes consisting of one Affordable Category 1, one Affordable Category 2, one Affordable Category 3, and four Employment-Based units. to be owned by households who work in Teton County and will occupy the units as their sole primary residences (the "Residential Units");

> 30 Pine Glades Drive is a 3-bedroom Workforce Ownership Townhome (formerly known as Employment-Based)

WHEREAS, in furtherance of the goals, objectives, requirements and conditions of the FDP Approval, Owner was required to restrict the initial and all subsequent sales and transfers of each Residential Unit, defined above, to a "Qualified Household,";

WHEREAS, consistent with the foregoing, the Land is subject to those certain Special Restrictions for Employment-Based Housing Located at Spruce Townhome Addition, Lot 1 Employment-Based as modified by the Corrective Amendment Special Restrictions for Employment-Based Housing Located at Spruce Townhome Addition, Lot 1 Employment-Based recorded October 8, 2014 as

Document number 0868651 in book of photo 878 pages 994-1009 (the "2014 Special Restrictions");

WHEREAS, in accordance with Section 9.C.1 of the 2014 Special Restrictions, the Special Restrictions may be modified with the written consent of owner and TCHA ;

WHEREAS, the Jackson Town Council and Teton County Board of County Commissioners voted to amend their 1990 Resolution creating the Teton County Housing Authority ("TCHA") and further amend the 1999 Resolution, to form a regional Housing Authority pursuant to Wyoming Statute §15-10-116(b) with the County of Teton and the Town of Jackson forming the regional housing authority known as the Jackson/Teton County Housing Authority ("JTCHA"), making the JTCHA the successor in interest to all deeds, documents, leases, and contracts of TCHA;

WHEREAS, the Jackson Town Council and Teton County Board of County Commissioners further resolved to create the Jackson/Teton County Affordable Housing Department ("Housing Department") who will be employees of Teton County and agents acting on behalf of the JTCHA;

WHEREAS, in accordance with such Section 9.C.1 of the 2014 Special Restrictions, and consistent with the foregoing Recitals, JTCHA and the undersigned Owner now desire to amend, restate and replace in their entirety with respect to the Residential Unit and Land the 2014 Special Restrictions by adopting these Complete Amendment and Restatement Special Restrictions for Workforce Ownership Housing Located at 30 Pine Glades Drive, Town of Jackson, Wyoming ("Special Restrictions");

WHEREAS, Owner desires to adopt these Special Restrictions and declare that the Residential Unit and Land shall be held, sold, and conveyed in perpetuity subject to these Special Restrictions, which Special Restrictions shall be in addition to all other covenants, conditions or restrictions of record affecting the Residential Unit and Land, and shall be enforceable by the Jackson/Teton County Housing Authority, a duly constituted housing authority pursuant to W.S. §15-10-116, as amended, and its successors or assigns, the Jackson/Teton County Affordable Housing Department (collectively "Housing Department") and the Town of Jackson, Wyoming.;

RESTRICTIONS:

NOW THEREFORE, in satisfaction of the conditions in the FDP Approval, and in further consideration of the foregoing Recitals, which are by this reference incorporated herein, Owner hereby declares, covenants and agrees for itself and each and every person acquiring ownership of the Residential Unit, that the Land and each Residential Unit shall be owned, used, occupied, developed, transferred and conveyed subject to the following Special Restrictions in perpetuity.

SECTION 1. JACKSON/TETON COUNTY HOUSING DEPARTMENT RULES AND REGULATIONS. References made herein to the "Rules and Regulations" are references to the written policies, procedures and guidelines of the Housing Department, as the same may be amended, modified, or updated from time to time and which policies, procedures and guidelines are on file with the Housing Department or otherwise with the Town of Jackson, or if there are no such written policies, procedures or guidelines (or a written policy, procedure or guideline with respect to a

specific matter) then the reference shall be to the current applied policy or policies of the Housing Department or its successor. Procedural and administrative matters not otherwise addressed in these Special Restrictions shall be as set forth in the Rules and Regulations.

SECTION 2. OWNERSHIP BY QUALIFIED HOUSEHOLD.

A. Qualified Household. The ownership, use and occupancy of the Residential Unit shall be limited to natural persons who meet the definition of a Qualified Household for Workforce Housing, as set forth below ("Qualified Household").

1. Employment Requirement. At least one (1) member of the Qualified Household must maintain an average of thirty (30) hours per week employment on an annual basis, or a minimum of one thousand five hundred and sixty hours (1,560) per year, for a local business.

   A.) A local business means (1) a business physically located within Teton County, Wyoming, holding a business license with the Town of Jackson, Wyoming or one that can provide other verification of business status physically located in Teton County, Wyoming, and (2) the business serves clients or customers who are physically located in Teton County, Wyoming, and (3) the employees/owners must work in Teton County, Wyoming to perform their job.

   Or

   B.) A business physically located in Teton County Wyoming who employs two or more Qualified Employees, which qualified employees must work in Teton County Wyoming to perform their job.

2. Income Requirement: The entire Qualified Household must earn at least seventy-five percent (75%) of the Household's income from a local business, as defined above.
3. No Teton County Residential Real Estate. No member of the Qualified Household may own or have any interest (whether individually, in trust, or through an entity including without limitation a partnership, limited partnership, limited liability company, corporation, association, or the like) in whole or in part in any other residential real estate within one hundred and fifty (150) miles of Teton County, Wyoming at any time during occupancy of the Residential Unit.
4. Determination by the Housing Department. The Housing Department shall determine whether a prospective occupant is a Qualified Household. In addition to any requirements set forth in the Rules and Regulations, such determinations shall be based upon written applications, representations, information and verification as are deemed by the Housing Department to be necessary to establish and substantiate eligibility.
5. Continuing Obligation to Remain a Qualified Household. Households residing in the Residential Unit shall satisfy the definition of a Qualified Household at all times during occupancy of the Residential Unit.

B. No Legal Action. No owner of the Residential Unit, prospective purchaser of the Residential Unit, Tenant, renter or occupant, or other party shall have the right to sue or bring other legal process against the Town of Jackson or Teton County, Wyoming or the Housing Department, or any person affiliated with the Town of Jackson or Teton County, Wyoming or the Housing Department arising out of these Special Restrictions, and neither shall the Town of Jackson or Teton County, Wyoming or the Housing Department have any liability to any person aggrieved by the decision of the Town of Jackson, Wyoming or the Housing Department regarding qualification of a Qualified Household or any other matter relating to these Special Restrictions.

C. Ownership by Housing Department. Notwithstanding the foregoing, the Housing Department may purchase and own the Residential Unit.

SECTION 3. RESTRICTIONS ON OCCUPANCY, IMPROVEMENT AND USE OF RESIDENTIAL UNIT. In addition to any restrictions included in the Rules and Regulations, occupancy and use of the Residential Unit shall be restricted as follows:

A. Occupancy.

a. Occupancy by Owner. The Residential Unit may only be occupied by a Qualified Household, shall be such Qualified Household's sole and exclusive primary residence, and each Qualified Household occupying the Residential Unit shall physically reside therein on a full-time basis, at least ten (10) months out of each calendar year. Except for permitted guests, no person other than those comprising the Qualified Household may occupy the Unit, provided that such requirement does not violate federal or state fair housing laws.

b. Occupancy by Tenant. The Residential Unit occupied by a tenant shall be the Qualified Household's sole and exclusive primary residence, and each tenant of a Residential Unit shall physically reside therein on a full-time basis, at least eighty percent (80%) of the term of the lease. Except for permitted guests, no persons other than the members of the Qualified Household may occupy the Residential Unit. Only members of the Qualified Household may occupy a Residential Unit.

B. Business Activity. No business activities shall occur in a Residential Unit, other than a home occupation use that is allowed by applicable zoning and properly permitted.

C. Guests. No persons other than those comprising the Qualified Household shall be permitted to occupy the Residential Unit for periods in excess of thirty (30) cumulative days per calendar year.

D. Renting. Owners may rent the Residential Unit to a Qualified Household after verification and qualification of eligibility by the Housing Department.

E. Rental Term. The Residential Unit shall be offered for rent in periods of not less than thirty-one (31) days.

F. Vacancies. The Residential Unit may be vacant intermittently between tenancies to allow for proper advertisement and verification for Qualified Households and reasonable maintenance. However, a Residential Unit shall not be vacant for a period greater than sixty (60) days, unless authorized by the Housing Department. If any Residential Unit remains vacant for more than sixty (60) days without approval, the Housing Department has the right, but not the obligation, to identify a Qualified Household to rent the Residential Unit.

G. Maintenance. The owner shall take good care of the interior of the Residential Unit and all other aspects of the Residential Unit not otherwise maintained by a homeowner's association and shall make all repairs and maintain the Residential Unit in a safe, sound, habitable, and good condition and state of repair. In case of damage to the Residential Unit, the owner shall repair the damage or replace or restore any destroyed parts of the Residential Unit, as speedily as practical.

H. Capital Improvements. The Owner may only undertake capital improvements to the Residential Unit in accordance with the policies set forth in the Rules and Regulations, which policies may include but are not limited to, a limitation on the valuation of such improvements at resale, requirements regarding the advance written approval of such improvements, and documentation of proposed and completed improvements.

I. Insurance. The owner shall keep the Residential Unit continuously insured against "all risks" of physical loss (not otherwise covered by a homeowner's association insurance), for the full replacement value of the Residential Unit.

J. Compliance with Laws, Declaration. The Residential Unit shall be occupied in full compliance with these Special Restrictions and the Rules and Regulations, along with all laws, statutes, codes, rules, or regulations, covenants, conditions and restrictions, and all supplements and amendments thereto, and any other rules and regulations of any applicable homeowner's association, as the same may be adopted from time to time.

K. Periodic Reporting, Inspection. In order to confirm compliance with these Special Restrictions, the Rules and Regulations and other covenants, regulations, ordinances, or rules governing the ownership, occupancy, use, development or transfer of a Residential Unit, Owner shall comply, and shall cause all occupants to comply, with any reporting or inspection requirements as set forth herein and as may be required by the Housing Department from time to time. Upon reasonable notice to Owner, the Housing Department shall have the right to inspect the Residential Unit from time to time to determine compliance with these Special Restrictions and to review the written records required to be maintained by Owner. Owner shall maintain such records for a period of two (2) years.

SECTION 4. TRANSFER LIMITATIONS. Each Residential Unit may only be sold in accordance with Sections 5, 6 and 7 below or transferred in accordance herewith as follows:

A. Divorce. In the event of the divorce of an owner, the Housing Department may consent to the transfer of the Residential Unit to the spouse of such owner, which spouse may not

otherwise qualify as a Qualified Household, only upon receipt of an order issued by a Court of competent jurisdiction ordering such transfer.

B. Death. In the event of the death of an owner, the Housing Department may consent to the transfer of the Residential Unit to an heir or devisee of such deceased owner, which heir or devisee may not otherwise qualify as a Qualified Household, only upon receipt of an order issued by a Court of competent jurisdiction ordering such transfer.

C. Nonqualified Transferee. If title to the Residential Unit vests in a Nonqualified Transferee, as defined in the Rules and Regulations, the Residential Unit shall immediately be listed for sale in accordance with these Special Restrictions and the Rules and Regulations, or in the alternative, the Housing Department may exercise its option herein to purchase the Residential Unit. The following shall apply when the Housing Department determines there is a Nonqualified Transferee:

1. The Housing Department shall provide the Nonqualified Transferee a reasonable period within which to qualify as a Qualified Household.

2. If the Nonqualified Transferee does not qualify as a Qualified Household within such reasonable period, he or she shall cooperate with the Housing Department to effect the sale, conveyance or transfer of the Residential Unit to a Qualified Household and shall execute any and all documents necessary to such sale, conveyance or transfer.

3. A Nonqualified Transferee shall comply with these Special Restrictions, the Rules and Regulations, the Declaration, zoning and all Laws governing the ownership, occupancy, use, development or transfer of the Residential Unit, and further may only occupy the Residential Unit with the prior written consent of the Housing Department

SECTION 5. INITIAL SALE OF THE RESIDENTIAL UNIT. At initial sale, the Residential Unit may only be sold to a Qualified Household at a purchase price as Owner and prospective buyer may determine and subject to these Special Restrictions. After Owner and a prospective buyer enter into a purchase agreement for the purchase and sale of the Unit and at least thirty (30) days prior to purported closing of the purchase and sale, the prospective buyer shall provide such information as may be required by the Housing Department for it to determine if the prospective buyer is a Qualified Household. If the prospective buyer does not qualify as a Qualified Household, such buyer may not purchase the Unit. At all subsequent sales, the Housing Department will conduct a Weighted Drawing to identify a buyer.

SECTION 6. RESALE OF RESIDENTIAL UNIT. An Owner desiring to sell a Residential Unit shall give written notice to the Housing Department of such desire (the "Notice to Sell"), and after receipt of such notice, the Housing Department shall determine the "Maximum Resale Price," as provided herein and in accordance with the Rules and Regulations. Upon the Housing Department's determination of the Maximum Resale Price, the sale of the Residential Unit shall be facilitated by the Housing Department and shall be completed in accordance with the procedure set forth in

the Rules and Regulations, which procedure may include, without limitation: a fee (not to exceed two percent (2%)) of the Maximum Resale Price paid to the Housing Department for such facilitation; requirements regarding listing the Residential Unit with the Housing Department and/or a licensed real estate agent, as the Housing Department may direct; standard terms for the sales contract; and procedure for the selection of the purchaser (which selection procedure may include a weighted drawing process). Any such conveyance of a Residential Unit shall be subject to these Special Restrictions. Each purchaser of a Residential Unit shall execute a Buyer's Acknowledgment of Special Restrictions and Option, on a form to be provided by the Housing Department. Notwithstanding the foregoing, upon receipt of notice from an owner of such owner's desire to sell a Residential Unit, the Housing Department may purchase such Residential Unit. So long as such owner is not otherwise in default as defined herein, the purchase price in such case shall be the Maximum Resale Price as calculated below and subject to adjustment as provided herein. If an owner is in default, other provisions of these Special Restrictions may apply in determining the purchase price.

SECTION 7. MAXIMUM RESALE PRICE. To further the Town of Jackson's goal of providing affordable housing, after the initial sale, a Residential Unit may not be sold for a purchase price in excess of the "Maximum Resale Price." The Maximum Resale Price is the current owner's purchase price plus an increase in price of the Denver-Boulder-Greeley CPI (if such ceases to exist then a comparable CPI Index as determined in the sole discretion of the Housing Department) or three percent (3%), whichever is lower, per year of ownership compounded annually, plus the depreciated cost of pre-approved or government-required capital improvements, plus any other costs allowed by the Housing Department, less any required maintenance and/or repair adjustment, all as more fully described in the Rules and Regulations. Notwithstanding the determination of the Maximum Resale Price, the actual sales proceeds delivered to a selling owner may be reduced to account for restoration or repair of a Residential Unit (including without limitation, replacement of carpets, painting, roof repair, siding maintenance/replacement, etc.) determined necessary in the Housing Department's sole and absolute discretion. Finally, to ensure that the sales price of any Residential Unit is limited to the Maximum Resale Price, no purchaser of a Residential Unit shall assume any obligation of a selling owner, nor shall such purchaser pay or provide to a selling owner any other form of consideration in connection with the sale of the Residential Unit. The calculation of the Maximum Resale Price, as made by the Housing Department, shall be final and binding on all parties.

NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTY THAT UPON THE RESALE OF A RESIDENTIAL UNIT, OWNER SHALL OBTAIN THE ENTIRE MAXIMUM RESALE PRICE.

SECTION 8. DEFAULT. Each of the following shall be considered a default ("Default"):

A. A violation of any term of these Special Restrictions, the Rules and Regulations, the Declaration, or any laws affecting a Residential Unit.

B. Vacancy of a Residential Unit for more than sixty (60) days continuously

C. Failure to pay or default of any other obligations due or to be performed with respect to a Residential Unit which failure to pay or default could result in a lien against a Residential

Unit, including without limitation, homeowner dues, property taxes, payment required by a promissory note or mortgage purporting to affect a Residential Unit. Owner shall notify the Housing Department in writing of any notification received from any lender or third party of past due payments or default in payment or other obligations due or to be performed within five (5) calendar days of Owner's notification.

D. If the Residential Unit is taken by execution or by other process of law, or if Owner is judicially declared insolvent according to law, or if any assignment is made of the property of Owner for the benefit of creditors, or if a receiver, trustee or other similar officer is appointed to take charge of any substantial part of the Residential Unit or Owner's property by a court of competent jurisdiction.

E. Fraud or misrepresentation by purchaser, Owner and/or occupant in the provision of an application, reporting requirement, inspection requirement or any other informational requirement to the Housing Department.

In the event the Housing Department believes there to be a Default, the Housing Manager, or a Designee of the Housing Department, shall send written notice to Owner of such violation, the required action to cure and the timing for such cure. If Owner disputes the Housing Department's decision, Owner shall proceed in accordance with the Rules and Regulations.

SECTION 9. DEFAULT REMEDIES. In addition to any other remedies the Housing Department may have at law or equity, in the event of a Default, the Housing Department's remedies shall include, without limitation, as an exercise of its regulatory authority, the following:

A. Purchase Option.

1. The Housing Department shall have the option to purchase the Residential Unit for a purchase price equal to the Maximum Resale Price, or the appraised value whichever is less, subject to the Housing Department's ability to limit appreciation as provided in this Section ("Option") and further subject to the Housing Department's ability to reduce proceeds as provided above.

2. If the Housing Department desires to exercise its Option, the Housing Department shall provide written notice to Owner of such election. Such notice shall include the purchase price and the timing for the closing of the purchase. The Option must be exercised within ninety (90) days from receipt of a notification of borrower Default or the property foreclosure.

B. Forced Sale. The Housing Department may require Owner to sell the Residential Unit in accordance with the resale procedures set forth in these Special Restrictions and the Rules and Regulations. Such sale shall be subject to these Special Restrictions.

C. Whether the Housing Department elects to exercise its Option or to force a sale in accordance herewith, all proceeds, unless otherwise required by statute, will be applied in the following order:

FIRST, to the payment of any unpaid taxes;

SECOND, to the payment of any Qualified Mortgage;

THIRD, to assessments, claims and liens on the Residential Unit (not including any mortgage or lien purportedly affecting the Residential Unit which is not a Qualified Mortgage);

FOURTH, to the payment of the closing costs and fees;

FIFTH, to the two percent (2%) facilitation fee to the Housing Department;

SIXTH, to the payment of any penalties assessed against Owner by the Housing Department;

SEVENTH, to the repayment to the Housing Department of any monies advanced by it in connection with a mortgage or other debt with respect to a Residential Unit, or any other payment made Owner's behalf;

EIGHTH, to any repairs needed for the Residential Unit; and

NINTH, any remaining proceeds shall be paid to Owner.

If there are insufficient proceeds to satisfy the foregoing, Owner shall remain personally liable for such deficiency.

D. Appointment of Housing Department as Owner's Attorney-in-Fact. In the event the Housing Department exercises its Option or requires the Forced Sale, Owner hereby irrevocably appoints the then-serving Housing Manager as such Owner's attorney-in-fact to effect any such purchase or sale on Owner's behalf (including without limitation the right to cause an inspection of the Residential Unit and make such repairs to the Residential Unit as the Housing Department may reasonably deem necessary), and to execute any and all deeds of conveyance or other instruments necessary to fully effect such purchase or sale and conveyance.

E. Limitation on Appreciation at Resale. The Housing Department may fix the Maximum Resale Price of a defaulting owner's Residential Unit to the Maximum Resale Price for the Residential Unit as of the date of an owner's Default (or as of such date after the Default as the Housing Department may determine), and in such event, the Maximum Resale Price shall cease thereafter to increase.

F. Equitable Relief. The Housing Department shall have the right of specific performance of these Special Restrictions and the Rules and Regulations, and the right to obtain from any court of competent jurisdiction a temporary restraining order, preliminary injunction and permanent injunction to obtain such performance. Any equitable relief provided for herein may be sought singly or in combination with such other remedies as the Housing

Department may be entitled to, either pursuant to these Special Restrictions or under the laws of the State of Wyoming.

G. Enforcement. The Housing Department may, for purposes of enforcing these Special Restrictions or the Rules and Regulations, seek enforcement through the Town or County Land Development Regulations, including but not limited to Division 8.9 Enforcement or as amended.

SECTION 10. QUALIFIED MORTGAGE.

A. Only a mortgage which is a "Qualified Mortgage" shall be permitted to encumber a Residential Unit. A “Qualified Mortgage” is a mortgage that:

1. the principal amount of such mortgage at purchase does not exceed ninety-six and one half percent (96.5%) of the purchase price, and thereafter the principal amount of such mortgage, any refinanced mortgage and/or additional mortgages combined do not exceed ninety-five percent (95%) of the then current Maximum Resale Price as the same is determined by the Housing Department at the time or times any such mortgage purports to encumber the Residential Unit; and

2. runs in favor of a “Qualified Mortgagee,” defined as:

   i. An “institutional lender” such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision; or

   ii. A “community loan fund”, or similar non-profit lender to housing projects for income-eligible persons (e.g., is not given to or acquired by any individual person); or

   iii. A non-affiliated, legitimate, “finance company." In no event may such finance company be an individual or any company that is affiliated with or has any affiliation with Owner or any family member of Owner; or

   iv. JHTCA or Housing Department for any monies advanced by JHTCA or Housing Department in connection with a mortgage or other debt with respect to Residential Unit.

B. Termination Resulting from Foreclosure by a Qualified Mortgagee. These Special Restrictions as applied to a Residential Unit may be terminated by a Qualified Mortgagee in the event of a lawful foreclosure of the Residential Unit by such Qualified Mortgagee, as follows:

1. The Qualified Mortgagee provided to the Housing Department copies of all notices of intent to foreclose and all other notices related to the foreclosure contemporaneously with its service of such notices upon an owner.

2. The Housing Department did not exercise its rights as provided in Section 10, Qualified Mortgage.

3. Termination may occur only after expiration of all applicable redemption periods and subsequent recordation of a Sheriff's Deed (or other transfer document as approved by the Housing Department in its sole and absolute discretion) conveying title to a purchaser, who is not (i) Owner, (ii) a member of the Qualified Household, (iii) a person affiliated with or related to Owner or any member of the Qualified Household, or (iv) the Housing Department.

4. In the event of a foreclosure hereunder, the Qualified Mortgagee shall pay to the Housing Department all proceeds remaining, if any, after payment of the Qualified Mortgage loan amount, interest, penalties and fees, which proceeds would have been payable to Owner of the foreclosed Residential Unit.

5. Notwithstanding the notice requirements to the Housing Department in this Section, if a Qualified Mortgagee has failed to provide the Housing Department copies of all notices of intent to foreclose and all notices related to the foreclosure contemporaneously with its service on an owner, such Qualified Mortgagee, prior to foreclosing on the Residential Unit, shall provide the Housing Department with notice of its intent to foreclose ("Mortgagee Notice to the Housing Department"). The Mortgagee Notice to the Housing Department shall include all information relevant to Owner's default and the actions necessary to cure such default. The Housing Department shall have forty-five (45) days from the date of the Mortgagee Notice to the Housing Department to exercise its rights under Section 10, Qualified Mortgage. If the Housing Department fails to exercise its rights within such 45-day period, the Qualified Mortgagee may foreclose on the Residential Unit as provided herein.

Nothing herein shall limit or restrict an owner's right of statutory redemption, in which event, if an owner redeems, these Special Restrictions shall remain in full force and effect.

C. Any mortgage, lien or other encumbrance executed or recorded against a Residential Unit that is not a Qualified Mortgage shall:

1. be deemed unsecured; and

2. only be a personal obligation of an owner and shall not affect or burden, and shall not be enforceable against, such Residential Unit.

Additionally, the execution or recordation of such mortgage, lien or other encumbrance shall be deemed a default hereunder and the Housing Department may exercise any and all of its remedies hereunder or otherwise, including without limitation the right of the Housing Department to purchase and to force a sale.

D. In the event an owner fails to make timely payment owed or otherwise breaches any of the covenants or agreements made in connection with any mortgage, lien or other encumbrance purporting to affect the Residential Unit, including without limitation a Qualified Mortgage, fails to timely make any other payment required in connection with the Residential Unit, including without limitation homeowner association dues and fees, assessments, payments to contractors, materialmen, or other vendors for work undertaken for which a lien could be filed against the Residential Unit, the Housing Department shall have (in addition to the any other remedies) the right to:

1. Cure such default and assume the payments and other obligations of Owner. In such event, Owner shall be in default of these Special Restrictions, and the Housing Department may exercise any and all of its remedies hereunder or otherwise, including without limitation its option to purchase and its right to force a sale. In addition to such remedies, Owner shall also be liable to the Housing Department for any amounts advanced.

2. Acquire the loan from the lender by paying the balance due together with reasonable accrued interest and costs, and the Housing Department shall thereafter have the right to foreclose upon the Residential Unit in accordance with the mortgage and other loan documents or take such other action as the Housing Department shall determine.

3. Purchase the Residential Unit at any foreclosure sale, and in such event, notwithstanding anything to the contrary herein, the Residential Unit shall remain subject to these Special Restrictions.

ANY LENDER BY ENTERING INTO A LOAN TRANSACTION WITH AN OWNER OF A RESIDENTIAL UNIT HEREBY CONSENTS TO THE FOREGOING AND ACKNOWLEDGES THAT ANY INTEREST ACQUIRED BY VIRTUE OF ITS LIEN OR MORTGAGE SHALL BE SUBJECT AND SUBORDINATE TO THESE SPECIAL RESTRICTIONS.

SECTION 11. TERMINATION, AMENDMENT AND CORRECTION OF SPECIAL RESTRICTIONS.

C. Termination by the Town of Jackson. These Special Restrictions may be terminated after a determination by the Town of Jackson that these Special Restrictions are no longer consistent with the Town's goals for affordable housing.

B. Amendment. These Special Restrictions may be amended by a signed, written amendment executed by the Parties hereto and recorded in the Teton County Clerk's Office against the title to the Land, in whole or in part, with the written consent of Owner of the Residential Unit Complex and the Town of Jackson, Wyoming.

C. Correction. The Housing Department may unilaterally correct these Special Restrictions to address scrivener's errors, erroneous legal descriptions or typographical errors

SECTION 12. SPECIAL RESTRICTIONS AS COVENANT. These Special Restrictions shall constitute covenants running with the Land and the Residential Unit, as a burden thereon, and shall be binding on all parties having any right, title, or interest in the Land, the Residential Unit, or any part thereof, their heirs, devisees, successors and assigns, and shall inure to the benefit of and shall be enforceable by JTCHA, the Housing Department and the Town of Jackson.

SECTION 13. NOTICES. All notices required to be served upon the parties to this Special Restriction shall be transmitted by one of the following methods: hand delivery; prepaid overnight courier; or by postage paid certified mail, return receipt requested, at the address set forth below for said party; or at such other address as one party notifies the other in writing pursuant to this paragraph. Notice shall be effective when hand delivered, one (1) day after being deposited with an overnight courier or five (5) business days after being placed in the mail. Either party may change its address in the manner provided for giving notice.

To Housing Department
Jackson/Teton County Affordable Housing Department
P.O. Box 714
Jackson, WY 83001

With a Copy to:
Town of Jackson.
P.O. Box 1687
Jackson, WY 83001.

To Owner
Patrick and Alicia McGaugh
P.O. Box 63
Moose, WY 83012

SECTION 14. ATTORNEY'S FEES. In the event any party shall be required to retain counsel and file suit for the purpose of enforcing the terms and conditions of these Special Restrictions, the prevailing party shall be entitled to recover, in addition to any other relief recovered, a reasonable sum as determined by the court for attorney's fees and costs of litigation.

SECTION 15. CHOICE OF LAW, FORUM. These Special Restrictions and each and every related document, are to be governed by and construed in accordance with the laws of the State of Wyoming. The parties agree that the appropriate court in Teton County, Wyoming and/or the

Ninth Judicial District for the State of Wyoming shall have sole and exclusive jurisdiction over any dispute, claim, or controversy which may arise involving these Special Restrictions or its subject matter. Owner by accepting a deed for the Land hereby submits to the personal jurisdiction of any such court in any action or proceeding arising out of or relating to this Special Restrictions.

SECTION 16. SEVERABILITY. Each provision of these Special Restrictions and any other related document shall be interpreted in such a manner as to be valid under applicable law; but, if any provision, or any portion thereof, of any of the foregoing shall be invalid or prohibited under said applicable law, such provision shall be deemed modified to the extent necessary and possible to render it valid and enforceable, or if such modification is not possible, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provision(s) of such document.

SECTION 17. SECTION HEADINGS. Paragraph or section headings within these Special Restrictions are inserted solely for convenience or reference, and are not intended to, and shall not govern, limit or aid in the construction of any terms or provisions contained herein.

SECTION 18. WAIVER. No claim of waiver, consent or acquiescence with respect to any provision of these Special Restrictions shall be valid against any party hereto except on the basis of a written instrument executed by the parties to these Special Restrictions. However, the party for whose benefit a condition is inserted herein shall have the unilateral right to waive such condition.

SECTION 19. INDEMNIFICATION. Owner shall indemnify, defend, and hold the Housing Department and the Town of Jackson, and each entity's directors, officers, agents and employees harmless against any and all loss, liability, claim, or cost (including reasonable attorneys' fees and expenses) for damage or injury to persons or property from any cause whatsoever on or about the Residential Unit, or for Owner's breach of any provision of these Special Restrictions. Owner waives any and all such claims against the Housing Department and the Town of Jackson.

SECTION 20. SUCCESSORS AND ASSIGNS. These Special Restrictions shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, devisees, administrators and assigns.

SECTION 21. GOVERNMENTAL IMMUNITY. Neither the Town of Jackson nor the Housing Department waives governmental immunity by executing these Special Restrictions and specifically retain immunity and all defenses available to them as government pursuant to Wyo. Stat. Ann. § 1-39-104(a) and any other applicable law.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the Effective Date.

OWNERS:

_____
Patrick Christopher McGaugh,

_____
Alicia Leigh McGaugh

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of _____, 2019, the foregoing instrument was acknowledged before me by Patrick Christopher McGaugh and Alicia Leigh McGaugh, as Owners, of 30 Pine Glades Drive.

Witness my hand and official seal.

(Seal)

_____
Notary Public
My commission expires:

JACKSON/TETON COUNTY HOUSING AUTHORITY

_____
Matthew Faupel, Chair

ATTEST

_____
Anne Kent Droppert, Clerk

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of _____, 2019, the foregoing instrument was acknowledged before me by Matthew Faupel as Chair, of the Jackson/Teton County Housing Authority.

Witness my hand and official seal.

(Seal)

_____
Notary Public
My commission expires:

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of _____, 2019, the foregoing instrument was acknowledged before me by Anne Kent Droppert as Clerk, of the Jackson/Teton County Housing Authority.

Witness my hand and official seal.

(Seal)

_____
Notary Public
My commission expires:

Approved as to form:

JACKSON/TETON COUNTY AFFORDABLE HOUSING DEPARTMENT:

_____
Stacy A. Stoker, Housing Manager

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of _____, 2019, the foregoing Special Restrictions for Affordable Housing was acknowledged before me by Stacy A. Stoker as Housing Manager.

Witness my hand and official seal.

(Seal)

_____
Notary Public

COMPLETE AMENDMENT AND RESTATEMENT
Special Restrictions
For Workforce Ownership Housing
Located at
36 Pine Glades Drive, Town of Jackson, Wyoming

This Complete Amendment and Restatement of the Special Restrictions for Employment-Based Housing Located at Spruce Townhome Addition, Lot 4 Employment-Based as modified by the Corrective Amendment to Special Restrictions for Employment-Based Housing Located at Spruce Townhome Addition, Lot 4 Employment-Based recorded in the Office of the Teton County Clerk as document numbers 0868655 book of photo 878 pages 1041-1056 and 0870256 book of photo 880 pages 1046-1048 for 36 Pine Glades Drive is made this _____ Day of _____, 2019 (the "Effective Date"), by Teton County Housing Authority (TCHA) and the undersigned owner ("Owner") ("Special Restrictions").

RECITALS:

WHEREAS, the undersigned Owner holds fee ownership interest in that certain real property known as 36 Pine Glades Drive located in Teton County, Wyoming, and more specifically described as follows:

> Lot 4 of Spruce Townhomes Addition to the Town of Jackson, Teton County, Wyoming, according to that plat recorded in the Office of the Teton County Clerk on October 8, 2014 as Plat Number 1343
>
> PIDN: 22-41-16-33-4-43-001 (the "Land");

WHEREAS, as a condition of its Final Development Plan Approval P07-126 & 127, and later amendment to application , dated January 22, 2008 for the property commonly known as the Pine Glades Phase One Addition to the Town of Jackson (the "FDP Approval"), Owner was required to dedicate Seven three-bedroom townhomes consisting of one Affordable Category 1, one Affordable Category 2, one Affordable Category 3, and four Employment-Based units. to be owned by households who work in Teton County and will occupy the units as their sole primary residences (the "Residential Units");

> 36 Pine Glades Drive is a 3-bedroom Workforce Ownership Townhome (formerly known as Employment-Based)

WHEREAS, in furtherance of the goals, objectives, requirements and conditions of the FDP Approval, Owner was required to restrict the initial and all subsequent sales and transfers of each Residential Unit, defined above, to a "Qualified Household,";

WHEREAS, consistent with the foregoing, the Land is subject to those certain Special Restrictions for Employment-Based Housing Located at Spruce Townhome Addition, Lot 4 Employment-Based as modified by the Corrective Amendment Special Restrictions for Employment-Based Housing Located at Spruce Townhome Addition, Lot 4 Employment-Based recorded October 8, 2014 as

Document number 0868655 in book of photo 878 pages 994-1009 (the "2014 Special Restrictions");

WHEREAS, in accordance with Section 9.C.1 of the 2014 Special Restrictions, the Special Restrictions may be modified with the written consent of owner and TCHA ;

WHEREAS, the Jackson Town Council and Teton County Board of County Commissioners voted to amend their 1990 Resolution creating the Teton County Housing Authority ("TCHA") and further amend the 1999 Resolution, to form a regional Housing Authority pursuant to Wyoming Statute §15-10-116(b) with the County of Teton and the Town of Jackson forming the regional housing authority known as the Jackson/Teton County Housing Authority ("JTCHA"), making the JTCHA the successor in interest to all deeds, documents, leases, and contracts of TCHA;

WHEREAS, the Jackson Town Council and Teton County Board of County Commissioners further resolved to create the Jackson/Teton County Affordable Housing Department ("Housing Department") who will be employees of Teton County and agents acting on behalf of the JTCHA;

WHEREAS, in accordance with such Section 9.C.1 of the 2014 Special Restrictions, and consistent with the foregoing Recitals, JTCHA and the undersigned Owner now desire to amend, restate and replace in their entirety with respect to the Residential Unit and Land the 2014 Special Restrictions by adopting these Complete Amendment and Restatement Special Restrictions for Workforce Ownership Housing Located at 36 Pine Glades Drive, Town of Jackson, Wyoming ("Special Restrictions");

WHEREAS, Owner desires to adopt these Special Restrictions and declare that the Residential Unit and Land shall be held, sold, and conveyed in perpetuity subject to these Special Restrictions, which Special Restrictions shall be in addition to all other covenants, conditions or restrictions of record affecting the Residential Unit and Land, and shall be enforceable by the Jackson/Teton County Housing Authority, a duly constituted housing authority pursuant to W.S. §15-10-116, as amended, and its successors or assigns, the Jackson/Teton County Affordable Housing Department (collectively "Housing Department") and the Town of Jackson, Wyoming.;

RESTRICTIONS:

NOW THEREFORE, in satisfaction of the conditions in the FDP Approval, and in further consideration of the foregoing Recitals, which are by this reference incorporated herein, Owner hereby declares, covenants and agrees for itself and each and every person acquiring ownership of the Residential Unit, that the Land and each Residential Unit shall be owned, used, occupied, developed, transferred and conveyed subject to the following Special Restrictions in perpetuity.

SECTION 1. JACKSON/TETON COUNTY HOUSING DEPARTMENT RULES AND REGULATIONS. References made herein to the "Rules and Regulations" are references to the written policies, procedures and guidelines of the Housing Department, as the same may be amended, modified, or updated from time to time and which policies, procedures and guidelines are on file with the Housing Department or otherwise with the Town of Jackson, or if there are no such written policies, procedures or guidelines (or a written policy, procedure or guideline with respect to a

specific matter) then the reference shall be to the current applied policy or policies of the Housing Department or its successor. Procedural and administrative matters not otherwise addressed in these Special Restrictions shall be as set forth in the Rules and Regulations.

SECTION 2. OWNERSHIP BY QUALIFIED HOUSEHOLD.

A. Qualified Household. The ownership, use and occupancy of the Residential Unit shall be limited to natural persons who meet the definition of a Qualified Household for Workforce Housing, as set forth below ("Qualified Household").

1. Employment Requirement. At least one (1) member of the Qualified Household must maintain an average of thirty (30) hours per week employment on an annual basis, or a minimum of one thousand five hundred and sixty hours (1,560) per year, for a local business.

   A.) A local business means (1) a business physically located within Teton County, Wyoming, holding a business license with the Town of Jackson, Wyoming or one that can provide other verification of business status physically located in Teton County, Wyoming, and (2) the business serves clients or customers who are physically located in Teton County, Wyoming, and (3) the employees/owners must work in Teton County, Wyoming to perform their job.

   Or

   B.) A business physically located in Teton County Wyoming who employs two or more Qualified Employees, which qualified employees must work in Teton County Wyoming to perform their job.

2. Income Requirement: The entire Qualified Household must earn at least seventy-five percent (75%) of the Household's income from a local business, as defined above.
3. No Teton County Residential Real Estate. No member of the Qualified Household may own or have any interest (whether individually, in trust, or through an entity including without limitation a partnership, limited partnership, limited liability company, corporation, association, or the like) in whole or in part in any other residential real estate within one hundred and fifty (150) miles of Teton County, Wyoming at any time during occupancy of the Residential Unit.
4. Determination by the Housing Department. The Housing Department shall determine whether a prospective occupant is a Qualified Household. In addition to any requirements set forth in the Rules and Regulations, such determinations shall be based upon written applications, representations, information and verification as are deemed by the Housing Department to be necessary to establish and substantiate eligibility.
5. Continuing Obligation to Remain a Qualified Household. Households residing in the Residential Unit shall satisfy the definition of a Qualified Household at all times during occupancy of the Residential Unit.

B. No Legal Action. No owner of the Residential Unit, prospective purchaser of the Residential Unit, Tenant, renter or occupant, or other party shall have the right to sue or bring other legal process against the Town of Jackson or Teton County, Wyoming or the Housing Department, or any person affiliated with the Town of Jackson or Teton County, Wyoming or the Housing Department arising out of these Special Restrictions, and neither shall the Town of Jackson or Teton County, Wyoming or the Housing Department have any liability to any person aggrieved by the decision of the Town of Jackson, Wyoming or the Housing Department regarding qualification of a Qualified Household or any other matter relating to these Special Restrictions.

C. Ownership by Housing Department. Notwithstanding the foregoing, the Housing Department may purchase and own the Residential Unit.

SECTION 3. RESTRICTIONS ON OCCUPANCY, IMPROVEMENT AND USE OF RESIDENTIAL UNIT. In addition to any restrictions included in the Rules and Regulations, occupancy and use of the Residential Unit shall be restricted as follows:

A. Occupancy.

a. Occupancy by Owner. The Residential Unit may only be occupied by a Qualified Household, shall be such Qualified Household's sole and exclusive primary residence, and each Qualified Household occupying the Residential Unit shall physically reside therein on a full-time basis, at least ten (10) months out of each calendar year. Except for permitted guests, no person other than those comprising the Qualified Household may occupy the Unit, provided that such requirement does not violate federal or state fair housing laws.

b. Occupancy by Tenant. The Residential Unit occupied by a tenant shall be the Qualified Household's sole and exclusive primary residence, and each tenant of a Residential Unit shall physically reside therein on a full-time basis, at least eighty percent (80%) of the term of the lease. Except for permitted guests, no persons other than the members of the Qualified Household may occupy the Residential Unit. Only members of the Qualified Household may occupy a Residential Unit.

B. Business Activity. No business activities shall occur in a Residential Unit, other than a home occupation use that is allowed by applicable zoning and properly permitted.

C. Guests. No persons other than those comprising the Qualified Household shall be permitted to occupy the Residential Unit for periods in excess of thirty (30) cumulative days per calendar year.

D. Renting. Owners may rent the Residential Unit to a Qualified Household after verification and qualification of eligibility by the Housing Department.

E. Rental Term. The Residential Unit shall be offered for rent in periods of not less than thirty-one (31) days.

F. Vacancies. The Residential Unit may be vacant intermittently between tenancies to allow for proper advertisement and verification for Qualified Households and reasonable maintenance. However, a Residential Unit shall not be vacant for a period greater than sixty (60) days, unless authorized by the Housing Department. If any Residential Unit remains vacant for more than sixty (60) days without approval, the Housing Department has the right, but not the obligation, to identify a Qualified Household to rent the Residential Unit.

G. Maintenance. The owner shall take good care of the interior of the Residential Unit and all other aspects of the Residential Unit not otherwise maintained by a homeowner's association and shall make all repairs and maintain the Residential Unit in a safe, sound, habitable, and good condition and state of repair. In case of damage to the Residential Unit, the owner shall repair the damage or replace or restore any destroyed parts of the Residential Unit, as speedily as practical.

H. Capital Improvements. The Owner may only undertake capital improvements to the Residential Unit in accordance with the policies set forth in the Rules and Regulations, which policies may include but are not limited to, a limitation on the valuation of such improvements at resale, requirements regarding the advance written approval of such improvements, and documentation of proposed and completed improvements.

I. Insurance. The owner shall keep the Residential Unit continuously insured against "all risks" of physical loss (not otherwise covered by a homeowner's association insurance), for the full replacement value of the Residential Unit.

J. Compliance with Laws, Declaration. The Residential Unit shall be occupied in full compliance with these Special Restrictions and the Rules and Regulations, along with all laws, statutes, codes, rules, or regulations, covenants, conditions and restrictions, and all supplements and amendments thereto, and any other rules and regulations of any applicable homeowner's association, as the same may be adopted from time to time.

K. Periodic Reporting, Inspection. In order to confirm compliance with these Special Restrictions, the Rules and Regulations and other covenants, regulations, ordinances, or rules governing the ownership, occupancy, use, development or transfer of a Residential Unit, Owner shall comply, and shall cause all occupants to comply, with any reporting or inspection requirements as set forth herein and as may be required by the Housing Department from time to time. Upon reasonable notice to Owner, the Housing Department shall have the right to inspect the Residential Unit from time to time to determine compliance with these Special Restrictions and to review the written records required to be maintained by Owner. Owner shall maintain such records for a period of two (2) years.

SECTION 4. TRANSFER LIMITATIONS. Each Residential Unit may only be sold in accordance with Sections 5, 6 and 7 below or transferred in accordance herewith as follows:

A. Divorce. In the event of the divorce of an owner, the Housing Department may consent to the transfer of the Residential Unit to the spouse of such owner, which spouse may not

otherwise qualify as a Qualified Household, only upon receipt of an order issued by a Court of competent jurisdiction ordering such transfer.

B. Death. In the event of the death of an owner, the Housing Department may consent to the transfer of the Residential Unit to an heir or devisee of such deceased owner, which heir or devisee may not otherwise qualify as a Qualified Household, only upon receipt of an order issued by a Court of competent jurisdiction ordering such transfer.

C. Nonqualified Transferee. If title to the Residential Unit vests in a Nonqualified Transferee, as defined in the Rules and Regulations, the Residential Unit shall immediately be listed for sale in accordance with these Special Restrictions and the Rules and Regulations, or in the alternative, the Housing Department may exercise its option herein to purchase the Residential Unit. The following shall apply when the Housing Department determines there is a Nonqualified Transferee:

1. The Housing Department shall provide the Nonqualified Transferee a reasonable period within which to qualify as a Qualified Household.

2. If the Nonqualified Transferee does not qualify as a Qualified Household within such reasonable period, he or she shall cooperate with the Housing Department to effect the sale, conveyance or transfer of the Residential Unit to a Qualified Household and shall execute any and all documents necessary to such sale, conveyance or transfer.

3. A Nonqualified Transferee shall comply with these Special Restrictions, the Rules and Regulations, the Declaration, zoning and all Laws governing the ownership, occupancy, use, development or transfer of the Residential Unit, and further may only occupy the Residential Unit with the prior written consent of the Housing Department

SECTION 5. INITIAL SALE OF THE RESIDENTIAL UNIT. At initial sale, the Residential Unit may only be sold to a Qualified Household at a purchase price as Owner and prospective buyer may determine and subject to these Special Restrictions. After Owner and a prospective buyer enter into a purchase agreement for the purchase and sale of the Unit and at least thirty (30) days prior to purported closing of the purchase and sale, the prospective buyer shall provide such information as may be required by the Housing Department for it to determine if the prospective buyer is a Qualified Household. If the prospective buyer does not qualify as a Qualified Household, such buyer may not purchase the Unit. At all subsequent sales, the Housing Department will conduct a Weighted Drawing to identify a buyer.

SECTION 6. RESALE OF RESIDENTIAL UNIT. An Owner desiring to sell a Residential Unit shall give written notice to the Housing Department of such desire (the "Notice to Sell"), and after receipt of such notice, the Housing Department shall determine the "Maximum Resale Price," as provided herein and in accordance with the Rules and Regulations. Upon the Housing Department's determination of the Maximum Resale Price, the sale of the Residential Unit shall be facilitated by the Housing Department and shall be completed in accordance with the procedure set forth in

the Rules and Regulations, which procedure may include, without limitation: a fee (not to exceed two percent (2%)) of the Maximum Resale Price paid to the Housing Department for such facilitation; requirements regarding listing the Residential Unit with the Housing Department and/or a licensed real estate agent, as the Housing Department may direct; standard terms for the sales contract; and procedure for the selection of the purchaser (which selection procedure may include a weighted drawing process). Any such conveyance of a Residential Unit shall be subject to these Special Restrictions. Each purchaser of a Residential Unit shall execute a Buyer's Acknowledgment of Special Restrictions and Option, on a form to be provided by the Housing Department. Notwithstanding the foregoing, upon receipt of notice from an owner of such owner's desire to sell a Residential Unit, the Housing Department may purchase such Residential Unit. So long as such owner is not otherwise in default as defined herein, the purchase price in such case shall be the Maximum Resale Price as calculated below and subject to adjustment as provided herein. If an owner is in default, other provisions of these Special Restrictions may apply in determining the purchase price.

SECTION 7. MAXIMUM RESALE PRICE. To further the Town of Jackson's goal of providing affordable housing, after the initial sale, a Residential Unit may not be sold for a purchase price in excess of the "Maximum Resale Price." The Maximum Resale Price is the current owner's purchase price plus an increase in price of the Denver-Boulder-Greeley CPI (if such ceases to exist then a comparable CPI Index as determined in the sole discretion of the Housing Department) or three percent (3%), whichever is lower, per year of ownership compounded annually, plus the depreciated cost of pre-approved or government-required capital improvements, plus any other costs allowed by the Housing Department, less any required maintenance and/or repair adjustment, all as more fully described in the Rules and Regulations. Notwithstanding the determination of the Maximum Resale Price, the actual sales proceeds delivered to a selling owner may be reduced to account for restoration or repair of a Residential Unit (including without limitation, replacement of carpets, painting, roof repair, siding maintenance/replacement, etc.) determined necessary in the Housing Department's sole and absolute discretion. Finally, to ensure that the sales price of any Residential Unit is limited to the Maximum Resale Price, no purchaser of a Residential Unit shall assume any obligation of a selling owner, nor shall such purchaser pay or provide to a selling owner any other form of consideration in connection with the sale of the Residential Unit. The calculation of the Maximum Resale Price, as made by the Housing Department, shall be final and binding on all parties.

NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTY THAT UPON THE RESALE OF A RESIDENTIAL UNIT, OWNER SHALL OBTAIN THE ENTIRE MAXIMUM RESALE PRICE.

SECTION 8. DEFAULT. Each of the following shall be considered a default ("Default"):

A. A violation of any term of these Special Restrictions, the Rules and Regulations, the Declaration, or any laws affecting a Residential Unit.

B. Vacancy of a Residential Unit for more than sixty (60) days continuously

C. Failure to pay or default of any other obligations due or to be performed with respect to a Residential Unit which failure to pay or default could result in a lien against a Residential

Unit, including without limitation, homeowner dues, property taxes, payment required by a promissory note or mortgage purporting to affect a Residential Unit. Owner shall notify the Housing Department in writing of any notification received from any lender or third party of past due payments or default in payment or other obligations due or to be performed within five (5) calendar days of Owner's notification.

D. If the Residential Unit is taken by execution or by other process of law, or if Owner is judicially declared insolvent according to law, or if any assignment is made of the property of Owner for the benefit of creditors, or if a receiver, trustee or other similar officer is appointed to take charge of any substantial part of the Residential Unit or Owner's property by a court of competent jurisdiction.

E. Fraud or misrepresentation by purchaser, Owner and/or occupant in the provision of an application, reporting requirement, inspection requirement or any other informational requirement to the Housing Department.

In the event the Housing Department believes there to be a Default, the Housing Manager, or a Designee of the Housing Department, shall send written notice to Owner of such violation, the required action to cure and the timing for such cure. If Owner disputes the Housing Department's decision, Owner shall proceed in accordance with the Rules and Regulations.

SECTION 9. DEFAULT REMEDIES. In addition to any other remedies the Housing Department may have at law or equity, in the event of a Default, the Housing Department's remedies shall include, without limitation, as an exercise of its regulatory authority, the following:

A. Purchase Option.

1. The Housing Department shall have the option to purchase the Residential Unit for a purchase price equal to the Maximum Resale Price, or the appraised value whichever is less, subject to the Housing Department's ability to limit appreciation as provided in this Section ("Option") and further subject to the Housing Department's ability to reduce proceeds as provided above.

2. If the Housing Department desires to exercise its Option, the Housing Department shall provide written notice to Owner of such election. Such notice shall include the purchase price and the timing for the closing of the purchase. The Option must be exercised within ninety (90) days from receipt of a notification of borrower Default or the property foreclosure.

B. Forced Sale. The Housing Department may require Owner to sell the Residential Unit in accordance with the resale procedures set forth in these Special Restrictions and the Rules and Regulations. Such sale shall be subject to these Special Restrictions.

C. Whether the Housing Department elects to exercise its Option or to force a sale in accordance herewith, all proceeds, unless otherwise required by statute, will be applied in the following order:

FIRST, to the payment of any unpaid taxes;

SECOND, to the payment of any Qualified Mortgage;

THIRD, to assessments, claims and liens on the Residential Unit (not including any mortgage or lien purportedly affecting the Residential Unit which is not a Qualified Mortgage);

FOURTH, to the payment of the closing costs and fees;

FIFTH, to the two percent (2%) facilitation fee to the Housing Department;

SIXTH, to the payment of any penalties assessed against Owner by the Housing Department;

SEVENTH, to the repayment to the Housing Department of any monies advanced by it in connection with a mortgage or other debt with respect to a Residential Unit, or any other payment made Owner's behalf;

EIGHTH, to any repairs needed for the Residential Unit; and

NINTH, any remaining proceeds shall be paid to Owner.

If there are insufficient proceeds to satisfy the foregoing, Owner shall remain personally liable for such deficiency.

D. Appointment of Housing Department as Owner's Attorney-in-Fact. In the event the Housing Department exercises its Option or requires the Forced Sale, Owner hereby irrevocably appoints the then-serving Housing Manager as such Owner's attorney-in-fact to effect any such purchase or sale on Owner's behalf (including without limitation the right to cause an inspection of the Residential Unit and make such repairs to the Residential Unit as the Housing Department may reasonably deem necessary), and to execute any and all deeds of conveyance or other instruments necessary to fully effect such purchase or sale and conveyance.

E. Limitation on Appreciation at Resale. The Housing Department may fix the Maximum Resale Price of a defaulting owner's Residential Unit to the Maximum Resale Price for the Residential Unit as of the date of an owner's Default (or as of such date after the Default as the Housing Department may determine), and in such event, the Maximum Resale Price shall cease thereafter to increase.

F. Equitable Relief. The Housing Department shall have the right of specific performance of these Special Restrictions and the Rules and Regulations, and the right to obtain from any court of competent jurisdiction a temporary restraining order, preliminary injunction and permanent injunction to obtain such performance. Any equitable relief provided for herein may be sought singly or in combination with such other remedies as the Housing

Department may be entitled to, either pursuant to these Special Restrictions or under the laws of the State of Wyoming.

G. Enforcement. The Housing Department may, for purposes of enforcing these Special Restrictions or the Rules and Regulations, seek enforcement through the Town or County Land Development Regulations, including but not limited to Division 8.9 Enforcement or as amended.

SECTION 10. QUALIFIED MORTGAGE.

A. Only a mortgage which is a "Qualified Mortgage" shall be permitted to encumber a Residential Unit. A "Qualified Mortgage" is a mortgage that:

1. the principal amount of such mortgage at purchase does not exceed ninety-six and one half percent (96.5%) of the purchase price, and thereafter the principal amount of such mortgage, any refinanced mortgage and/or additional mortgages combined do not exceed ninety-five percent (95%) of the then current Maximum Resale Price as the same is determined by the Housing Department at the time or times any such mortgage purports to encumber the Residential Unit; and

2. runs in favor of a "Qualified Mortgagee," defined as:

   i. An "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision; or

   ii. A "community loan fund", or similar non-profit lender to housing projects for income-eligible persons (e.g., is not given to or acquired by any individual person); or

   iii. A non-affiliated, legitimate, "finance company." In no event may such finance company be an individual or any company that is affiliated with or has any affiliation with Owner or any family member of Owner; or

   iv. JHTCA or Housing Department for any monies advanced by JHTCA or Housing Department in connection with a mortgage or other debt with respect to Residential Unit.

B. Termination Resulting from Foreclosure by a Qualified Mortgagee. These Special Restrictions as applied to a Residential Unit may be terminated by a Qualified Mortgagee in the event of a lawful foreclosure of the Residential Unit by such Qualified Mortgagee, as follows:

1. The Qualified Mortgagee provided to the Housing Department copies of all notices of intent to foreclose and all other notices related to the foreclosure contemporaneously with its service of such notices upon an owner.

2. The Housing Department did not exercise its rights as provided in Section 10, Qualified Mortgage.

3. Termination may occur only after expiration of all applicable redemption periods and subsequent recordation of a Sheriff's Deed (or other transfer document as approved by the Housing Department in its sole and absolute discretion) conveying title to a purchaser, who is not (i) Owner, (ii) a member of the Qualified Household, (iii) a person affiliated with or related to Owner or any member of the Qualified Household, or (iv) the Housing Department.

4. In the event of a foreclosure hereunder, the Qualified Mortgagee shall pay to the Housing Department all proceeds remaining, if any, after payment of the Qualified Mortgage loan amount, interest, penalties and fees, which proceeds would have been payable to Owner of the foreclosed Residential Unit.

5. Notwithstanding the notice requirements to the Housing Department in this Section, if a Qualified Mortgagee has failed to provide the Housing Department copies of all notices of intent to foreclose and all notices related to the foreclosure contemporaneously with its service on an owner, such Qualified Mortgagee, prior to foreclosing on the Residential Unit, shall provide the Housing Department with notice of its intent to foreclose ("Mortgagee Notice to the Housing Department"). The Mortgagee Notice to the Housing Department shall include all information relevant to Owner's default and the actions necessary to cure such default. The Housing Department shall have forty-five (45) days from the date of the Mortgagee Notice to the Housing Department to exercise its rights under Section 10, Qualified Mortgage. If the Housing Department fails to exercise its rights within such 45-day period, the Qualified Mortgagee may foreclose on the Residential Unit as provided herein.

Nothing herein shall limit or restrict an owner's right of statutory redemption, in which event, if an owner redeems, these Special Restrictions shall remain in full force and effect.

C. Any mortgage, lien or other encumbrance executed or recorded against a Residential Unit that is not a Qualified Mortgage shall:

1. be deemed unsecured; and

2. only be a personal obligation of an owner and shall not affect or burden, and shall not be enforceable against, such Residential Unit.

Additionally, the execution or recordation of such mortgage, lien or other encumbrance shall be deemed a default hereunder and the Housing Department may exercise any and all of its remedies hereunder or otherwise, including without limitation the right of the Housing Department to purchase and to force a sale.

D. In the event an owner fails to make timely payment owed or otherwise breaches any of the covenants or agreements made in connection with any mortgage, lien or other encumbrance purporting to affect the Residential Unit, including without limitation a Qualified Mortgage, fails to timely make any other payment required in connection with the Residential Unit, including without limitation homeowner association dues and fees, assessments, payments to contractors, materialmen, or other vendors for work undertaken for which a lien could be filed against the Residential Unit, the Housing Department shall have (in addition to the any other remedies) the right to:

1. Cure such default and assume the payments and other obligations of Owner. In such event, Owner shall be in default of these Special Restrictions, and the Housing Department may exercise any and all of its remedies hereunder or otherwise, including without limitation its option to purchase and its right to force a sale. In addition to such remedies, Owner shall also be liable to the Housing Department for any amounts advanced.

2. Acquire the loan from the lender by paying the balance due together with reasonable accrued interest and costs, and the Housing Department shall thereafter have the right to foreclose upon the Residential Unit in accordance with the mortgage and other loan documents or take such other action as the Housing Department shall determine.

3. Purchase the Residential Unit at any foreclosure sale, and in such event, notwithstanding anything to the contrary herein, the Residential Unit shall remain subject to these Special Restrictions.

ANY LENDER BY ENTERING INTO A LOAN TRANSACTION WITH AN OWNER OF A RESIDENTIAL UNIT HEREBY CONSENTS TO THE FOREGOING AND ACKNOWLEDGES THAT ANY INTEREST ACQUIRED BY VIRTUE OF ITS LIEN OR MORTGAGE SHALL BE SUBJECT AND SUBORDINATE TO THESE SPECIAL RESTRICTIONS.

SECTION 11. TERMINATION, AMENDMENT AND CORRECTION OF SPECIAL RESTRICTIONS.

C. Termination by the Town of Jackson. These Special Restrictions may be terminated after a determination by the Town of Jackson that these Special Restrictions are no longer consistent with the Town's goals for affordable housing.

B. Amendment. These Special Restrictions may be amended by a signed, written amendment executed by the Parties hereto and recorded in the Teton County Clerk's Office against the title to the Land, in whole or in part, with the written consent of Owner of the Residential Unit Complex and the Town of Jackson, Wyoming.

C. Correction. The Housing Department may unilaterally correct these Special Restrictions to address scrivener's errors, erroneous legal descriptions or typographical errors

SECTION 12. SPECIAL RESTRICTIONS AS COVENANT. These Special Restrictions shall constitute covenants running with the Land and the Residential Unit, as a burden thereon, and shall be binding on all parties having any right, title, or interest in the Land, the Residential Unit, or any part thereof, their heirs, devisees, successors and assigns, and shall inure to the benefit of and shall be enforceable by JTCHA, the Housing Department and the Town of Jackson.

SECTION 13. NOTICES. All notices required to be served upon the parties to this Special Restriction shall be transmitted by one of the following methods: hand delivery; prepaid overnight courier; or by postage paid certified mail, return receipt requested, at the address set forth below for said party; or at such other address as one party notifies the other in writing pursuant to this paragraph. Notice shall be effective when hand delivered, one (1) day after being deposited with an overnight courier or five (5) business days after being placed in the mail. Either party may change its address in the manner provided for giving notice.

To Housing Department
Jackson/Teton County Affordable Housing Department
P.O. Box 714
Jackson, WY 83001

With a Copy to:
Town of Jackson.
P.O. Box 1687
Jackson, WY 83001.

To Owner
Arthur A. Polo III and Erin Polo
P.O. Box 13011
Jackson, WY 83002

SECTION 14. ATTORNEY'S FEES. In the event any party shall be required to retain counsel and file suit for the purpose of enforcing the terms and conditions of these Special Restrictions, the prevailing party shall be entitled to recover, in addition to any other relief recovered, a reasonable sum as determined by the court for attorney's fees and costs of litigation.

SECTION 15. CHOICE OF LAW, FORUM. These Special Restrictions and each and every related document, are to be governed by and construed in accordance with the laws of the State of Wyoming. The parties agree that the appropriate court in Teton County, Wyoming and/or the

Ninth Judicial District for the State of Wyoming shall have sole and exclusive jurisdiction over any dispute, claim, or controversy which may arise involving these Special Restrictions or its subject matter. Owner by accepting a deed for the Land hereby submits to the personal jurisdiction of any such court in any action or proceeding arising out of or relating to this Special Restrictions.

SECTION 16. SEVERABILITY. Each provision of these Special Restrictions and any other related document shall be interpreted in such a manner as to be valid under applicable law; but, if any provision, or any portion thereof, of any of the foregoing shall be invalid or prohibited under said applicable law, such provision shall be deemed modified to the extent necessary and possible to render it valid and enforceable, or if such modification is not possible, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provision(s) of such document.

SECTION 17. SECTION HEADINGS. Paragraph or section headings within these Special Restrictions are inserted solely for convenience or reference, and are not intended to, and shall not govern, limit or aid in the construction of any terms or provisions contained herein.

SECTION 18. WAIVER. No claim of waiver, consent or acquiescence with respect to any provision of these Special Restrictions shall be valid against any party hereto except on the basis of a written instrument executed by the parties to these Special Restrictions. However, the party for whose benefit a condition is inserted herein shall have the unilateral right to waive such condition.

SECTION 19. INDEMNIFICATION. Owner shall indemnify, defend, and hold the Housing Department and the Town of Jackson, and each entity's directors, officers, agents and employees harmless against any and all loss, liability, claim, or cost (including reasonable attorneys' fees and expenses) for damage or injury to persons or property from any cause whatsoever on or about the Residential Unit, or for Owner's breach of any provision of these Special Restrictions. Owner waives any and all such claims against the Housing Department and the Town of Jackson.

SECTION 20. SUCCESSORS AND ASSIGNS. These Special Restrictions shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, devisees, administrators and assigns.

SECTION 21. GOVERNMENTAL IMMUNITY. Neither the Town of Jackson nor the Housing Department waives governmental immunity by executing these Special Restrictions and specifically retain immunity and all defenses available to them as government pursuant to Wyo. Stat. Ann. § 1-39-104(a) and any other applicable law.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the Effective Date.

OWNERS:

_____
Arthur A. Polo III

_____
Erin Polo

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of _____, 2019, the foregoing instrument was acknowledged before me by Arthur A. Polo III and Erin Polo, as Owners, of 36 Pine Glades Drive.

Witness my hand and official seal.

(Seal)

_____
Notary Public
My commission expires:

JACKSON/TETON COUNTY HOUSING AUTHORITY

_____
Matthew Faupel, Chair

ATTEST

_____
Anne Kent Droppert, Clerk

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of _____, 2019, the foregoing instrument was acknowledged before me by Matthew Faupel as Chair, of the Jackson/Teton County Housing Authority.

Witness my hand and official seal.

(Seal)

_____
Notary Public
My commission expires:

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of _____, 2019, the foregoing instrument was acknowledged before me by Anne Kent Droppert as Clerk, of the Jackson/Teton County Housing Authority.

Witness my hand and official seal.

(Seal)

_____
Notary Public
My commission expires:

Approved as to form:

JACKSON/TETON COUNTY AFFORDABLE HOUSING DEPARTMENT:

_____
Stacy A. Stoker, Housing Manager

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of _____, 2019, the foregoing Special Restrictions for Affordable Housing was acknowledged before me by Stacy A. Stoker as Housing Manager.

Witness my hand and official seal.

(Seal)

_____
Notary Public

TETON COUNTY HOUSING AUTHORITY
GROUND LEASE

THIS COMMUNITY LAND TRUST GROUND LEASE ("this Lease" or "the Lease") made and entered into this 4th day of January, 2005 by and between THE TETON COUNTY HOUSING AUTHORITY ("the Housing Authority" or "Lessor") and **Sarah B. Neumann** ("Lessee" or "the Lessee").

WHEREAS, the Housing Authority's mission includes the development and preservation of decent, affordable and attainable housing for Qualified Buyers (as defined herein) in Teton County; the conservation of land and natural resources by means such as fostering responsible long-term occupancy; the promotion of neighborhood stability and the creation of a more equitable and stable system of property and housing opportunities in Teton County; and the creation of affordable homeownership opportunities for people who otherwise would be denied such opportunities because of limited financial resources; and

WHEREAS, a goal of the Housing Authority is to stimulate the conveyance of decent, affordable housing among income-eligible people by providing access to housing for such persons at affordable prices through the long-term leasing of land under said housing; and

WHEREAS, the Leased Premises described herein is part of a project developed by the Housing Authority and known as the Millward Development, which is being leased by the Housing Authority in furtherance of its mission; and

WHEREAS, the Lessee shares the purposes and goals of the Housing Authority and has agreed to enter into this Lease not only to obtain those certain benefits to which Lessee is entitled hereunder, but also to further the purposes of the Lessor; and

WHEREAS, Lessor and Lessee recognize the special nature of the terms and conditions of this Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts said terms and conditions, including without limitation, such terms and conditions as might affect the marketability or resale price of any improvements on the Leased Premises; and

WHEREAS, it is mutually understood and accepted by Lessor and Lessee that the terms and conditions of this Lease further their shared goals over an extended period of time and through a succession of owners;

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of Lessor and Lessee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereto agree as follows:

ARTICLE 1: Letters of Stipulation and Acknowledgment

Attached hereto and made a part of this Lease by reference are the following Exhibits:

1) LETTER OF STIPULATION;
2) LETTER OF ACKNOWLEDGMENT;
3) DEED OF CONVEYANCE;
4) RIGHT OF FIRST REFUSAL;
5) PERMITTED MORTGAGES; and
6) RESTRICTIONS.

ARTICLE 2: Demise of Leased Premises

2.1 **PREMISES**: The Lessor, in consideration of the rents reserved and the terms and conditions of this Lease, does hereby demise and leave unto Lessee, and Lessee does hereby take and hire from Lessor, the following property (referred to in this Lease as the "Leased Premises"):

Lot Number 29 as shown on the Plat of the Millward Redevelopment Subdivision recorded in the Office of the County Clerk as Plat No. 1097 in Teton County, Wyoming

including the non-exclusive right to use, with all other residents in the development, all general common areas, such as roads, paths and visitor parking spaces. Lessor has furnished to Lessee a copy of the most current, if any, title report previously obtained by Lessor for the Premises, and Lessee accepts title to the Leased Premises in their condition "as is" as of the execution hereof.

2.2 **RESERVATION OF MINERAL RIGHTS**: Lessor reserves to itself all the minerals and other extractive resources of the Leased Premises. This reservation shall not diminish the right of the Lessee under this Lease to occupy and freely use the Leased Premises. Any eventual extraction by the Lessor of minerals or other extractive resources shall be carried out with as little disruption to the Lessee as is reasonably possible. In instances requiring a material disruption of the Lessee's right of use and occupancy of the Leased Premises, the Lessor shall not make such extraction without the consent of the Lessee.

ARTICLE 3: Duration of Lease

3.1 **PRINCIPAL TERM**: The term of this Lease shall be 99 years, commencing on the 4TH day of January, 2005, and terminating on the 3RD day of January, 2104, unless terminated sooner or extended as provided herein.

3.2 **LESSEE'S OPTION TO EXTEND:** Lessee may extend the principal term of this Lease for 1 additional period of 99 years, subject to all the provisions of this Lease; provided that Lessor may make changes to the terms of the Lease for the renewal period prior to the beginning of such renewal period but only if these changes do not materially and adversely impair Lessee's rights under the Lease. Not more than 365 nor less than 180 days before the last day of the current term, Lessor shall give Lessee written notice, stating the date of expiration of the Lease, describing any changes that Lessor intends to make to the terms of the Lease as permitted above, and reiterating the conditions for renewal as set forth immediately below ("the Expiration Notice"). Lessee's right to exercise the option to extend is subject to the following conditions: (a) within 60 days of receipt of the Expiration Notice, Lessee shall give Lessor written notice, irrevocably exercising the option to extend ("the Extension Notice"); (b) this Lease shall be in effect at the time the Extension Notice is given and on the last day of the term, and (c) there shall not be an Event of Default by Lessee under this Lease or under any loan documents between Lessee and any Permitted Mortgagee at the time the Extension Notice is given and on the last day of the term.

When Lessee has rightfully exercised the option to extend, each party shall execute a memorandum in mutually agreeable recordable form, acknowledging the fact that the option has been exercised and otherwise complying with the requirements of law for an effective memorandum or notice of lease, and such memorandum or notice of lease shall be recorded in accordance with the requirements of law on or promptly after the commencement of such renewal period of the lease.

3.3 **CHANGE OF LESSOR; LESSEE'S RIGHT TO PURCHASE**: In the event that ownership of the land comprising the Leased Premises (the "Land") is conveyed or transferred (whether voluntarily or involuntarily) by Lessor to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event Lessor desires or attempts to sell, convey, or otherwise transfer the real property (land) to any person or entity other than to a non-profit corporation, charitable trust, governmental agency, or other similar entity sharing the goals and objectives set forth in the Recitals above (or as security for a mortgage loan), the Lessee shall have a right of first refusal to purchase the real property. This right shall be as specified in the attached Exhibit FIRST REFUSAL. Any sale or other transfer contrary to this Section 3.3 shall be null and void.

ARTICLE 4: Use of Leased Premises

4.1 **RESIDENTIAL USE ONLY**: Lessee shall use, and shall cause all occupants to use, the Leased Premises and Improvements (as defined in Section 7.1 below) only for **residential purposes** and any incidental activities related to residential use that are currently permitted by

applicable zoning law. In addition, use of the Leased Premises shall be further limited by the restrictions set forth in the attached Exhibit RESTRICTIONS.

4.2 **RESPONSIBLE USE AND COMPLIANCE WITH LAW**: Lessee shall use the Leased Premises in a manner so as not to cause actual harm to others or create any nuisances, public or private; and shall dispose of any and all waste in a safe and sanitary manner. Lessee shall maintain the Leased Premises and Improvements in [a clean] good, safe, and habitable condition in all respects, except for normal wear and tear, in full compliance with all applicable laws and regulations, and in such condition as is required to maintain the insurance coverage required by Section 9.4 of this Lease.

4.3 **RESPONSIBLE FOR OTHERS**: Lessee shall be responsible for the use of the Leased Premises by any residents and their families, friends and visitors, and anyone else using the Leased Premises with their consent and shall make all such people aware of the spirit, intent, and appropriate terms of this Lease.

4.4 **OCCUPANCY**: Lessee shall occupy the Leased Premises as Lessee's primary residence **for at least 10 months of each year** of this Lease, unless otherwise agreed to in advance and in writing by Lessor.

4.5 **INSPECTION**: Lessor may inspect any portion of the Leased Premises at any reasonable time and in any reasonable manner, but not more than 6 times in a single calendar year, upon at least 48 hours' oral or posted written notice to Lessee. In the event of emergency, Lessor may inspect any portion of the Leased Premises without notice provided the Lessor shall have made reasonable efforts to give advance notice to Lessee and provided further that Lessor provides written notice to Lessee of said emergency inspection immediately after said inspection.

4.6 **LESSEE'S RIGHT TO PEACEFUL ENJOYMENT**: Lessee has the right to undisturbed enjoyment of the Leased Premises, and Lessor has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Lessee, subject to the provisions of this Lease.

ARTICLE 5: Ground Lease Fee

5.1 **GROUND LEASE FEE**: In consideration of the possession, continued use, and occupancy of the Leased Premises, Lessee shall pay to Lessor, or to the extent required to be escrowed, to the Permitted Mortgagee, a monthly ground lease fee ("Ground Lease Fee") in the amount of $30.00 per month. The Lessor will periodically review and adjust the Ground Lease Fee, as set forth below.

5.2 **PAYMENT OF GROUND LEASE FEE**: The Ground Lease Fee shall be payable to Lessor, at the address specified in this Lease as Lessor's address, or to such other person or entity as directed by Lessor, on a quarterly basis, and in advance, unless, with Lessor's consent, the Ground Lease Fee is to be escrowed by a Permitted Mortgagee, in which case payment shall be made as specified by that Mortgagee. If the Lease commences on a date other than the first of the month (in the event of an escrowed fee), or the first day of a quarter (in the event of no

escrowed fee), a pro-rata portion of the Ground Lease Fee shall be paid to the Lessor, or to the Permitted Mortgagee, as the case may be, for the balance of the monthly, or quarterly, fee at the time the Lease is executed.

In cases where the Permitted Mortgagee does not escrow the Ground Lease Fee, 1) in the event that Lessee fails to pay to Lessor ***the quarterly fee*** within 30 days of its due date, Lessor may assess against Lessee a $25.00 late charge; 2) interest at the rate of 12% per annum shall accrue on the unpaid balance; 3) checks returned for non-sufficient funds will constitute non-payment of Ground Lease Fee, and shall result in the assessment of a $25.00 returned check fee for each; and 4) unpaid late charges, interest and returned check fees assessed under this paragraph constitute continuous liens against Lessee's Improvements until paid in full.

5.3 **REDUCTION, DELAY OR WAIVER OF GROUND LEASE FEE**: Lessor may reduce, delay or waive entirely the Ground Lease Fee at any time and from time to time for the purpose of ensuring affordable monthly housing costs for the Lessee or in consideration of the personal hardship or incapacity of the Lessee or Lessee's general ability to pay. Any such reduction, delay, or waiver must be in writing and signed by Lessor before being effective. The intent of this section is to foster continued occupancy by the resident owners despite the occurrence of unforeseeable financial and personal hardship.

5.4 **ADJUSTMENT OF GROUND LEASE FEE**: The Ground Lease Fee specified in Section 5.1 above is calculated to include 1) administrative and insurance costs and other expenditures of the Lessor for management, 2) an annual assessment for the accumulation of a reserve fund, for the sole purpose of defraying the cost, in whole or part, of any construction or reconstruction, unexpected repair, replacement, or painting and/or staining the exteriors of the Improvements (reserve fund for Improvements), and 3) an annual assessment for the accumulation of a reserve fund for the sole purpose of defraying the cost, in whole or part, of maintaining, landscaping and/or repairing the common areas, common roadways, and signage (reserve fund for common areas).

The amount of money that Lessee is required to pay into the reserve fund for common areas shall be equal to 1/49 of the total annual assessment.

As these costs change from time to time, the Ground Lease Fee shall be adjusted as hereinafter provided.

a) The Ground Lease Fee shall not be adjusted or recalculated during the years 2004, 2005 and 2006;

b) On July 1, 2007, the Lessor shall increase the Ground Lease Fee in such amounts as to fully pay for administrative and insurance costs and other expenditures of the Lessor for management;

c) On July 1, 2012, and every fifth year thereafter, the Lessor shall increase the Ground Lease Fee in such amounts as necessary to fully pay for administrative and insurance costs and other expenditures of the Lessor for management.

d) On July 1, 2007 and every third year thereafter, or more frequently in the Lessor's discretion, the Lessor shall increase or otherwise adjust the Ground Lease Fee in such amounts as to fully fund the two reserve funds.

The amounts of money that the Lessor requires Lessee to pay into the reserve fund for Improvements shall be based on the useful life of the Improvements according to Lessor's consultants. Monies paid into the reserve fund shall be kept separate from one another and separate from the fund used to pay administrative and insurance costs and other management expenditures. Monies paid into each reserve fund shall be deposited into an interest bearing account and shall be used only for the purposes for which the fund was established.

Notwithstanding the foregoing, in the event that, for any reason, the provisions of Article 10 or Article 11 regarding transfers of the Improvements or Section 4.4 regarding occupancy are suspended or invalidated for any period of time, then during that time, the Ground Lease Fee shall be increased to an amount calculated by Lessor to equal the fair rental value of the Leased Premises for use not restricted by the provisions of the suspended portions of the Lease. Any such increases in the Ground Lease Fee on account of the suspension or invalidation of Article 10, Article 11 or Section 4.4 shall take effect 60 days following the said suspension or invalidation.

ARTICLE 6: Taxes and Assessments

6.1 **TAXES AND ASSESSMENTS ON IMPROVEMENTS**: Lessee shall pay all taxes and assessments, no matter how designated, including any Millward Development Homeowners' Association dues, charges or assessments that relate to the Improvements and the Leased Premises (hereinafter collectively referred to as "taxes").

6.2 **LESSEE'S RIGHT TO CONTEST**: Lessee shall have the right to contest the amount or validity of any taxes relating solely to the Improvements. Lessor shall, upon written request by Lessee, join in any such proceedings if Lessee reasonably determines that it is necessary or convenient for Lessor to so join in order for Lessee to prosecute such proceedings. All costs and expenses of such proceedings shall be paid by Lessee. Lessee shall have the right to contest the amount or validity of any taxes relating solely to the Land only with the Lessor's consent.

6.3 **PAYMENTS IN EVENT OF DELINQUENCY**: In the event that Lessee fails to pay the taxes or other charges specified in Section 6.1 above which are not otherwise part of the Ground Lease Fee or required to be escrowed with the Permitted Mortgagee, Lessor may increase Ground Lease Fee payments in amounts such that the total sum collected will offset the cost of any delinquent and current taxes or other charges.

6.4 **PROOF OF COMPLIANCE**: Concurrently with the payment of any taxes, assessments and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a paid receipt for

such charges showing payment prior to the due date thereof shall be the usual method of furnishing such evidence.

ARTICLE 7: Improvements

7.1 **OWNERSHIP**: It is agreed that any and all buildings, structures, fixtures, and other improvements purchased by the Lessee or constructed or placed by the Lessee upon any part of the Leased Premises at any time during the term of this Lease (the "Improvements") shall be property of the Lessee. Title to such improvements shall be and remain vested in the Lessee. However, Lessee's exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the disposition of Improvements by the Lessee and the Lessor's option to purchase the Improvements. **In addition, Lessee shall not sever or move the improvements from the Land.**

7.2 **PURCHASE OF IMPROVEMENTS BY LESSEE**: Lessee is simultaneously purchasing and receiving a conveyance to Lessee of the improvements now located on the Leased Premises.

7.3 **CONSTRUCTION AND ALTERATION**: Any construction in connection with an existing or new improvement is subject to the following conditions: (a) **all costs shall be borne and paid for by the Lessee**; (b) all construction shall be performed in a workmanlike manner and shall comply with all applicable laws and regulations; (c) all construction shall be consistent with the permitted uses set forth in Article 4; (d) **the exterior (including height) of such improvements <u>shall not be increased or expanded</u>;** (e) Lessee shall furnish to Lessor a copy of any plans and all building permit applications for such construction **prior** to commencing construction; and (f) no construction shall proceed without the advance written approval of Lessor, who, however, shall not unreasonably withhold such approval.

7.4 **PROHIBITION OF LIENS**: No lien of any type shall attach to the Lessor's title to the real property or to Lessor's interest in the Leased Premises or to any other property owned by the Lessor. Lessee shall not permit any statutory or similar lien to be filed against the Premises, the Improvements, or any interest of Lessor or Lessee that remains more than 60 days after it has been filed. Lessee shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction, or as otherwise permitted by law. If Lessee fails to cause such lien to be discharged within the 60-day period, then, in addition to any other right or remedy, Lessor may, but shall not be obligated to, discharge the same by paying the amount in question. Lessee may, at Lessee's expense, contest the validity of any such asserted lien, provided Lessee has furnished a bond in an amount sufficient to release the Leased Premises from such lien. Any amounts paid by Lessor to discharge such liens shall be deemed to be an additional Ground Lease Fee payable by Lessee upon demand.

7.5 **MAINTENANCE AND SERVICES**: Lessee shall, at Lessee's sole expense, maintain the Leased Premises and all Improvements as required by Section 4.2 above. Lessor shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning, or water, or to make any repairs to the Leased Premises or improvements, and Lessee hereby assumes the full and sole responsibility for furnishing all services or facilities.

7.6 **DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM:** Upon the expiration of the term of this Lease as such term may be extended or sooner terminated in accordance with this Lease, Lessee shall surrender the Improvements together with the Leased Premises to the Lessor. Ownership of the Improvements shall thereupon revert to Lessor, provided, however, that Lessor shall promptly pay to Lessee as consideration for the Improvements an amount equal to Lessor's Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Ground Lease Fee including any charges that may have been added to the Ground Lease Fee in accordance with this Lease.

ARTICLE 8: Financing

8.1 **PERMITTED MORTGAGE:** Lessee may mortgage the Leased Premises only with the written consent of the Lessor. Not less than 30 days prior to the date on which Lessee (or a prospective Lessee who has contracted to purchase the Improvements) requests Lessor's consent to a mortgage to be effective, Lessee (or prospective Lessee) shall furnish to Lessor copies of every document to be executed in connection with the transaction represented by such mortgage. Lessor may choose to consent to any mortgage, and in so doing shall designate such mortgage as a "Permitted Mortgage." However, Lessor shall be required to consent to a mortgage only if (a) at the time such copies of documents are submitted and at the time proposed by Lessee (or prospective Lessee) for the execution of such documents, no default is then outstanding; and (b) the mortgage so submitted is a Standard Permitted Mortgage as defined in the attached exhibit PERMITTED MORTGAGES. Lessee shall pay to Lessor at Lessor's option, as additional Ground Lease Fee, all fees, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lessor in connection with any Permitted Mortgage. Any mortgage that does not comply with this section shall be deemed "unsecured", and the recording of such mortgage with the Teton County Clerk shall have no legal effect in creating an encumbrance on the property.

8.2 **RIGHTS OF PERMITTED MORTGAGEE:** Any holder of a Permitted Mortgage ("Permitted Mortgagee") shall without requirement of consent by the Lessor have the rights identified and defined in the attached exhibit PERMITTTED MORTGAGES.

8.3 **REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE:** In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee the provisions of Article 10, Sections 10.1 through 10.11 shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security so foreclosed upon or transferred.

8.4 **LESSOR'S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE:** The parties recognize that it would be contrary to the fundamental concept of this agreement and an incentive to abuse Lessee's authorization to encumber its leasehold interest with a Permitted Mortgage if Lessee could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly, Lessee hereby irrevocably assigns to Lessor any and all net proceeds of sale of the Improvements remaining after payment of costs of

foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Lessee, to the extent such net proceeds exceed the net proceeds that Lessee would have received had the property been sold for the Purchase Option Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to Lessor. In the event that, for any reason, such excess proceeds are paid to Lessee, Lessee hereby agrees to promptly pay the amount of such excess proceeds to Lessor.

8.5 **APPROVAL OF AMENDMENTS**: Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The Passage of 30 days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

ARTICLE 9: Liability, Insurance, Damage and Destruction, Eminent Domain

9.1 **LESSEE'S LIABILITY**: Lessee assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy, and use of the Leased Premises.

9.2 **INDEMNIFICATION OF LESSOR**: Lessee shall defend, indemnify, and hold Lessor harmless against all liability and claims of liability for damage or injury to persons or property from any cause on or about the Leased Premises. Lessee waives all claims against Lessor for such injury or damage. However, Lessor shall remain liable (and Lessee shall not indemnify and defend Lessor against such liability or waive such claims of liability) for injury or damage due to the grossly negligent or intentional acts or omissions of Lessor or Lessor's agents or employees.

9.3 **PAYMENT BY LESSOR**: In the event the Lessor shall be required to pay any sum that is the Lessee's responsibility or liability, the Lessee shall reimburse the Lessor for such payment and for reasonable expenses caused thereby.

9.4 **INSURANCE**: Lessee shall, at Lessee's sole expense, keep all improvements continuously insured against loss or damage by fire and the extended coverage hazards for the **full replacement value** of such improvements.

Lessee shall, at Lessee's sole expense, either through the Homeowners' Association or individually, maintain continuously in effect liability insurance covering the Leased Premises and Improvements in the amounts of not less than $300,000 combined single limit coverage, for injury to or death of any one person and any number of persons in one occurrence; and $50,000 for property damage. The dollar amounts of this coverage shall be adjusted every 5 years from the date this Lease is signed or upon Lessor's demand given not more often than annually, upon thirty 30 days' notice to Lessee. This adjustment shall be equal to the percentage of change (positive or negative) over the period in question of the Wyoming Cost of Living Index "all Items" for Northwest Wyoming. Such insurance shall specifically insure Lessee against all liability assumed hereunder, as well as all liability imposed by law, and shall also insure Lessor as an additional insured so as to create the same liability on the part of insurer as though separate policies had been written for Lessor and Lessee.

Lessee shall provide Lessor with copies of all policies and renewals of policies upon demand. All policies shall also contain endorsements providing that they shall not be canceled, reduced in amount or coverage, or otherwise modified by the insurance carrier involved without at least 30 days' prior written notice to Lessor. Lessor shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.5 **DAMAGE OR DESTRUCTION**: Except as provided below in this Section 9.5, in the event of fire or other casualty to the Improvements, Lessee shall take all steps necessary to ensure the repair of such damage and the restoration of the Improvements to their condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Lessee shall also promptly take all steps necessary to assure that the Leased Premises are safe and that the damaged Improvements do not constitute a danger to persons or property.

If Lessee, using reasonable judgment and in reliance upon professional estimates and advice, determines either (a) that full repair and restoration is physically impossible, or (b) provided that Lessee has fulfilled all the hazard insurance requirements set forth in Section 9.4 above, that the available insurance proceeds are not more than 80% of the cost of repair and restoration, then Lessee may terminate this Lease by written notice to Lessor given not later than 60 days after the event that caused the damage. However, such termination notice shall not be effective until 45 days after the date upon which Lessor receives the notice. During the 45-day period, Lessor may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least 80 percent of the cost of repair and restoration. If successful in securing such adjustment, Lessor may render Lessee's termination notice null and void by written notice to Lessee within such 45-day period. If Lessor fails to nullify the termination notice in this way, then this Lease shall terminate at the expiration of the 45-day period, and any insurance proceeds payable to Lessee on account of such damage shall be paid as provided below.

The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid to the Lessee (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable Lessor's Actual Purchase Option Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below. The balance of such proceeds, if any, shall be paid to Lessor.

9.6 **EMINENT DOMAIN AND PUBLIC DEDICATION**: In the event of a taking of the Leased Premises, either in its entirety or to such extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, the Lease shall terminate as of the date Lessee is required to give up possession of the Leased Premises or Improvements, and the entire amount of any award(s) paid shall be allocated in the way described in Section 9.5 above for insurance proceeds.

In the event of a taking of a portion of the Leased Premises that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for such taking shall be allocated entirely to Lessor.

In the event of a taking of a portion of the Leased Premises that results in damage to the Improvements only to such an extent that the Improvements can reasonably be restored to a residential use consistent with this Lease, the Lessor may in its discretion allocate some or all the monetary compensation to enable Lessee to accomplish such a restoration. Any balance remaining after or in the absence of such allocation shall be allocated as provided above for a taking of the entire Leased Premises.

Any and all proceedings brought by a party in connection with any damages as a result of any taking referred to in this Section shall be conducted at the sole expense of such party. If any provision of law requires that such proceedings be brought by or in the name of any owner or lessee of the premises, such party shall join in such proceedings or permit the same to be brought in its name. Each party agrees to do all acts and to execute all documents that may be required to enable the other to maintain such proceedings. If the party required to join the proceedings incurs any cost or expense in doing so, such party shall be entitled to reasonable reimbursement and this entitlement shall constitute a first charge against any award.

9.7 **REASSESSMENT OF RENTAL VALUE**: In the event of any taking that reduces the size of the leased Premises but does not result in the termination of the Lease, Lessor shall reassess the fair rental value of the remaining Premises and shall adjust the Ground Lease Fee if necessary to ensure that the monthly fee does not exceed the monthly fair rental value of the premises for use as restricted by the Lease.

ARTICLE 10: Transfer, Sale, or Disposition of Improvements

10.1 **INTENT AND EFFECT**: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10, are intended to preserve the affordability of the Improvements for lower-income households and expand access to homeownership opportunities for such households.

10.2 **TRANSFERS TO QUALIFIED BUYERS**: Lessee may transfer its interest in the Leased Premises or the Improvements only to Lessor or a Qualified Buyer as defined below, or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers shall be subject to Lessor's review and purchase option rights set forth in this Article 10. Any purported transfer done without following the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

"Qualified Buyer" shall mean a person or one of a group of persons within a household 1) currently employed in Teton County substantially on a full-time basis, and 2) within a household whose combined gross income does not exceed **100%** of the median household income for Teton County, for a family the size of said household, as determined annually by the Department of Housing and Urban Development (HUD) or any successor thereto, and 3) within a household owning combined net assets having a fair market value no greater than the maximum value as outlined in the Teton County Housing Authority Guidelines for a **Category II affordable** home.

Lessee shall transfer the Leased Premises and Improvements only to a Qualified Buyer who qualifies under the combined gross income and combined household asset categories referred to in the preceding paragraph.

The Executive Director of the Teton County Housing Authority shall determine whether a person qualifies as a Qualified Buyer based upon such written applications, representations, information and verification as are deemed to be reasonably necessary under the circumstances to establish and substantiate legitimate eligibility. In the absence of fraud or misrepresentation, the Executive Director's written statement shall be conclusive evidence of a person qualifying as a Qualified Buyer. No person who fails to qualify as a Qualified Buyer shall have a cause of action against the Teton County Housing Authority arising out of said person's disqualification.

Once a person qualifies as a Qualified Buyer and acquires an interest in the Leased Premises and Improvements, any changes in the Qualified Buyer's employment, gross income, combined gross income, net assets and/or combined net assets shall have no force or effect upon the Qualified Buyer's continued lease of the Leased Premises and ownership of the Improvements.

The restrictions recited in the attached Exhibit RESTRICTIONS are incorporated into this Lease.

10.3 **TRANSFER TO LESSEE'S HEIRS**: Upon receipt of notice from the executor of the decedent's estate given within 90 days of the death of Lessee (or the last surviving co-owner of the improvements) or a court order mandating the same in the event of divorce, Lessor shall, unless for good cause shown, consent to a transfer of the Improvements and an assumption of this Lease to and by one or more of the following possible heirs of Lessee:

a) The spouse of the Lessee; or

b) The child or children of the Lessee; or

c) Member(s) of the Lessee's immediate family (including stepchildren) who have resided upon the Premises for at least 1 year prior to the Lessee's death.

Provided that a Letter of Stipulation and a Letter of Acknowledgment of legal counsel (similar to those described in Article 1 of this lease), setting forth the heirs' review, understanding and acceptance of the terms of the Lease, are submitted to Lessor to be attached to the Lease when it is transferred to the heirs.

Any other heirs, legatees, or devisees of Lessee must, in addition to submitting Letters of Stipulation and Acknowledgment as provided above, demonstrate to Lessor's reasonable satisfaction that they are a Qualified Buyer as defined above, or if unable to do so, shall not be entitled to possession of the Leased Premises but must transfer the Leased Premises in accordance with the provisions of this Article 10.

10.4 **LESSEE'S NOTICE OF INTENT TO SELL**: In the event that Lessee wishes to assign its interest in the Leased Premises and sell the Improvements, Lessee shall notify Lessor, in writing, of such wish ("the Intent-To-Sell Notice").

10.5 **APPRAISAL**: At any time following receipt of Lessee's Intent-To-Sell Notice, and in the event that the Lessor believes the market value of the Improvements, as restricted by the terms of this Lease, at the time of the Intent-to-Sell Notice is less than the Maximum Resale Price calculation recited in Section 10.10 below, then Lessor shall provide to Lessee an explanation of the calculation of value of the Improvements within 30 days of receipt of the Intent-to-Sell Notice. Within 10 days of receipt of Lessor's explanation, Lessee shall either (a) accept the explanation as accurately representing the Maximum Resale Price of the Improvements, or (b) request an appraisal by a licensed appraiser. If Lessee requests an appraisal, Lessor shall commission the appraisal by a duly licensed appraiser and provide a copy thereof to the Lessee within 60 days of the Lessee's request. In computing the appraisal, the appraiser shall take into account the value of only those Improvements approved in accordance with the terms and conditions of the Exhibit: RESTRICTIONS.

In the event that Lessee accepts Lessor's explanation of the calculation of value of the Improvements as accurately representing the Maximum Resale Price of the Improvements, then said explanation shall supercede the calculation of the Maximum Resale Price set out in Section 10.10. In the event that Lessee requests an appraisal and the Lessor so commissions an appraisal, the value as reflected in the appraisal report shall supercede the calculation of the Maximum Resale Price set out in Section 10.10.

In the event that Lessor so commissions an appraisal at Lessee's request, and in the further event that the appraisal report indicates that the market value of the Improvements is not greater than 10% of the Lessor's estimation as provided to Lessee under the terms of this Section 10.5, then the cost of the appraisal shall be deducted from the proceeds due to the Lessee as a result of the Lessee's transfer of the Improvements.

At any time following receipt of Lessee's Intent-To-Sell Notice, and in the event Lessor has reasonable cause to believe that Lessee has not maintained the Leased Premises and the Improvements in a condition similar to other comparable residential properties located in the subdivision and immediate vicinity, Lessor may commission an appraisal by a mutually acceptable and duly licensed appraiser. Both Lessor and Lessee shall share the cost of such appraisal. The appraisal shall be conducted by analysis and comparison of the market value of the Improvements, as restricted by the terms of this Lease.

10.6 **LESSOR'S PURCHASE OPTION**: Upon receipt of an Intent-To-Sell Notice from Lessee, Lessor shall have the option to purchase the Improvements ("the Purchase Option") at the Purchase Option Price calculated as set forth below.

The Purchase Option is designed to further the purpose of preserving the affordability of the Improvements for succeeding Qualified Buyers while taking fair account of the investment by the Lessee.

If Lessor elects to purchase the Improvements, Lessor shall exercise the Purchase Option by notifying Lessee, in writing, of such election ("the Notice of Exercise of Option") within 45 days of the receipt of the Intent-To-Sell Notice or, in the event Lessor or Lessee requests an Appraisal, within 45 days of the receipt of the Appraisal, or the Option shall expire. Having given such

notice, Lessor may either proceed to exercise the Purchase Option directly by purchasing the Improvements, or may assign the Purchase Option to a Qualified Person.

The purchase (by Lessor or Lessor's assignee) must be completed within 120 days of Lessor's Notice of Exercise of Option, or Lessee may sell the Improvements as provided in Section 10.7 below. The time permitted for the completion of the purchase may be extended by mutual agreement of Lessor and Lessee.

10.7 **IF PURCHASE OPTION EXPIRES**: If the Purchase Option has expired or if Lessor has failed to complete the purchase within the 120-day period allowed by Section 10.6 above, Lessee may sell the Improvements and assign the Lease to any Qualified Buyer, for not more than the then applicable Purchase Option Price. If, one year after the expiration of the Purchase Option or the expiration of said 120-day period, the Improvements still have not been sold, Lessee may sell the Improvements and assign the Lease, for not more than the then applicable Purchase Option Price, to any party regardless of whether that party is a Qualified Buyer.

10.8 **LESSOR'S POWER OF ATTORNEY TO CONDUCT SALE**: In the event Lessor does not exercise its option and complete the purchase of the Improvements as set forth above, and Lessee (a) is not then residing in the Improvements, and (b) continues to hold the Improvements out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one year of the giving of the Intent-To-Sell Notice, Lessee does hereby appoint Lessor its attorney-in-fact to seek a buyer, negotiate a reasonable price that furthers the goals set forth in this Lease, sell the property, and distribute proceeds of sale, minus Lessor's costs of sale and reletting and any other sums owed Lessor by Lessee.

10.9 **PURCHASE OPTION PRICE**: In no event may the Improvements be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be the lesser of (a) the value of the Improvements as determined by the Appraisal commissioned and conducted as provided in Section 10.5 above or (b) the Maximum Resale Price as calculated in Section 10.10.

10.10 **CALCULATION OF THE MAXIMUM RESALE PRICE**: Unless another calculation under the express terms of Section 10.5 supercedes the calculation of the Maximum Resale Price under this Section 10.10, the Maximum Resale Price shall be equal to Lessee's original purchase price for the Improvements multiplied on an annual basis by the lesser of a) 3% for each full year Lessee has owned the Improvements, or b) the annual Denver-Boulder, CO, Consumer Price Index for All Urban Consumers (CPI-U)(the "Index") in effect for the period Lessee has owned the improvements, it being acknowledged that the index has specific reporting periods and it may possibly require several calculations by TCHA's Executive Director; and adding thereto, the value of any government required improvements or additions to the Improvements allowed by Lessor as per the provisions in Exhibit RESTRICTIONS. In the event the Index is no longer published as of the date Lessee proposes to sell the Improvements, the Teton County Housing Authority shall substitute a comparable index in its sole and absolute discretion.

Given the unique nature of Teton County, the value of real property located in the County has historically appreciated at a rate that greatly exceeds the rate of increase experienced regionally and nationally and at a rate that is generally unrelated to economic activity in the County. In light

of such appreciation trend, which is expected to continue indefinitely, the value of the Leased Premises and Improvements is also expected to appreciate dramatically, regardless of the condition of the Improvements and even if such condition is allowed to deteriorate to a state which makes the Improvements uninhabitable. To prevent an unintended windfall, the Maximum Resale Price shall be reduced to the extent Lessee does not maintain the Leased Premises and the Improvements in a condition similar to other comparable residential properties located in the immediate vicinity; provided that the Maximum Resale Price may not be reduced to an amount below the balance on Lessee's mortgage.

NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTEE BY THE TETON COUNTY HOUSING AUTHORITY THAT ON SALE LESSEE SHALL OBTAIN THE MAXIMUM RESALE PRICE.

10.11 **NEW LEASE OR ASSIGNMENT OF EXISTING LEASE**: A Qualified Buyer who purchases the improvements in accordance with the provisions of this Article 10 shall receive, as determined by Lessor, either an assignment of this Lease from the seller, or a new Lease from Lessor which new Lease shall be substantially the same as this Lease in the rights, benefits and obligations assigned to Lessee and Lessor.

10.12 **TRANSFER FEE**: Upon transfer of the Improvements, Lessee shall pay to Teton County Housing Authority a transfer fee equal to 2% of the purchase option price at closing for facilitation of the transaction.

10.13 **CLOSING COSTS.** Lessee shall provide and pay for title insurance incident to the transfer of the Improvements to a Qualified Buyer. Any fees associated with the closing agent shall be shared equally by the qualified buyer and seller for the transaction.

ARTICLE 11: Assignment and Sublease

Except as otherwise provided in Article 8 (including the Exhibit: PERMITTED MORTGAGES) and Article 10, Lessee shall not assign, sublease, sell, or otherwise convey any of Lessee's rights under this Lease without the prior written consent of the Lessor. Lessee agrees that Lessor shall have broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth herein. If permission is granted, any assignment or sublease shall be subject to the terms of this Lease.

In the case of a sublease, the rental or occupancy fee charged the sublessee shall not be more than that amount charged the Lessee by Lessor, plus an amount approved by Lessor to cover costs to Lessee for the improvements.

In the case of an assignment, the total consideration for such assignment and the related sale or transfer of the improvements shall not exceed the Purchase Option Price as calculated in accordance with Article 10 hereof.

ARTICLE 12: Default

12.1 **MONETARY DEFAULT BY LESSEE**: It shall be an event of default if Lessee fails to pay the Ground Lease Fee or other charges required by the terms of this Lease and such failure is not cured by Lessee or a Permitted Mortgagee within 30 days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, if Lessee shall make a good faith partial payment of at least two thirds of the amount owed during such initial 30-day period, then such period shall be extended one additional 30-day period.

12.2 **NONMONETARY DEFAULT BY LESSEE**: It shall be an event of default if Lessee fails to abide by any other material term or condition in this Lease, and such failure is not cured by Lessee or a Permitted Mortgagee within 60 days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, in the case where the Lessee or Permitted Mortgagee has commenced to cure such default within such 60-day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for such additional period as may be reasonably required under the circumstances to complete such cure.

12.3 **DEFAULT BY LESSEE RESULTING FROM JUDICIAL PROCESS**: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Lessee is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Lessee for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Lessee's property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Lessee under any provisions of the Bankruptcy Act now or hereafter enacted, or if Lessee files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4 **TERMINATION**: In the case of any of the events of default described above, Lessor may, terminate this Lease and initiate summary proceedings against Lessee. Pursuant to such proceedings, without demand or notice, Lessor may enter any part of the Leased Premises and repossess the entire Leased Premises, and expel Lessee and those claiming rights through Lessee and remove their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. If this Lease is terminated by Lessor, or if Lessor re-enters the Leased Premises pursuant to an Event of Default, the Lessee agrees to pay and be liable for any unpaid Ground Lease Fee, damages which may be due or sustained prior to or in connection with such termination or reentry, and all reasonable costs, fees, and expenses (including without limitation, reasonable attorneys fees) incurred by Lessor in pursuit of its remedies under this Lease.

If Lessor elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Lessee's interest in the Lease by foreclosure of its mortgage or otherwise.

12.5 **SPECIAL OPTION TO PURCHASE IN THE EVENT OF FRAUD**: In addition to any other remedies Lessor may have under law or the terms of this Lease, in the event that Lessee qualifies as a Qualified Buyer by means of fraud or misrepresentation and thereby becomes a Lessee under this Lease, the Housing Authority shall have the option of terminating this Lease and to purchase the Improvements at a price equal to the greater of 90% of the appraised fair market value of the Improvements, as restricted by the terms of this Lease and as determined by a licensed appraiser commissioned by the Housing Authority, or the full amount owed on a Permitted Mortgage encumbering the Leased Premises.

12.5 **LESSOR'S DEFAULT**: Lessor shall in no event be in default in the performance of any of its obligations under the Lease unless and until Lessor has failed to perform such obligations within 60 days, or such additional time as is reasonably required to correct any default, after notice by Lessee to Lessor properly specifying Lessor's failure to perform any such obligation.

ARTICLE 13: Arbitration And Mediation

13.1 **ARBITRATION AND MEDIATION PROCESS**: Should any grievance or dispute, other than one concerning the Maximum Resale Price Calculation under Section 10.10 or government required improvements as set forth in Exhibit: RESTRICTIONS, arise between Lessor and Lessee concerning the terms of this Lease that can not be resolved, prior to initiating arbitration as set forth below, the parties shall formally make an effort to mediate this matter by mutually selecting a mediator who shall attempt to assist the parties to resolve this matter.

If the parties are unable to resolve the matter following mediation, then either may commence arbitration wherein each shall select an arbitrator and the two selected shall mutually select a third person to arbitrate. It is the intent of this Section 13.1 that mediation and arbitration be affordable and timely such that a single individual residing in Wyoming shall mediate and a single individual residing in Wyoming shall arbitrate. Lessor and Lessee shall give written notice to the other of its selection of a disinterested arbitrator. Within 15 days of the receipt of this written notice, the other party may give written notice to the first party appointing a disinterested arbitrator of its own choice. These two arbitrators shall select a third arbitrator. If the other party fails to name an arbitrator within 15 days of receiving the notice from the first party, the arbitrator selected by the first party shall be the sole arbitrator.

The arbitrator or arbitrators (the "arbitration panel") shall hold a hearing within 30 days after the initial written notice by the initiator of the arbitration process. At the hearing Lessor and Lessee shall have an opportunity to present evidence and question witnesses in the presence of each other. As soon as reasonably possible, and in no event later than 15 days after the hearing, the arbitration panel shall make a written report to the Lessor and Lessee of its findings and decisions, including a personal statement by each arbitrator of his/her decision and the reasons for it. The arbitration panel shall decide the dispute or claim in accordance with the substantive law of the jurisdiction and what is just and equitable under the circumstances. The decision and award of the majority of the arbitration panel shall be binding and final.

ARTICLE 14: General Provisions

14.1 **LESSEE'S MEMBERSHIP IN OWNERS ASSOCIATION**: Lessee shall automatically be a regular voting member of the Millward Redevelopment Homeowners' Association. With Lessor's consent, the Homeowners' Association may perform duties delegated by Lessor, and reserved to Lessor, under the terms of this Lease.

14.2 **NOTICES**: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to Lessor:

Teton County Housing Authority
P.O. Box 714
Jackson, WY 83001

and a copy to: Frank Hess, Esq.
P.O. Box 449
Jackson, WY 83001

If to Lessee:

Sarah B. Neumann

P.O. Box 8874

Jackson, WY 83002

All notices, demands, and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.3 **NO BROKERAGE**: Lessee warrants that it has not dealt with any broker, other than the Teton County Housing Authority in its role as intermediary pursuant to the provisions of WYO. STAT. § 33-28-305, in connection with the consummation of this Lease, and in the event any claim is made against Lessor relative to dealings with brokers, Lessee shall defend the claim against Lessor with counsel of Lessor's selection and save harmless and indemnify Lessor on account of loss, cost, or damage which may arise by reason of any such claim.

The Teton County Housing Authority's sole role as broker is that of a broker engaged as an intermediary under the provisions of WYO. STAT. § 33-28-305.

14.4 **SEVERABILITY AND DURATION OF**: If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Lessee or Lessor against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is

the intention of the parties that their respective options to purchase and all other rights under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and such options and other rights shall be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercising of such option or right shall be construed to expire 20 years after the death of the last survivor of the following persons: infants born at St. John's Hospital during the week immediately preceding the execution of this agreement.

14.5 **RIGHT OF FIRST REFUSAL IN LIEU OF OPTION**: If the provision of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, Lessor shall nevertheless have a right of first refusal to purchase the Improvements at the highest documented bona fide purchase price offer made to Lessee. Such right shall be as specified in the Exhibit FIRST REFUSAL. Any sale or transfer contrary to this section, when applicable, shall be null and void.

14.6 **WAIVER**: The waiver by Lessor at any given time of any term or condition of this Lease, or the failure of Lessor to take action with respect to any breach of any such term or condition, shall not be deemed to be waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Lease. Lessor may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by Lessor before being effective.

The subsequent acceptance of Ground Lease Fee payments by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term or condition of this Lease, other than the failure of the Lessee to pay the particular Ground Lease Fee so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such Ground Lease Fee payment.

14.7 **LESSOR'S RIGHT TO PROSECUTE OR DEFEND**: Lessor shall have the right, but shall be under no obligation, to prosecute or defend, in its own or the Lessee's name, any actions or proceedings appropriate to the protection of its title to, and Lessee's interest in, the Leased Premises. Whenever requested by Lessor, Lessee shall give Lessor all reasonable aid in any such action or proceeding.

14.8 **CONSTRUCTION**: Whenever in this Lease a pronoun is used, it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand. References to the Teton County Housing Authority shall mean the Teton County Housing Authority or its successor agency.

14.9 **CAPTIONS**: The captions appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.10 **PARTIES BOUND**: This Lease sets forth the entire agreement between the Lessor and Lessee with respect to the leasing of the real property; it is binding upon and inures to be the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by

Lessor and Lessee or their legal representatives or, in accordance with the provisions hereof, their successors in interest.

14.11 **GOVERNING LAW**: This Lease shall be interpreted in accordance with and governed by the laws of the State of Wyoming. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against Lessor or Lessee.

14.12 **RECORDING**: The parties agree, as an alternative to the recordation of this Lease, to execute a so-called Memorandum of Ground Lease in a form recordable and complying with applicable law and reasonably satisfactory to Lessor's attorneys. In no event shall such document set forth the rent or other charges payable by Lessee under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease in Jackson, Wyoming on the day and year first above written.

TETON COUNTY HOUSING AUTHORITY

By: _____
Forrest H. Neuerburg, Executive Director

LESSEE

By: _____
Sarah B. Neumann

LESSEE

By: _____

STATE OF WYOMING)
) SS:
COUNTY OF TETON)

On this 4 day of January, 2005, Forrest H. Neuerburg personally appeared before me as the duly authorized agent of Teton County Housing Authority, and acknowledged this instrument, to be its free act and deed.

_____
Notary Public

DEBORAH C. KISLING - NOTARY PUBLIC
County of Teton State of Wyoming
My Commission Expires May 25, 2007

SEAL

My commission expires: _____

STATE OF WYOMING)
)SS:
COUNTY OF TETON)

On this 4 day of January, 2005, Sarah B. Neumann personally appeared before me and acknowledged this instrument, to be his/her/their free act and deed.

Deborah Kisling
Notary Public

SEAL

My commission expires: _____

DEBORAH C. KISLING - NOTARY PUBLIC
County of Teton
State of Wyoming
My Commission Expires May 25, 2007

Exhibit: LETTER OF STIPULATION

TO: Teton County Housing Authority

DATE: _____

This letter is given to the Teton County Housing Authority to become an actual exhibit to a Lease between the Housing Authority and me [Lessee(s)]. I will be leasing a parcel of land in the Housing Authority's Millward Development from the Housing Authority and will be buying the home that sits on that parcel of land.

My legal counsel (if any) has explained to me the terms and condition of the Lease and other legal documents that are part of this transaction. I understand the way these terms and conditions will affect my rights as a homeowner, now and in the future. In particular, I understand and agree with the following points.

- One of the goals of the Housing Authority is to keep the homes located in the Millward Development affordable for people of moderate or low income through the long-term leasing of the land under the homes.

- The terms and conditions of my Lease will keep my home affordable for future "Qualified Buyers" (as defined in the Lease). If and when I want to sell my home, the Lease requires that I sell it either to the Housing Authority or to another Qualified Buyer. The terms and condition of the Lease also limit the price for which I can sell the home, in order to keep it affordable for such Qualified Buyers.

- It also a goal of the Housing Authority to promote resident ownership of the homes in the Millward Development. For this reason, my Lease requires that I must reside in my home at least 10 months of each year and if my family and I move out of our home permanently, we must sell it. I cannot continue to own it as absentee owners.

- I understand that I can leave my home to my children or other members of my household and that, after my death, they can own the home for as long as they want to live in it and abide by the terms of the Lease, or they can sell it on the terms permitted by the Lease.

- As a homeowner in the Millward Redevelopment Subdivision, it is my desire to see the terms of the Lease and related documents honored. I consider these terms fair to others and me.

LESSEE

By: Sarah B Neumann

Sarah B. Neumann

LESSEE

By: _____

Exhibit: LETTER OF ACKNOWLEDGMENT

I, _____, have been independently employed by _____ (hereinafter "the Client") who intends to purchase a house and other improvements on land to be leased from the Teton County Housing Authority. The house and land are located at _____.

In connection with the contemplated purchase of the house and other improvements and leasing of the land, I reviewed with the Client the following documents relating to the transaction:

- This Letter of Acknowledgement and a Letter of Stipulation from the Client.
- Declaration of Rules & Regulations Millward Redevelopment (Doc. 0608751).
- A proposed Deed conveying the house and other improvements to the Client.
- A proposed Lease, with all attached exhibits, conveying the "Leased Premises" to the Client.
- Memorandum of Lease.

The Client has received a full and complete information and advice regarding this conveyance and the foregoing documents. My advice and review has been given to reasonably inform the Client of the present and foreseeable risks and legal consequences of the contemplated transaction.

The Client is entering the aforesaid transaction in reliance on his/her own judgment and upon his/her investigation of the facts. The full and complete advice and information provided by me was an integral part of such investigation.

_____ _____

Signature of Attorney At Law Date

_____

(Attorney's name, firm name & address)

As the Lessee of Lot Number **29** in the Millward Redevelopment, and the purchaser of the Improvements on said Lot, **I have elected not to retain legal counsel** in accordance with the review of the legal documents cited above.

LESSEE LESSEE

By: Sarah B Neumann By:_____

Sarah B. Neumann

Exhibit: DEED

Teton County Housing Authority, a duly constituted Housing Authority established by Teton County, Wyoming pursuant to W. S. § 15-10-116 as amended, GRANTOR, of Teton County, Wyoming, for and in consideration of TEN DOLLARS ($10.00) and other good and valuable consideration, in hand paid, receipt of which is hereby acknowledged, has granted, bargained, sold, transferred, and delivered and by these presents does bargain, sell, grant, transfer and deliver unto _____, a single person/married couple/as individuals, GRANTEE, whose address is _____, that certain property in the nature of building improvements, affixed to and situated upon Lot _____ of Millward Redevelopment, according to that plat recorded in the office of the Teton County Clerk on October 21, 2003, as Plat Number 1097. PIDN # _____

To have and to hold unto Grantee and his/her/their heirs, successors and assigns such property, subject to the terms of a Ground Lease, a Declaration Of Covenants, Conditions, and Restrictions For Millward Redevelopment, Declaration Of Rules and Regulations Millward Redevelopment, and the Articles and Bylaws of the Millward Development Homeowner's Association, as the same may be amended from time to time. This conveyance is in the form of building improvements only, and not a conveyance of the underlying land described above, which is to be leased to Grantee under a separate Ground Lease.

WITNESS my hand this _____, 200___.

NO SIGNATURE

Teton County Housing Authority:

_____

Forrest Neuerburg, Executive Director

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me this _____ day of _____ _____, 200__ by Forrest Neuerburg as Executive Director of the Teton County Housing Authority.

WITNESS my hand and official seal.

_____

Notary Public

SEAL

My Commission Expires: _____

Exhibit: RIGHT OF FIRST REFUSAL

Whenever any party under the Lease shall have a right of first refusal as to certain property, the following procedures shall apply. If the owner of the property offering it for sale ("Offering Party") shall within the term of the Lease receive a bona fide, third party offer to purchase the property that such Offering Party is willing to accept, the holder of the right of first refusal (the "Holder") shall have the following rights:

a) Offering Party shall give written notice of such offer (the "Notice of Offer") to Holder setting forth (a) the name and address of the prospective purchaser of the property, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer (the "Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the property ("the Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.

b) If Holder exercises the right to purchase the property, such purchase shall be completed within sixty days (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided herein.

c) Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Offering Party's right to sell shall end, and all the foregoing provisions of this Exhibit shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to a renewed right of first refusal in said property.

LESSEE

LESSEE

LESSOR

Exhibit: PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A. STANDARD PERMITTED MORTGAGE: A "Standard Permitted Mortgage," as identified in Section 8.1 of the Lease to which this Exhibit is attached, shall be a mortgage that meets the following requirements.

1. Such Mortgage shall run in favor of either (a) a so-called institutional lender such as, but not limited to, a federal, state, or local housing finance agency, a bank (including) savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a "community development financial institution" as certified by the U.S. Department of the Treasury, or similar nonprofit lender to housing projects for low- and moderate-income persons.

2. Such Mortgage shall be a first lien on all or any of the Improvements and the Lessee's interest in the Leased Premises (the "Security").

3. Such Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor's obligations thereunder, the holder of such Mortgage shall notify Lessor of such fact and Lessor shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor's name and on mortgagor's behalf, provided that current payments due the holder during such 120-day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.

4. Such Mortgage and related documentation shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify Lessor of its intention to do so and Lessor shall have the right, but not the obligation, upon notifying the holder within 30 days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.

5. Such Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements

and the Lessee's interest in the Leased Premises by the Permitted Mortgagee, the Permitted Mortgagee shall give the Lessor written notice of such acquisition and the Lessor shall have an option to purchase the Improvements and acquire the Lessee's interest in the Leased Premises from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that the Lessor gives written notice to the Permitted Mortgagee of the Lessor's intent to purchase the Improvements and acquire the Lessee's interest in the Leased Premises within 30 days following the Lessor's receipt of the Permitted Mortgagee's notice of such acquisition of the Improvements and Lessee's interest; further provided that Lessor shall complete the purchase of the Improvements and acquisition of Lessee's interest in the Leased Premises within sixty 60 days of having given written notice of its intent to purchase; and provided that, if the Lessor does not complete the purchase within such period, the Permitted Mortgagee shall be free to sell the Improvements and transfer the Lessee's interest in the Leased Premises to another person;

6. Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the area by institutional mortgagees.

7. Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering Lessor or any subsequent holder of the Lessor's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

8. Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to Lessor or Lessor's interest in the Leased Premises, but will look solely to Lessee, Lessee's interest in the Leased Premises, the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (it is the intention of the parties hereto that Lessor's consent to such Mortgage shall be without any liability on the part of Lessor for any deficiency judgment).

9. Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of Article 9 hereof.

10. Such Mortgage and related documentation shall contain nothing that obligates Lessor to execute an assignment of the Ground Lease Fee or other rent payable by Lessee under the terms of this Lease.

B. RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage ("Permitted Mortgagee") as referenced under Section 8.2 of the Lease which this Exhibit is attached shall be as set forth below.

1. Permitted Mortgagee shall without requirement of consent by the Lessor have the right, but not the obligation, to:

a. Cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Lessee;

b. Acquire and convey, assign, transfer, and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and

c. Rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of Permitted Mortgagee.

2. Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of the Lessee under the Lease. Any such payment of performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security and the premises. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3. In the event that title to the estates of both Lessor and Lessee shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of Lessor is owned at any time by Lessee (regardless of a merger), or by any person in which Lessee has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Lessee under the Lease as condition to the forbearance by Lessor in the exercise of Lessor's remedies as provided in the Lease.

4. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Lessor shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the permitted Mortgagee, subject to Lessor's approval, which approval shall not be unreasonably withheld), not more than 30 days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection, or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to Lessor for such new lease within 60 days after the effective date of such termination, rejection, or disaffirmance, as the

case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Lessee thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this section shall survive the termination, rejection, or disaffirmance of the lease and shall continue in full effect thereafter to the same extent as if this section were independent and an independent contract made by Lessor, Lessee, and the Permitted Mortgagee.

5. The Lessor shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6. In the event that Lessor sends a notice of default under the Lease to Lessee, Lessor shall also send a notice of Lessee's default to Permitted Mortgagee. Such notice of Lessee's default to Permitted Mortgagee. Such notice shall be given in the manner set forth in Section 14.2 of the Lease to the Permitted Mortgagee to Lessor by a written notice to Lessor sent in the manner set forth in said Section 14.2 of the Lease.

Exhibit: RESTRICTIONS

A. LEASE AND PURCHASE BY QUALIFIED BUYERS ONLY.

1. The following rules apply to the lease of the Leased Premises and the purchase of the Improvements by Qualified Buyers.

a. The median household income shall be adjusted each year in an amount determined by Lessor, based upon published changes in the Area Median Income as prepared by HUD.

b. For the purposes of these Restrictions, 1) "employment in Teton County substantially on a full time basis" means employment for at least ten 10 months per year and for a minimum of 30 hours each week; and 2) "household" means all individuals who will be occupying the unit regardless of legal status.

c. In the event that the Qualified Buyer, at the time of closing on said Leased Premises, owns a residential lot, parcel or tract ("other property"), whether or not improved, either in Teton County, Wyoming, in another county in Wyoming or in another state, then the Qualified Buyer must, within 30 days of entering into this Lease, either sell said other property, or list the same for sale with a licensed broker, at or below its market value. In the event that the Qualified Buyer lists the other property for sale and a dispute arises between the Qualified Buyer and Lessor as to the market value of the other property, Lessor shall have the right to pay for and obtain an appraisal of the other property, in which case the value established by the appraisal shall be conclusive as to said market value. In the event that the Qualified Buyer has listed the other property at a price in excess of the market value as determined by said appraisal, then the Qualified Buyer shall cause the other property to be listed in accordance with said appraisal. Within 10 days of the sale of the other property, the Qualified Buyer shall provide to Lessor a copy of the closing statement pertaining to the other property and shall otherwise provide Lessor the terms of said sale. For the purposes of this paragraph, a Qualified Buyer "owns" other property if he owns <u>any</u> interest in said other property.

d. The Executive Director of the Housing Authority shall be the sole judge of whether a person or group of persons qualifies as a Qualified Buyer. Such determination shall be based upon such written applications, representations, information and verification as are deemed by the Housing Authority to be reasonably necessary under the circumstances to establish and substantiate legitimate eligibility. No prospective Qualified Person or other party shall have the right to sue or bring other legal process against the Housing Authority or its agents arising out of this instrument, and the Housing Authority shall have no liability whatsoever to any person aggrieved by its decision regarding qualification of a prospective purchaser or any other matter relating to this agreement.

B. RESTRICTIONS ON HOME IMPROVEMENTS OR ADDITIONS ALLOWED BY LESSOR UNDER SECTION 10.10, CALCULATION OF THE MAXIMUM RESALE PRICE.

1. Maximum Resale Price. On or prior to the date of initial lease of the Leased Premises, the Declarant will have caused Improvements to be made by the construction of a single family residence thereon, with the result that no additional Improvements are required in order for the Improvements to be used for their intended purpose as a single family residence. Accordingly, to further Declarant's goal of providing affordable housing in Teton County, Lessee shall not sell the Improvements in excess of the "Maximum Resale Price" as calculated in Section 10.10 of this Lease.

2. Government Required Improvements. The Base Amount may be increased to reflect the actual cost of home improvements made to the Leased Premises as a result of any requirement imposed by any governmental agency; *provided*, that no such adjustment shall be allowed unless Lessee provides Lessor with the following information:

   (a) Original or duplicate receipts which identify the actual costs expended by Lessee, the party to whom paid and the date of payment.

   (b) Lessee's affidavit verifying that the receipts are valid and correct receipts tendered at the time of purchase.

   (c) Copies of final building permits and certificate(s) of occupancy and/or inspection required to be issued by the Teton County Building and Planning Department with respect to such home improvements.

   (d) Written documentation evidencing the applicable governmental requirement necessitating the home improvement.

3. Actual Expense and Sweat Equity. In calculating government required improvements under ¶ 2, only Lessee's out-of-pocket labor costs paid to unrelated third parties shall qualify as labor costs, unless Lessor approves, in advance of any construction, both the amount of Lessee's time and labor and a dollar amount representing Lessee's time and labor.

4. Maintenance and Repair Expenses Not Permitted. No consideration of maintenance or repair expenses will be considered for improvement credit on resale. No exceptions.

C. RESTRICTIONS ON USE OF PROPERTY.

1. Only the following buildings shall be permitted on the property: a duplex or single-family housing unit, and a garage. No outbuildings or temporary structures or facilities, such as trailers, tents, shacks or other similar buildings shall be permitted. The height limit for all buildings shall be twenty-seven (27) feet.

2. Home improvements that add interior living space or floor area are prohibited.

3. Individual yard fences are prohibited. Fencing around the perimeter of the Millward Development property is permitted subject to Lessor's approval.

4. Electric and telephone utility lines have been installed underground in the shared access roads and common rights-of-way. Maintenance of the service lines to the Improvements from these underground utility lines shall be the responsibility of the Lessee.

5. Lessee shall occupy the Improvements as its primary residence at least 10 months each year, except, in cases of illness, leaves of absence for education or training or other exigent circumstances, and with the advance written approval of, and according to conditions as specified by Lessor. Approval shall not be unreasonably withheld.

6. Lessee shall not engage in any business activity on the Leased Premises or Improvements except for those business activities not requiring access to the property by the public or business invitees, such as an artist studio, and only after having received written permission from the Lessor and only after having received all required necessary licenses and permits. No window or other display of material or merchandise connected with the home business is permitted. No signage connected with the home business is permitted.

7. Lessee shall not erect any signs on the Lease Premises, except those required under the development permit obtained from Teton County.

8. Lessee shall not rent any portion of the Leased Premises or Improvements without Lessor's prior written approval, nor permit any use or occupancy of the Improvements except in compliance with these Restrictions.

9. Lessee may park up to **a MAXIMUM of 2 motor vehicles** that are operable, registered and insured, and used for personal transportation, on the Leased Premises, as long as one of said vehicles is parked in the garage. Additionally, Lessee may park or store recreational vehicles, ATVs, boats, kayaks, tractors, motorcycles, four wheelers, or snowmobiles on the Leased Premises, provided that they are parked or stored in the garage.

10. No recreational vehicles, ATVs, boats, kayaks, tractors, motorcycles, four wheelers, or snowmobiles are permitted on the common areas.

11. Visitor parking areas will be designated with proper signage and identified on the plat. It is Lessee's responsibility to notify guests of current parking regulations. Violators may be towed at their own expense. Lessor and/or the HOA may regulate seasonal parking to accommodate proper snow removal or special maintenance activities.

12. **Dogs are not permitted** either on the Leased Premises or the common areas unless Lessee or a member of Lessee's household reasonably requires a dog to accommodate a disability. In such a case, reasonable accommodation would be granted by Lessor with proper documentation and written request. Lessee may keep one indoor pet, other than a dog (such as a cat or bird), on the Leased Premises.

13. No pets of any kind, other than a dog reasonably required to accommodate a disability, shall accompany guests on the Leased Premises or the common areas.

14. **No outside storage is permitted**. Driveways and lawn areas shall remain clear of bikes, kayaks, and other personal property including snow removal equipment, recreational vehicles, and trash receptacles at all times.

15. Lessee shall not remove or alter, nor permit others to remove or alter, existing trees and/or shrubs on the Leased Premises, without first having obtained Lessor's permission in writing. Lessee shall not alter the color (either paint or stain) of the exterior of the Improvements without Lessor's prior written consent.

16. No satellite dishes other than small DSS –type dishes are permitted on the Leased Premises without Lessor's prior written approval.

17. Lessee is responsible for the collection of garbage from the Leased Premises. Lessee shall store garbage receptacles in the garage or other interior space.

18. The feeding of wildlife is prohibited.

19. Lessee shall comply with the rules and regulations of the Millward Development Homeowners' Association as adopted from time to time.

TETON COUNTY HOUSING AUTHORITY
GROUND LEASE
Millward Redevelopment

THIS LEASE ("Lease") is entered into this 14th day of November, 2014, between the Teton County Housing Authority, a duly constituted Housing Authority established by Teton County, Wyoming pursuant to W.S. §15-10-116, as amended, ("TCHA"), and Michael R. Sudmeier and Anne T. Sudmeier ("Homeowner").

RECITALS

WHEREAS, TCHA was established by the Board of County Commissioners of Teton County to address a shortage of safe and sanitary dwelling accommodations in the County available to persons of low income at rentals or prices that they can afford; and

WHEREAS, "persons of low income" means persons or families who, as determined by the public body undertaking a project, cannot afford to pay the amounts at which private enterprise, unaided by public subsidy, is providing decent, safe and sanitary housing; and

WHEREAS, to address the shortage of affordable, safe and sanitary dwelling accommodations, TCHA preserves affordable homeownership opportunities through the long-term leasing of land under owner-occupied homes; and

WHEREAS, the Leased Land described in this Lease was developed by the TCHA as an affordable housing planned unit development (PUD-AH) to further its mission and to accomplish the County's goal of making the purchase of a home affordable to full-time working residents of Teton County; and

WHEREAS, the Homeowner shares the purposes of the TCHA and has agreed to enter into this Lease not only to obtain the benefits of homeownership, but also to further the purposes of the TCHA; and

WHEREAS, the Homeowner and TCHA recognize the special nature of the terms of this Lease, and each of them accepts these terms, including those terms that affect the occupancy, use, maintenance, Maximum Resale Price and transfer to Qualified Households at the **Affordable Category 2** level, to further their shared goals over a period of time and through a succession of owners.

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Homeowner and TCHA agree on all of the terms and conditions of this Lease as set forth below.

ARTICLE 1: LEASE OF THE LEASED LAND.

1.1 TCHA owns certain real property situated in Teton County, Wyoming commonly known as **3998 Hawthorne Lane,** Wilson, Wyoming and more particularly described as follows:

> Lot 1, Millward Redevelopment Teton County, Wyoming, according to that plat recorded in the Office of the Teton County Clerk on October 21, 2003 as Plat No. 1097 (the "Leased Land").

TCHA hereby leases to the Homeowner, and Homeowner hereby accepts the right to possess, occupy and use the Leased Land in accordance with the terms of this Lease.

1.2 TCHA does not lease to Homeowner the right to remove from the Leased Land any minerals lying beneath the Leased Land's surface.

ARTICLE 2: TERM OF LEASE.

This Lease shall remain in effect for 99 years, beginning on the 14th day of November, 2014, and ending on the 13th day of November, 2113, unless earlier terminated as provided herein.

ARTICLE 3: TCHA GUIDELINES.

Procedural and administrative matters not otherwise addressed in this Lease shall be as set forth in the policies and guidelines of TCHA, as the same may be amended from time to time and which policies and guidelines are on file with TCHA or otherwise with Teton County, Wyoming, or if there are no such written policies or guidelines then the current applied policies of TCHA or its successor (the "Guidelines").

ARTICLE 4: USE OF LEASED LAND.

4.1 Owner Occupancy. Homeowner shall occupy any and all structures and other permanent improvements located on the Leased Land, including both the original home constructed on the Leased Land, and all permanent improvements added thereafter (collectively, the "Home"), as their "primary residence," as such term is defined in the Guidelines, and shall physically reside therein on a fulltime basis, at least ten months out of each year.

4.2 Business Activity. No business activities shall occur at the Home or on the Leased Land, other than a home occupation use that is: (a) permitted in the zoning district; (b) permitted by any declaration of covenants, conditions and restrictions for the Leased Land as the same may be amended, restated, or supplemented from time to time (the "Declaration"); (c) permitted by the Guidelines; and (d) not prohibited by any law, statute, code, rule, or regulation affecting the Leased Land.

4.3. Guests. No guests over the age of 18 shall be permitted to reside in the Home for periods in excess of 30 days per calendar year. Homeowner shall be responsible for the use of

the Home and Leased Land by all guests and anyone else using the Leased Land and shall make all such people aware of the restrictions on use affecting the Home and Leased Land.

4.4 Renting. No Home, or any part thereof, including without limitation, the garage, any portion of any structure, or any room within any structure, may be rented or otherwise occupied by persons other than the Homeowner, his/her spouse and/or children, immediate family, or other legal dependants, for any period of time, without the written permission of TCHA, which permission may be withheld by TCHA in its sole and absolute discretion.

4.5 Occupancy By Person Other Than Homeowner. No person other than the Homeowner, his/her spouse and/or children, immediate family, or other legal dependants shall occupy the Home for more than 30 days without concurrent occupancy by the Homeowner.

4.6 Compliance with Laws, Declaration. The Home and Leased Land shall be occupied in full compliance with all laws, statutes, codes, rules, or regulations, including without limitation, the Declaration, and any other rules and regulations of any applicable homeowners association, as the same may be adopted from time to time; and

4.7 Responsible Use of Home and Leased Land, Maintenance. Homeowner shall use the Home and Leased Land in a way that will not cause harm to others or create any public nuisance. Homeowner shall dispose of all waste in a safe and sanitary manner. Homeowner shall take good care of the Home and Leased Land and shall, at Homeowner's own cost and expense, make all repairs and shall maintain the Home and Leased Land in a safe, sound, habitable, and good condition and state of repair. Homeowner shall further maintain all parts of the Home and Leased Land in the condition that is required to maintain the insurance coverage required by Section 9.4 of this Lease. In case of damage to the Leased Land or Home, Homeowner shall repair the damage or replace or restore any destroyed parts of the Leased Land or Home, as speedily as possible, at Homeowner's own cost and expense and to TCHA's reasonable satisfaction.

4.8 Quiet Enjoyment. Homeowner has the right to quiet enjoyment of the Leased Land. TCHA has no desire or intention to interfere with the personal lives, associations, expressions, or actions of the Homeowner in any way not permitted by this Lease or the Guidelines.

4.9 Periodic Reporting, Inspection. In order to confirm compliance with this Lease, the Guidelines or other covenants, laws, statutes, codes, rules, or regulations governing the ownership, occupancy, use, development or transfer of the Home or Leased Land, Homeowner shall comply with any reporting or inspection requirements as may be requested by TCHA from time to time. If TCHA has received a Notice to Sell (as described in Section 10.4 below), then TCHA has the right to inspect the interior of the Home to determine its condition prior to the sale. TCHA must notify the Homeowner at least 24 hours before carrying out such inspection.

Notwithstanding the foregoing, TCHA may approve uses inconsistent with this Article in accordance with the Guidelines.

ARTICLE 5: LEASE FEE.

5.1 The Homeowner shall pay a monthly Lease Fee of $30, payable to TCHA on the first day of each month (the "Due Date").

5.2 TCHA may, in its sole and absolute discretion, reduce or suspend the total amount of the Lease Fee for a period of time for the purpose of improving the affordability of the Homeowner's monthly housing costs. Any such reduction or suspension must be in writing and signed by TCHA.

5.3 TCHA may increase the amount of the Lease Fee from time to time, but not more often than once every year. Each time such amounts are increased, the total percentage of increase since the date this Lease was signed shall not be greater than 2.5 percent per year.

5.4 If, for any reason, the provisions of Article 10 regarding transfers of the Home or Sections 4.4 and 4.5 regarding renting and occupancy are suspended or invalidated for any period of time, then during that time the Lease Fee shall be increased to an amount calculated by TCHA to equal the fair rental value of the Leased Land for use not restricted by the suspended provisions. Such increase shall become effective upon the date such provisions are suspended or invalidated. Thereafter, for so long as these restrictions are not reinstated in the Lease, TCHA may, from time to time, further increase the amount of such Lease Fee, provided that the amount of the Lease Fee does not exceed the fair rental value of the Leased Land, and provided that such increases do not occur more often than once in every year.

5.5 If TCHA has not received the monthly installment of the Lease Fee within 30 days of its Due Date, TCHA may assess (a) a $25.00 late charge; (b) interest at the rate of 12% per annum on the unpaid balance; and (c) a returned check fee in the amount charged by TCHA's bank for any checks returned for non-sufficient funds.

5.6 In the event that any amount of payable Lease Fee remains unpaid when the Home is sold, the outstanding amount of payable Lease Fee, including any late charges and interest as provided above, shall be paid to TCHA out of any proceeds from the sale that would otherwise be due to Homeowner. TCHA shall have, and the Homeowner hereby consents to, a lien upon the Home for any unpaid Lease Fee. Such lien shall be prior to all other liens and encumbrances on the Home except (a) liens and encumbrances recorded before the recording of this Lease, (b) Qualified Mortgages as defined herein; and (c) liens for real property taxes and other governmental assessments or charges against the Home.

ARTICLE 6: TAXES AND ASSESSMENTS.

6.1 Homeowner shall pay directly, when due, all taxes and governmental assessments that relate to the Home and the Leased Land (including any taxes relating to TCHA's interest in the Leased Land, if any).

6.2 In the event that the local taxing authority bills TCHA for any portion of the taxes on the Home or Leased Land, TCHA shall pass the bill to Homeowner and Homeowner shall promptly pay this bill.

6.3 Homeowner shall have the right to contest the amount or validity of any taxes relating to the Home and Leased Land. Upon receiving a reasonable request from Homeowner for assistance in this matter, TCHA shall join in contesting such taxes. All costs of such proceedings shall be paid by Homeowner.

6.4 In the event that Homeowner fails to pay the taxes or other charges described above, TCHA may increase Homeowner's Lease Fee to offset the amount of taxes and other charges owed by Homeowner. Upon collecting any such amount, TCHA shall pay the amount collected to the taxing authority in a timely manner.

ARTICLE 7: THE HOME

7.1 Title to the Home shall be and remain vested in the Homeowner. However, Homeowner's rights of ownership are limited by the provisions of this Lease. In addition, Homeowner shall not remove any part of the Home from the Leased Land without TCHA's prior written consent.

7.2 Upon the signing of this Lease, Homeowner is simultaneously purchasing the Home located at that time on the Leased Land.

7.3 A Homeowner may undertake capital improvements to the Leased Land in accordance with the Guidelines and only upon the advance written consent of TCHA. In some cases, the depreciated cost (as determined by TCHA) of such pre-approved capital improvements may be added to the Maximum Resale Price.

7.4 No lien of any type shall attach to the Leased Land. Homeowner shall not permit any statutory or similar lien to be filed against the Leased Land or the Home which remains more than 60 days after it has been filed. Homeowner shall immediately notify TCHA upon the filing of any such lien against the Leased Land or Home and shall take action to discharge such lien, whether by means of payment, deposit, bond, court order, or other means permitted by law. If Homeowner fails to discharge such lien within the 60-day period, then Homeowner shall immediately notify TCHA of such failure. TCHA shall have the right to discharge the lien by paying the amount in question. Homeowner may, at Homeowner's expense, contest the validity of any such asserted lien, provided Homeowner has furnished a bond or other acceptable surety in an amount sufficient to release the Leased Land and Home from such lien. Any amounts paid by TCHA to discharge such liens shall be treated as an additional Lease Fee payable to TCHA by Homeowner upon demand.

7.5 Homeowner hereby assumes responsibility for furnishing all services or facilities on the Leased Land. TCHA shall not be required to furnish any services or facilities or to make any repairs to the Home. Homeowner shall maintain the Home and Leased Land as required by

Section 4.7 above and shall see that all necessary repairs and replacements are accomplished when needed.

ARTICLE 8: FINANCING

8.1 The Homeowner may mortgage the Home only with the written permission of TCHA and only so long as such mortgage is a "Qualified Mortgage." A "Qualified Mortgage" is (a) any mortgage that is permitted in writing by TCHA, and (b) the holder of such a mortgage is a "Qualified Mortgagee." A "Qualified Mortgagee" is defined as:

A. An "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision; or

B. A "community loan fund", or similar non-profit lender to housing projects for income-eligible persons (e.g., is not given to or acquired by any individual person); or

C. A non-affiliated, legitimate, "finance company". In no event may such finance company be an individual or any company that is affiliated with or has any affiliation with the owner or any family member of the owner.

8.2 By signing this Lease, TCHA gives written permission for any mortgage signed by the Homeowner effective on the day this Lease is signed for the purpose of financing Homeowner's purchase of the Home. Homeowner shall have provided any such note and mortgage to TCHA two (2) business days prior to the day this Lease is to be signed for TCHA's review and approval.

8.3 If, at any time subsequent to the purchase of the Home and signing of the Lease, the Homeowner seeks a loan that is to be secured by a mortgage on the Home (to refinance an existing Qualified Mortgage or to finance home repairs or for any other purpose), Homeowner must inform TCHA, in writing, of the proposed terms and conditions of such mortgage loan at least 15 business days prior to the expected closing of the loan. The information to be provided to the TCHA must include:

A. the name of the proposed lender;
B. Homeowner's reason for requesting the loan;
C. the principal amount of the proposed loan and the total mortgage debt that will result from the combination of the loan and existing mortgage debt, if any;
D. expected closing costs;
E. the rate of interest;
F. the repayment schedule;
G. a copy of the appraisal commissioned in connection with the loan request.

TCHA may also require Homeowner to submit additional information. TCHA will not permit such a mortgage loan if the loan increases Homeowner's total mortgage debt to an amount greater

than 95% of the then current Maximum Resale Price, calculated as provided herein, or if the terms of the transaction otherwise threaten the interests of either the Homeowner or the TCHA. Homeowner acknowledges that the appraised value as determined for purposes of a mortgage loan may not be equal to the Maximum Resale Price.

8.4 Any Qualified Mortgagee shall be bound by each of the following requirements.

A. If Qualified Mortgagee sends a notice of default to the Homeowner because the Homeowner has failed to comply with the terms of the Qualified Mortgage, the Qualified Mortgagee shall, at the same time, send a copy of that notice to TCHA. Upon receiving a copy of the notice of default and within that period of time in which the Homeowner has a right to cure such default (the "cure period"), TCHA shall have the right to cure the default on the Homeowner's behalf, provided that all current payments due the Qualified Mortgagee since the notice of default was given, are made to the Qualified Mortgagee.

B. If, after the cure period has expired, the Qualified Mortgagee intends to accelerate the note secured by the Qualified Mortgage or begin foreclosure proceedings under the Qualified Mortgage, the Qualified Mortgagee shall first notify TCHA of its intention to do so, and TCHA shall then have the right, upon notifying the Qualified Mortgagee within thirty (30) days of receipt of such notice, to acquire the Qualified Mortgage by paying off the debt secured by the Qualified Mortgage.

C. If the Qualified Mortgagee acquires title to the Home through foreclosure or acceptance of a deed in lieu of foreclosure, the Qualified Mortgagee shall give TCHA written notice of such acquisition and TCHA shall then have an option to purchase the Home from the Qualified Mortgagee for the full amount owing to the Qualified Mortgagee under the Qualified Mortgage. To exercise this option to purchase, TCHA must give written notice to the Qualified Mortgagee of TCHA's intent to purchase the Home within thirty (30) days following TCHA's receipt of the Qualified Mortgagee's notice. TCHA must then complete the purchase of the Home within sixty (60) days of having given written notice of its intent to purchase. If TCHA does not complete the purchase within this 60-day period, the Qualified Mortgagee shall be free to sell the Home to another person.

D. Nothing in the Qualified Mortgage or related documents shall be construed as giving Qualified Mortgagee a claim on TCHA's interest in the Leased Land, or as assigning any form of liability to TCHA with regard to the Leased Land, the Home, or the Qualified Mortgage.

E. Nothing in the Qualified Mortgage or related documents shall be construed as rendering TCHA or any subsequent Mortgagee of TCHA's interest in this Lease, or

their respective heirs, executors, successors or assigns, personally liable for the payment of the debt secured by the Qualified Mortgage or any part thereof.

F. The Qualified Mortgagee shall not look to TCHA or TCHA's interest in the Leased Land, but will look solely to Homeowner, Homeowner's interest in the Leased Land, and the Home for the payment of the debt secured thereby or any part thereof. (It is the intention of the parties hereto that TCHA's consent to such Qualified Mortgage shall be without any liability on the part of TCHA for any deficiency judgment.)

G. In the event any part of the Leased Land or Home is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the Qualified Mortgagee in accordance with the provisions of Article 9 hereof.

H. TCHA shall not be obligated to execute an assignment of the Lease Fee or other rent payable by Homeowner under the terms of this Lease.

8.5 Any Qualified Mortgagee shall have all of the rights and protections as set forth below.

A. Any Qualified Mortgagee shall, without further consent by TCHA, have the right to (a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance being effective as if it had been performed by Homeowner; (b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Homeowner by this Lease or otherwise by law, subject to the provisions, if any, in the Qualified Mortgage, which may limit any exercise of any such right, remedy or privilege; and (c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Qualified Mortgagee.

B. A Qualified Mortgagee shall not be required, as a condition to the exercise of its rights under the Lease, to assume personal liability for the payment and performance of the obligations of the Homeowner under the Lease. Any such payment or performance or other act by Qualified Mortgagee under the Lease shall not be construed as an agreement by Qualified Mortgagee to assume such personal liability except to the extent Qualified Mortgagee actually takes possession of the Home and Leased Land. In the event Qualified Mortgagee does take possession of the Home and Leased Land and thereupon transfers the same, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Qualified Mortgagee shall automatically be released from personal liability under the Lease.

C. In the event that title to the estates of both TCHA and Homeowner are acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Qualified Mortgagee, so

long as Qualified Mortgagee owns any interest in the Home or in a Qualified Mortgage.

D. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, and in the event TCHA has not exercised its option to purchase the Home in such instances, TCHA shall enter into a new lease for the Leased Land with the Qualified Mortgagee (or with any party designated by the Qualified Mortgagee, subject to TCHA's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Qualified Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Qualified Mortgagee shall make a written request to TCHA for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Qualified Mortgagee or the party designated by the Qualified Mortgagee to be the Homeowner thereunder. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Land as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by TCHA, Homeowner and the Qualified Mortgagee.

E. The TCHA shall have no right to terminate the Lease during such time as the Qualified Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

F. In the event that TCHA sends a notice of default under the Lease to Homeowner, TCHA shall also send a notice of Homeowner's default to Qualified Mortgagee. Such notice shall be given in the manner set forth in Section 12.1 of the Lease to the Qualified Mortgagee at the address which has been given by the Qualified Mortgagee to TCHA by a written notice to TCHA sent in the manner set forth in said Section 12.1 of the Lease.

G. In the event of foreclosure sale by a Qualified Mortgagee and expiration of any redemption period, termination of any right to purchase of TCHA, or the delivery of a deed to a Qualified Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Qualified Mortgagee all provisions of the Lease regarding (a) occupancy of the Leased Premises as a primary residence by the Lessee, (b) any limitation on the assignment of, or sublease under, the Lease, (c) any obligation to target certain populations in marketing the Home to potential transferees, (d) the price at which the Home may be

transferred, and (e) the income of successive transferees, and their successors and assigns, shall be of no further force or effect with respect to such Qualified Mortgagee or its successive transferees, assignees or successors. The foregoing sentence shall not be construed to invalidate other Lease provisions regarding permitted use of the Leased Land. Any transfer or assignment of the property encumbered by the Qualified Mortgage as provided for in this paragraph shall be deemed a permitted sale, transfer or assignment of the Lease and the leasehold estate. Further, in such event, the Home may be transferred, mortgaged and sublet an unlimited number of times, and TCHA shall not require a credit review or impose other qualifying criteria on any such transferee, mortgagee or sublessee.

H. Before becoming effective, any amendments to this Lease must be approved in writing by Qualified Mortgagee, which approval shall not be unreasonably withheld. If Qualified Mortgagee has neither approved nor rejected a proposed amendment within 60 days of its submission to Qualified Mortgagee, then the proposed amendment shall be deemed to be approved.

8.6 Homeowner and TCHA recognize that it would be contrary to the purposes of this agreement if Homeowner could receive more than the Maximum Resale Price as the result of the foreclosure of a mortgage. Therefore, Homeowner hereby irrevocably assigns to TCHA all net proceeds of sale of the Home that would otherwise have been payable to Homeowner and that exceed the amount of net proceeds that Homeowner would have received if the Home had been sold for the Maximum Resale Price. Homeowner authorizes and instructs the Qualified Mortgagee, or any party conducting any sale, to pay such excess amount directly to TCHA. If, for any reason, such excess amount is paid to Homeowner, Homeowner hereby agrees to promptly pay such amount to TCHA.

8.7 Any mortgage, lien or other encumbrance executed or recorded against the Home that is not a Qualified Mortgage shall:

1. be deemed unsecured; and
2. only be a personal obligation of the Homeowner and shall not affect or burden, and shall not be enforceable against, such Home.

Additionally, the execution or recordation of such mortgage, lien or other encumbrance shall be deemed a default hereunder and TCHA may exercise any and all of its remedies hereunder or otherwise, including without limitation its right to purchase and its right to force a sale.

ARTICLE 9: LIABILITY, INSURANCE, DAMAGE AND DESTRUCTION, EMINENT DOMAIN.

9.1 Homeowner assumes all responsibility and liability related to Homeowner's possession, occupancy and use of the Leased Land and the Home.

9.2 Homeowner shall defend, indemnify and hold TCHA harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the Leased Land or Home. Homeowner waives all claims against TCHA for injury or damage on or about the Leased Land or Home.

9.3 In the event the TCHA shall be required to pay any sum that is the Homeowner's responsibility or liability, the Homeowner shall reimburse TCHA for such payment and for reasonable expenses caused thereby.

9.4 Homeowner shall, at Homeowner's expense, keep the Home continuously insured against "all risks" of physical loss, using Insurance Services Office (ISO) Form HO 00 03, or its equivalent, for the full replacement value of the Home. Should the Home lie in a flood hazard zone as defined by the National Flood Insurance Plan, the Homeowner shall keep in full force and effect flood insurance in the maximum amount available.

9.5 In the event of fire or other damage to the Home, Homeowner shall take all steps necessary to assure the repair of such damage and the restoration of the Home to its condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Homeowner shall also promptly take all steps necessary to assure that the Leased Land is safe and that the damaged Home does not constitute a danger to persons or property.

9.6 If all of the Leased Land and the Home is taken by eminent domain or otherwise for public purposes, or if so much of the Leased Land is taken that the Home is lost or damaged beyond repair, the Lease shall terminate as of the date when Homeowner is required to give up possession of the Leased Land. Upon such termination, the entire amount of any award(s) paid shall be paid as follows:

> FIRST, to any Qualified Mortgagee(s), to the extent required by the Qualified Mortgage(s);
> SECOND, to TCHA for any amounts owed under this Lease;
> THIRD, to the Homeowner, up to an amount equal to the Maximum Purchase Price, as of the day prior to the loss, less any amounts paid with respect to the FIRST and SECOND clauses above; and
> FOURTH, the balance, if any, to TCHA.

In the event of a taking of a portion of the Leased Land that does not result in damage to the Home or significant reduction in the usefulness or desirability of the Leased Land for residential purposes, then any monetary compensation for such taking shall be allocated entirely to TCHA.

9.7 In the event of any taking that reduces the size of the Leased Land but does not result in the termination of the Lease, TCHA shall reassess the fair rental value of the remaining Leased Land and shall adjust the Lease Fee if necessary to assure that the monthly fee does not exceed the monthly fair rental value of the Leased Land for use as restricted by the Lease.

ARTICLE 10: TRANSFER OF THE HOME.

10.1 Homeowner and TCHA agree that the provisions of this Article are intended to preserve the affordability of the Home for persons of low income working in Teton County and expand access to homeownership opportunities for such households.

10.2 Homeowner may transfer the Home only to TCHA or an **Affordable Category 2** "Qualified Household" as defined in the Guidelines, and which household further meets the "General Eligibility Criteria for Purchase" as outlined in the Guidelines. Such criteria include, without limitation, a restriction on the use of a Home, employment eligibility, income eligibility, and a household asset limitation.

10.3 In the event of a divorce or the death of the Homeowner, TCHA may consent to the transfer of the Home to an ex-spouse, or an heir or devisee of such deceased Homeowner, which ex-spouse, heir or devisee may not otherwise qualify as a Qualified Household.

10.4 In the event that Homeowner desires to sell the Home, Homeowner shall give written notice to TCHA of such desire (the "Notice to Sell").

10.5 Upon TCHA's receipt of the Notice to Sell, TCHA shall determine the "Maximum Resale Price," in accordance with and as defined in the Guidelines. Upon TCHA's determination of the Maximum Resale Price, the sale of the Home shall be facilitated by TCHA and shall be completed in accordance with the procedure set forth in the Guidelines, which procedure may include, without limitation: a fee (not to exceed 2% of the Maximum Resale Price, as defined herein) paid to TCHA for such facilitation; requirements regarding the listing of the Home with TCHA and/or a licensed real estate agent, as TCHA may direct; standard terms for the sales contract; and a selection procedure for the purchaser (which selection procedure may include a lottery).

10.6 Notwithstanding the foregoing, upon receipt of the Notice to Sell, TCHA may purchase the Home. So long as the Homeowner is not otherwise in default as defined herein, the purchase price in such case shall be the Maximum Resale Price. If the Homeowner is in default, other provisions of this Lease may apply in determining a reduced purchase price.

10.7 To further the goal of providing affordable housing, a Home may not be sold for a purchase price in excess of the "Maximum Resale Price". The Maximum Resale Price is the original purchase price plus an increase in price of 2.5% per year compounded annually, plus the depreciated cost of pre-approved or government-required capital improvements, plus any other costs allowed by TCHA, less any required maintenance or repair adjustment, all as more fully described in the Guidelines. Further, notwithstanding the determination of the Maximum Resale Price, the actual sales proceeds delivered to a selling homeowner may be reduced to account for restoration or repair of the Home (including without limitation, replacement of carpets, painting, roof repair, siding maintenance/replacement, etc.) determined necessary in TCHA's sole and absolute discretion. Finally, to ensure that the sales price of the Home is limited to the Maximum Resale Price (as it may be adjusted), no purchaser of a Home shall assume any

obligation of a selling owner, nor shall such purchaser pay or provide to a selling homeowner any other form of consideration in connection with the sale of the Home. The calculation of the Maximum Resale Price, as made by TCHA, shall be final and binding on all parties.

NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTY BY TCHA THAT UPON THE RESALE OF THE HOME, THE HOMEOWNER SHALL OBTAIN THE ENTIRE MAXIMUM RESALE PRICE.

10.8 TCHA shall enter into a new lease with the Qualified Household who purchases the Home in accordance with the terms of this Article 10. The terms of such lease shall be the same as those of new leases issued to homebuyers at that time for land not previously leased by the TCHA.

ARTICLE 11: DEFAULT.

11.1 The following shall be considered a default ("Default") by the owner:

A. A violation of any term of the Lease, the Guidelines, the Declaration, or any laws, codes, ordinances, rules, regulations, or covenants, conditions and restrictions affecting the Home or the Leased Land.

B. Default in payment or other obligations due or to be performed under a promissory note or any mortgage, lien or other encumbrance purporting to affect the Home, including without limitation a Qualified Mortgage (as defined herein) affecting a Home, or default in any other payment required in connection with the Home or the Leased Land, including without limitation homeowner association dues and fees, assessments, payments to contractors, materialmen, or other vendors for work undertaken for which a lien could be filed against the Home. The Homeowner shall notify TCHA in writing of any notification received from a lender, or its assigns, of past due payments or default in payment or other obligations due or to be performed under a promissory note or other encumbrance within five calendar days of the Homeowner's notification from a lender, or its assigns, of said default or past due payments.

C. If the Home is taken by execution or by other process of law, or if the Homeowner is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of the Homeowner for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of the Home by a court of competent jurisdiction, or if a petition is filed for the reorganization of the owner under any provisions of the Bankruptcy Act now or hereafter enacted, or if the owner files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

D. Fraud or misrepresentation by the Homeowner in its application to TCHA whereby TCHA determines, in its sole and absolute discretion, that the purchaser of a Home was not a Qualified Household.

11.2 In addition to any other remedies TCHA may have at law or equity, in the event of a Default not cured by Homeowner or a Qualified Mortgagee within ten (10) days after notice of such default to Homeowner (however, if Homeowner or Qualified Mortgagee has begun to cure such default within the 10-day cure period and is continuing such cure with due diligence but cannot complete the cure within the 10-day cure period, TCHA may extend the cure period for a period as may be reasonably required to complete the cure), TCHA's remedies shall include the following:

A. Purchase Option.

1. TCHA shall have the option to terminate the Lease and purchase the Home for a purchase price equal to the Maximum Resale Price, subject to TCHA's ability to limit appreciation as provided in this Section ("Option").

2. If TCHA desires to exercise its Option, TCHA shall provide written notice to the Homeowner of such election and shall use its best efforts to complete the purchase of the Home within ninety (90) days of such notice.

3. Upon TCHA's purchase of the Home, unless otherwise required by law or statute, all proceeds will be applied in the following order:

FIRST, to the payment of any unpaid taxes;
SECOND, to the payment of any Qualified Mortgage;
THIRD, to assessments, claims and liens on the Home or Leased Land (not including any mortgage or lien purportedly affecting the Home which is not a Qualified Mortgage);
FOURTH, to the payment of closing costs and fees;
FIFTH, to the 2% facilitation fee to TCHA;
SIXTH, to the payment of any penalties assessed against the owner by TCHA;
SEVENTH, to the repayment to TCHA of any unpaid Lease Fees, and any monies advanced by TCHA in connection with a mortgage or other debt with respect to the Home or Leased Land, or any other payment made by TCHA on owner's behalf;
EIGHTH, to the cost of any repairs required by TCHA for the Home; and
NINTH, the balance, if any, to the Homeowner.

If there are insufficient proceeds to satisfy the foregoing, the Homeowner shall remain personally liable for such deficiency.

B. Forced Sale. TCHA may terminate the Lease and require the Homeowner to sell the Home in accordance with the resale procedures set forth in this Lease and the Guidelines. In the event of such a sale, all proceeds will be applied in the following order:

FIRST, to the payment of any unpaid taxes;
SECOND, to the payment of any Qualified Mortgage;
THIRD, to assessments, claims and liens on the Home or Leased Land (not including any mortgage or lien purportedly affecting the Home which is not a Qualified Mortgage);
FOURTH, to the payment of closing costs and fees;
FIFTH, to the 2% facilitation fee to TCHA;
SIXTH, to the payment of any penalties assessed against the owner by TCHA;
SEVENTH, to the repayment to TCHA of any unpaid Lease Fees and any monies advanced by TCHA in connection with a mortgage or other debt with respect to the Home or Leased Land, or any other payment made by TCHA on owner's behalf;
EIGHTH, to the cost of any repairs required by TCHA for the Home; and
NINTH, the balance, if any, to the Homeowner.

If there are insufficient proceeds to satisfy the foregoing, the owner shall remain liable for such deficiency.

C. Appointment of TCHA as Owner's Attorney-in-Fact. In the event of TCHA's exercise of its Option or election to require the Homeowner to sell the Home, the Homeowner hereby irrevocably appoints the then serving Executive Director of TCHA as such Homeowner's attorney-in-fact to effect any such purchase or sale on the Homeowner's behalf and to execute any and all deeds of conveyance or other instruments necessary to fully effect such purchase or sale and conveyance.

D. Limitation on Appreciation on Resale. TCHA may limit the Maximum Resale Price of a defaulting Homeowner's Home so that the Maximum Resale Price shall, as of the date of such default as determined by TCHA in its sole and absolute discretion, cease to increase and be fixed at such amount.

E. Equitable Relief. TCHA shall have the right of specific performance of these Special Restrictions and the right to obtain from any court of competent jurisdiction a temporary restraining order, preliminary injunction and permanent injunction to obtain such performance. Any equitable relief provided for herein may be sought singly or in combination with such legal remedies as TCHA may be entitled to, either pursuant to these Special Restrictions or under the laws of the State of Wyoming.

ARTICLE 12: GENERAL PROVISIONS.

12.1 Notices. Any notice, consent or approval which is required to be given hereunder to an owner shall be in writing and shall be deemed given by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid to the owner's mailing address on such owner's Buyer's Acknowledgement or such address as is on record with the Teton County Assessor. Any notice which is required to be given hereunder to TCHA shall be given by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid to TCHA, P.O. Box 714, Jackson, WY 83001. Alternatively, notice may be hand delivered, but any such hand delivery shall require a signed receipt evidencing the same. Failure of either party to pick up and/or sign for a certified mailing does not constitute failure to provide notice provided it was properly addressed and evidence of that mailing is retained. In the event of mailing, notice shall be deemed given when deposited in the U.S. Mail.

12.2 Attorney's Fees. In the event any party shall be required to retain counsel and file suit for the purpose of enforcing the terms and conditions of this Lease, the prevailing party shall be entitled to recover, in addition to any other relief recovered, a reasonable sum as determined by the court for attorney's fees and costs of litigation.

12.3 Choice of Law, Forum, Waiver of Jury Trial. This Lease and each and every related document, are to be governed by and construed in accordance with the laws of the State of Wyoming. The parties agree that the appropriate court in Teton County, Wyoming and/or the Ninth Judicial District for the State of Wyoming shall have sole and exclusive jurisdiction over any dispute, claim, or controversy which may arise involving this Lease or its subject matter. Homeowner waives any right Homeowner may have to a trial by jury with respect to any court proceeding arising herein.

12.4 Severability. If any part of this Lease is unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other part of this Lease or give rise to any cause of action of Homeowner or TCHA against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that TCHA's option to purchase and all other rights of both parties under this Lease shall continue in effect for the full term of this Lease and any renewal thereof, and shall be considered to be coupled with an interest. In the event any such option or right shall be construed to be subject to any rule of law limiting the duration of such option or right, the time period for the exercising of such option or right shall be construed to expire twenty (20) years after the death of the current duly elected and seated County Commissioners of the County of Teton, State of Wyoming, their now living descendants, if any and the survivor of them.

12.5 Right of First Refusal in Lieu of Option. If the purchase option or forced sale provisions set forth in Article 10 of this Lease shall, for any reason, become unenforceable, TCHA shall nevertheless have a right of first refusal to purchase the Home at the highest documented bona fide purchase price offer made to Homeowner. Any sale or transfer contrary to this Section, when applicable, shall be null and void. Such first right of refusal shall be as follows:

Upon receipt by Homeowner of a bona fide third party offer to purchase the Home which the Homeowner is willing to accept, TCHA shall have the following rights:

A. Homeowner shall give written notice of such offer (the "Notice of Offer") to TCHA setting forth (a) the name and address of the prospective purchaser of the Home, (b) the purchase price offered by the prospective purchaser and (c) all other terms and conditions of the sale. TCHA shall have a period of forty-five (45) days after the receipt of the Notice of Offer (the "Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the Home (the "Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Homeowner within the Election Period.

B. If TCHA exercises the right to purchase the Home, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by TCHA (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.

C. Should TCHA fail to exercise the right of first refusal within the Election Period, then the Homeowner shall have the right (subject to any other applicable restrictions in the Lease) to go forward with the sale which the Homeowner desires to accept, and to sell the Home within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Homeowner's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid.

12.6 Waiver. The waiver by TCHA at any time of any requirement or restriction in this Lease, or the failure of TCHA to take action with respect to any breach of any such requirement or restriction, shall not be deemed to be a waiver of such requirement or restriction with regard to any subsequent breach of such requirement or restriction, or of any other requirement or restriction in the Lease. TCHA may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by TCHA before being effective.

The subsequent acceptance of Lease Fee payments by TCHA shall not be deemed to be a waiver of any preceding breach by Homeowner of any requirement or restriction in this Lease, other than the failure of the Homeowner to pay the particular Lease Fee so accepted, regardless of TCHA's knowledge of such preceding breach at the time of acceptance of such Lease Fee payment.

12.7 TCHA'S Right to Prosecute or Defend. TCHA shall have the right, but shall have no obligation, to prosecute or defend, in its own or the Homeowner's name, any actions or

proceedings appropriate to the protection of its own or Homeowner's interest in the Leased Land. Whenever requested by TCHA, Homeowner shall give TCHA all reasonable aid in any such action or proceeding.

12.8 Construction. Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

12.9 Headings. The headings and subheadings appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

12.10 Parties Bound. This Lease sets forth the entire agreement between TCHA and Homeowner with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by TCHA and Homeowner or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

12.11. Change of Land Owner. If ownership of the Leased Land is ever transferred by TCHA (whether voluntarily or involuntarily) to any other person or institution, this Lease shall not cease, but shall remain binding on the new landowner as well as the Homeowner.

12.12. Ground Lease Rider. In the event of a conflict between any provision in this Lease and any provision in a "Ground Lease Rider" or other agreement executed by TCHA and Homeowner, and recorded against the Property ("Rider"), the provisions of the Rider shall be controlling, but only for so long as the loan which the mortgage secures is outstanding against the Property.

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written.

_____	_____
Michael R. Sudmeier	Anne T. Sudmeier

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of November, 2014, the foregoing Lease was acknowledged before me by Michael Sudmeier and Anne Sudmeier.

Witness my hand and official seal.

(Seal)

_____
Notary Public

TETON COUNTY HOUSING AUTHORITY

_____
Stacy Stoker, Interim Director

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the ____ day of November, 2014, the foregoing Lease was acknowledged before me by Stacy Stoker, as the Interim Director of the Teton County Housing Authority.

Witness my hand and official seal.

(Seal)

_____
Notary Public

RELEASED
INDEXED
ABSTRACTED
SCANNED

Declaration of Rules & Regulations

Millward Redevelopment

November, 2002

This Declaration of Rules & Regulations is made by the undersigned Declarant, Teton County Housing Authority (hereafter TCHA), with the intent of regulating and controlling the use and development of the Millward Redevelopment Subdivision located on the Moose-Wilson Road in Teton County, Wyoming. This Declaration shall be effective as of the date of recordation with the Clerk of Teton County, Wyoming. The property to be encumbered by this Declaration is known as Plat No. 1097, as recorded by the County Clerk in Teton County, Wyoming.

These Rules & Regulations shall be amended from time to time with the written approval of the Homeowners' Association and the TCHA.

1. Land Development Program. This redevelopment project provides:
   - A) Gross acreage: 8.27 acres
   - B) Base site area: 6.89 acres (300,128.4 sq ft)
   - C) Floor area ratio: .165
   - D) Residential density: 7.1 units per acre
   - E) Impervious surface coverage ratio: 35.6%
   - F) Rear yard setback: 25 feet
   - G) Side yard setback: 0 feet
   - H) Front yard setback: 0 feet

Grantor: TETON COUNTY HOUSING AUTHORITY
Grantee: THE PUBLIC
Doc 0608751 bk 528 pg 987-994 Filed at 12:07 on 10/21/03
Sherry L Daigle, Teton County Clerk fees: 69.00
By MARY D ANTROBUS Deputy

2. Authorized uses. Only single-family residential use shall be permitted.

3 Occupancy. Units shall be occupied full-time by owners and their families for a **minimum of ten (10) months each year**.

4 Rental. Renting of rooms is **not** permitted in any unit. Rental of the unit is prohibited except in instances with **prior written** approval and arrangement by Owner and TCHA and to be more specifically defined by the TCHA Guidelines.

5. Prohibited uses. No commercial, industrial, or other non single-family residential use whatsoever shall be permitted on any lot with the exception of an artist studio, workshop, home business, or other such endeavor not requiring access to the property by the public, business invitees, etc. No business shall be operated without the prior written permission of the Homeowners' Association and the TCHA or without the necessary Teton County licenses or permits.

6. Authorized structures. The following buildings shall be permitted on the property: a duplex or single-family housing unit, and a carport or garage. **No** outbuildings or temporary structures or facilities, such as trailers, tents, shacks or other similar buildings shall be permitted.

7. Building alterations. Additions of habitable space are **not** permitted to any unit.

8. Height limits. The height limit for all units shall be twenty-seven (27) feet.

9 Fences. No individual yard fences are permitted in the subdivision. Perimeter fencing provided for the development shall be maintained by the Homeowners' Association and subject to the approval of TCHA.

10 Utilities. Electric and telephone utility lines have been installed underground in the shared access roads and common right-of-way. Service lines to the units from these public, underground utility lines shall be the responsibility of the individual unit owners.

11 Maintenance. Each unit will be maintained in a clean, safe, and properly maintained condition.

A) A permanent fund will be created through Homeowners' Association dues to maintain, landscape, and/or repair the common roadway, open space and landscape plantings, pathway, fencing, signage, and unit exteriors (including siding and roofs). A maintenance plan for the subdivision shall be approved by TCHA on an annual basis for the care of the common area and individual ground lease areas. All expense for the exterior and landscape maintenance shall be borne by the Homeowners' Association.

B) The unit owner assumes the obligation to provide maintenance of the unit's interior and to safeguard against damage to the exterior.

12. Parking. No recreational vehicles or ATVs, including boats, kayaks, tractors, motorcycles, four wheelers, or snowmobiles are permitted. Only those operable and properly registered vehicles may be located in the subdivision and subject to current parking regulations. **A maximum of two (2) cars per household will be strictly enforced** with one (1) space to be calculated in the carport/garage. Visitor parking areas will be designated with proper signage and identified on the subdivision plat. It is the owner's responsibility to notify guests of current parking regulations. Violators may be towed at their own expense. Seasonal parking regulations may be approved to accommodate proper snow removal or special maintenance activities.

13. Pets. Owners shall be allowed one (1) indoor pet, including cats, birds, etc., however, **no** dogs will be permitted. Should an owner's disability require a reasonable accommodation to this rule, a request with adequate documentation must be approved prior to occupancy by the TCHA. **No** pets shall be permitted to accompany guests on the subdivision property

14. Storage. **No** outside storage will be permitted. Driveways, carports, and lawn areas shall remain clear of bikes, kayaks, and other personal property including snow removal equipment, recreational vehicles, and trash receptacles at all times. Regulations pertaining to outside storage shall be strictly enforced.

15. Noxious or offensive activities. No noxious or offensive activity shall be permitted in any unit or lot. Light fixtures shall not be permitted which are unreasonably bright or cause unreasonable glare for any adjacent unit

or property owners. No disturbance to neighboring units or adjacent property owners is permitted at any time. The Homeowners' Association will take all actions necessary to control noxious weeds as defined by the Teton County Weed and Pest Control Board as part of the common ground landscaping plan.

16 Signs. Absolutely **no** signs or advertising devices shall be erected or maintained on the property excepted as required under the original development agreement or as approved by TCHA for parking designation or other appropriate purposes.

17 Common Road & Private Driveways. Common subdivision roads shall be private and for the use of owners, their guests, and adjacent property owners. Maintenance of these roadways shall be the responsibility of the Homeowners' Association. Parking regulations will be strictly enforced Maintenance of individual walkways and private driveways are the sole responsibility of the unit owner.

18 Landscape. No owner of any unit shall remove, alter or permit others to remove or alter any of the existing trees or landscape on the property without the prior written approval of TCHA. No parking shall be permitted in the landscaped areas. A landscape maintenance plan for the subdivision shall be approved by TCHA on an annual basis for the care of the common area and individual ground lease areas. All expense for the landscape maintenance shall be borne by the Homeowners' Association.

19 Satellite Dishes. No satellite dishes other than small, DSS –type dishes will be permitted on any lot without prior written approval by the homeowner's association and TCHA.

20. Garbage. The unit owners will be responsible for their own garbage collection and expenses. Outside storage of garbage receptacles shall not be permitted.

21. Enforcement. The Homeowners' Association and their elected board shall provide enforcement for these Rules & Regulations. TCHA, as landowner, reserves the right to provide necessary enforcement subject to the ground lease(s), TCHA Guidelines, and/or additional Covenants and Restrictions which may be recorded, and to otherwise see that the property is properly maintained. Enforcement shall be handled according to the following process:

1. Complaint. All complaints, other than those which pose an emergency or require immediate action due to health and safety concerns, shall be documented in writing by the complainant and submitted to the Homeowners' Association and/or the TCHA.
2. Complaint Review. The Homeowners Association and/or TCHA will evaluate complaints in a timely and consistent manner to determine the appropriate action(s). Owners shall be notified of their violations in writing and in a timely manner to avoid unnecessary delay. Where owners have failed to comply within the specified period, all necessary and legal measures may be taken by both/either the Homeowners' Association and the TCHA to bring the property into

compliance with these Rules and Regulations, recorded subdivision Covenants, Conditions and Restrictions, ground lease, and other local, state and federal laws.

3. Fines. Fines shall be assessed for violations by either the Homeowners' Association and/or TCHA. A fine schedule shall be adopted by the Homeowners' Association and amended as necessary, with a minimum fine of fifty dollars ($50). TCHA's approval of the Homeowners' Association fine schedule is required. Fines assessed shall constitute a perpetual lien against the property until paid and may accrue interest.

22 Protection of Wildlife. Feeding of wildlife is prohibited. Particular exceptions (if any) shall be concurrent with Teton County regulations.

23. Definitions: The following definitions shall provide clarification for the intent of this Declaration.

A) **Units** shall mean the structure owned by qualified buyer(s) of the TCHA's affordable or attainable program.

B) **Owner** shall mean the record owners of the permanently affordable or attainable unit.

C) **Property** shall mean the real property described by the subdivision plat that will remain under TCHA's ownership and which is leased to the individual unit owners for ninety-nine (99) years with provisions for renewal.

D) **Subdivision** shall mean the whole Millward Redevelopment property as platted and encumbered by this Declaration.

E) **Common Roads** shall mean the private roads within the subdivision property, which provide access to the individual units.

Dated this 21st day of October, 2003.

TETON COUNTY HOUSING AUTHORITY

Forrest Neuerburg, *Executive Director*

STATE of Wyoming)
) ss.
County of Teton)

Forrest Neuerburg as Executive Director of the Teton County Housing Authority appeared before me, the undersigned Notary Public, and acknowledged the foregoing instrument on this 21st day of October, 2003.

Lani K. Matthews
Notary Public

Commission Expires: 6/30/06

LANI K. MATTHEWS - NOTARY PUBLIC
County of Teton State of Wyoming
My Commission Expires June 30, 2006