

**Special Restrictions
For Employer-Owned Workforce Rental Housing**

Located at

1255 West Highway 22, Town of Jackson Wyoming

These Special Restrictions for Employer-Owned Workforce Rental Housing (“Special Restrictions”) are made this ____ day of _____, 20__ (the “Effective Date”), by the undersigned Owner (“Owner”) and the Town of Jackson, Wyoming.

RECITALS:

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

Insert legal description of property

PIDN: [insert PIDN number (“Land”)]

WHEREAS, as a condition of its approval for _____ (collectively, “Approval”), Owner was required to provide and restrict as follows:

Owner developed property addressed as 1255 West Highway 22, Jackson, Wyoming 83001 for a 23,040 square foot residential development with 16 deed-restricted units. This development generated the obligation to provide Workforce Housing in accordance with the Approval. Owner is restricting:

- *Unit _____, with _____ number of bedrooms.*
- *Unit _____, with _____ number of bedrooms.*
- *Unit _____, with _____ number of bedrooms. (hereinafter “Residential Unit” or Residential Units”).*

WHEREAS, the Jackson Town Council and Teton County Board of County Commissioners resolved to form 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, known as the Jackson/Teton County Housing Authority (“JTCHA”);

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 are employees of Teton County and agents acting on behalf of the JTCHA, empowered to enforce these Special Restrictions;

WHEREAS, the Owner is also the developer of the Residential Unit. As a condition of the Approval, the Owner is required to record these Special Restrictions after construction of the Units, after recordation of the Plat and prior to issuance of a Certificate of Occupancy for the Residential Unit. While Owner desires to sell the Residential Unit in accordance with the terms and conditions contained herein, the Owner may still hold title to the Residential Unit at the time these Special Restrictions are filed. To be clear, when used in these Special Restrictions, the term “Owner” shall refer to the Owner signing these Special Restrictions or a lender succeeding by virtue of foreclosure to these restrictions and the term “owner” shall refer to any owner who owns the Residential Unit subsequent to the Owner.

WHEREAS, in furtherance of the goals, objectives, requirements and conditions of Approval, and consistent with the Town of Jackson’s goal of providing decent, safe and sanitary housing to qualified employees working in Teton County, Wyoming, that is affordable, Owner agrees to restrict the use and occupancy of the Residential Unit to a “Qualified Household,” which meets employment, income and asset ownership qualifications as set forth herein and as further defined in the Jackson/Teton County Housing Department Rules and Regulations;

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 Housing Department and the Town of Jackson, Wyoming; and

WHEREAS, Special Restrictions for Workforce Ownership Housing were recorded against the Residential Unit on _____, _____ as Document Number _____ (“Prior Special Restrictions”). These Special Restrictions shall supplant, amend, supersede, and replace in its entirety the Prior Special Restrictions. [JA1]

RESTRICTIONS:

NOW THEREFORE, in satisfaction of the conditions in the 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. In the case of a conflict between these Special Restrictions and the Rules and Regulations, these Special Restrictions shall apply.

These Special Restrictions supplant, amend, supersede, and replace in its entirety the Prior Special Restrictions. [JA2]

SECTION 2. OWNERSHIP BY QUALIFIED HOUSEHOLD.

- A. Qualified Household. The 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 and as may be further detailed in the Rules and Regulations (“Qualified Household”).

Ownership of a Residential Unit shall also be limited to a Qualified Household, unless otherwise provided in this section with regard to the Owner or a Local Business. Notwithstanding the foregoing, it is understood and acknowledged by the parties that upon recordation of these Special Restrictions the Owner may still hold title to the Residential Unit. If Owner still holds title to the Residential Unit at the time the Special Restrictions are recorded, the Owner is not required to be a Qualified Household. However, Owner understands and acknowledges that it is required to use commercially reasonable efforts to sell the Residential Unit to a Qualified Household in accordance with the terms and conditions contained herein within three (3) years from the date a certificate of occupancy is issued on a Residential Unit. For any entity which is deemed a Qualified Mortgagee under Section 10(a) herein, that entity shall be entitled to an additional two (2) years from the recordation of a foreclosure deed to sell the Residential Unit to a Qualified Household. If the Owner rents the Residential Unit to a tenant prior to Initial Sale (as defined herein), the tenant must be a Qualified Household.

It is further understood and acknowledged that up to 8 Residential Units within the Westview Condominiums project ("Project") may be owned by a "Local Business", as defined herein. While a Local Business is not required to be a Qualified Household, use and occupancy of any Residential Unit owned by a Local Business shall only be by a Qualified Household. The Residential Unit encumbered by this Special Restriction is one of 8 such units, and may be owned by a "Local Business." The Residential Unit shall only be rented and occupied, however, by natural persons who are a "Qualified Household."

If requested by the JTCHA or Jackson/Teton County Housing Department, an authorized representative of the condominium association or the Declarant, if Declarant still maintains control over the Project, shall provide written confirmation to the Housing Department of the number of Residential Units within the Project that are owned by a Local Business. If, with the recordation of these Special Restrictions, there will be 8 or fewer Residential Units in the Project owned by a "Local Business", Teton County and the Housing Department shall execute these Special Restrictions.

- 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 Teton County, 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 insert the Town of Jackson or Teton County, 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. The provisions contained in this Section apply before and after the Initial Sale of the Residential Unit. "Initial Sale" is defined in these Special Restrictions to be the sale of the Residential Unit from the Owner to a purchaser who shall subsequently become an 'owner'. While Owner is not a Qualified Household, if the Owner rents the Residential Unit to a tenant prior to Initial Sale, the tenant must be a Qualified Household. 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.

- 1) Occupancy by Qualified Household. 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.

2) 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. Owner or an owner 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 six (6) months.
- 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. Owner or an 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, Owner or an owner shall repair the damage or replace or restore any destroyed parts of the Residential Unit, as speedily as practical.
- H. Capital Improvements. Owner or an 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. Owner or an 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, an Owner or 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 an Owner or 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 an Owner or owner. An Owner or owner shall maintain such records for a period of two (2) years.

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

A. Divorce. The provisions contained in this Section apply only after the Initial Sale of the Residential Unit. 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. The provisions contained in this Section apply only after the Initial Sale of the Residential Unit. 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 or Local Business 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 or Local Business. If the prospective buyer does not qualify as a Qualified Household or Local Business, 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. For the purposes of this Agreement, “Resale” shall mean all sales subsequent to the Initial Sale. At Resale, 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 Resale 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 Resale 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. This Section shall apply only to a Resale of the Residential Unit. 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 Resale 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, AN OWNER SHALL OBTAIN THE ENTIRE MAXIMUM RESALE PRICE.

SECTION 8. DEFAULT. Each of the following shall be considered a default (“Default”) subsequent to notice and opportunity cure that is consistent with the Rules and Regulations:

- 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. An Owner or 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 an Owner or owner’s notification.
- D. If the Residential Unit is taken by execution or by other process of law, or if an Owner or owner is judicially declared insolvent according to law, or if any assignment is made of the property of an 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 an Owner or owner’s property by a court of competent jurisdiction.
- E. Fraud or misrepresentation by purchaser, the Owner, a subsequent 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 or the then current owner of such violation, the required action to cure and the timing for such cure. If Owner or owner disputes the Housing Department’s decision, Owner or 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 a Residential Unit for the lesser of the Maximum Resale Price, or the appraised value, subject to the restrictions of this Section and sections 6 and 7 herein (“Option”), with the appraisal being reasonably acceptable to both the Housing Department and the Qualified Lender. If the Option is exercised on a Residential Unit prior to Initial Sale and a loan described in Section 10(A)(1) is outstanding, the purchase price for the Option shall be the outstanding principal, accrued interest and reasonable costs of such loan, regardless of any other provision of these Special Restrictions (“Purchase Price”). If the Owner has not completed the Initial Sale of all Residential Units and the Housing Department exercises the Option against some of the remaining Residential Units (those which have not had an Initial Sale), the Option Purchase Price shall be prorated. In such event, the formula for establishing the Housing Authority’s Purchase Price shall be Purchase Price multiplied by [# of units to which Option

is exercised / (total built - # of Initial Sales)]. By way of example only, if 16 Residential Units are built and 4 have Initial Sales and the Housing Department exercises the Option on 6 units, the formula would be: Purchase Price x $[6/(16-4)]$...Purchase Price x .50.

2) If the Housing Department desires to exercise its Option, the Housing Department shall provide written notice to Owner or 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 Resale. The Housing Department may require an 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 or 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 on Owner or owner's behalf;

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

NINTH, any remaining proceeds shall be paid to Owner or owner.

If there are insufficient proceeds to satisfy the foregoing, Owner or 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 Resale, an 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 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) (i) Is the primary construction financing loan and mortgage for initial construction of the Residential Unit and related project, or any refinancing of such loan and mortgage, which have a maximum loan to value ratio of One Hundred percent (100%) as of the date the loan is made; or

(ii) Is an owner's mortgage and 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 an Owner or owner or any family member of Owner or 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.
- v. the provider of a loan as described in Section 10(A)(1)(i).

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 Owner or 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.

C. In the event Owner or 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 or 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 or 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 accrued interest and reasonable 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.

A. 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. 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 or an owner, (ii) a member of the Qualified Household, (iii) a person affiliated with or related to Owner or 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 or 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 or an 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 Owner's or an owner's right of statutory redemption, in which event, if Owner or 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 any subsequent owner of the Residential Unit, 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 or any subsequent owner of the Residential Unit and the Town of Jackson, Wyoming. To the extent any Qualified Mortgage is outstanding, any amendment shall require the consent of Qualified Mortgagees.

D. 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 these Special Restrictions 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: insert the Town of Jackson or Teton County. insert the Town of Jackson or Teton County. Jackson, WY 83001.

To Owner

To the address of record in the Teton County Assessor/Clerk's office

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 or 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 and any subsequent owner shall indemnify, defend, and hold the Housing Department and insert the Town of Jackson or Teton County, Wyoming, 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 or an owner's breach of any provision of these Special Restrictions. Owner or owner waives any and all such claims against the Housing Department and insert the Town of Jackson or Teton County, Wyoming.

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 insert the Town of Jackson or Teton County, Wyoming 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.

Insert declarant's organization (corporation):

Insert name of signor, insert title of signor

STATE OF WYOMING)
) ss.

COUNTY OF TETON)

On the _____ day of , 20__, the foregoing instrument was acknowledged before me by insert name of signor, as insert title of signor, of insert declarant’s organization.

Witness my hand and official seal.

(Seal)

Notary Public My commission expires:

INSERT TOWN OF JACKSON OR TETON COUNTY BOARD OF COUNTY COMMISSIONERS

Click here to enter name of Mayor or Chair, insert Mayor or Chair

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the _____ day of _____, 20__, the foregoing instrument was acknowledged before me by Click here to enter name of Mayor or Chair as insert Mayor or Chair, of insert the Town of Jackson or Teton County Board of County Commissioners, Wyoming.

Witness my hand and official seal.

(Seal)

Notary Public My commission expires:

Approved as to form:

JACKSON/TETON COUNTY AFFORDABLE HOUSING DEPARTMENT:

Insert name of Housing Manager, Housing Manager

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

On the Click here to enter day. day of Click here to enter month., 20Click here to enter year, the foregoing Special Restrictions for Affordable Housing was acknowledged before me by insert name of

Housing Manager as Housing Manager.

Witness my hand and official seal.

Notary Public

(Seal)

AFFIRMED

INSERT TOWN OF JACKSON OR TETON COUNTY BOARD OF COUNTY COMMISSIONERS:

Click here to enter name of Mayor or Chair, insert Mayor or Chair

ATTEST

Click here to enter name of Clerk, insert Town Clerk or County Clerk