

**SPECIAL RESTRICTIONS FOR
 LOT 24 OF COTTONWOOD PARK HOMESTEAD NEIGHBORHOOD FOURTH
 FILING ADDITION TO THE TOWN OF JACKSON
 (Affordable Housing – Categories 1, 2, & 3)**

RELEASED	<input type="checkbox"/>
INDEXED	<input checked="" type="checkbox"/>
ABSTRACTED	<input checked="" type="checkbox"/>
SCANNED	<input type="checkbox"/>

KNOW ALL MEN BY THESE PRESENTS that the undersigned Declarant, as owner of Lot 24 of the Cottonwood Park Homestead Neighborhood Fourth Filing Addition to the Town of Jackson, according to that plat recorded in the Office of the Clerk of Teton County, Wyoming, on August 4, 2005, in Book 2 of Map, Page 70, as Plat No. 1157 (the "Property") adopts this Declaration of Covenants, Conditions and Restrictions (the "Restrictions") and hereby declares that the Property described above, or any portion thereof as may be subdivided into condominiums or similar units, shall be held, sold, leased, and conveyed subject to the following restrictions, covenants, and conditions affecting all dwellings, appurtenances, and improvements upon each unit described (hereinafter referred to individually as a "Unit") and shall be in addition to all other covenants, conditions or restrictions of record affecting the Property, and shall be enforceable by the TETON COUNTY HOUSING AUTHORITY, a duly constituted Housing Authority established by Teton County, Wyoming pursuant to W. S. §15-10-116, as amended, (hereinafter referred to as "TCHA"), and the TOWN OF JACKSON, WYOMING.

RECITALS

WHEREAS, Declarant's predecessor in interest, as a condition of its Final Development Plan Approval for the 3 Creek Ranch (DEV 03-0011) by Teton County, Wyoming, agreed to provide for or make available affordable housing units in furtherance of Teton County's goal of making the purchase of a lot or residential housing unit realistically affordable by full time working middle income residents in Teton County who will occupy the unit and or dwelling as their primary residence and not for unauthorized rental or speculation; and

WHEREAS, Declarant's predecessor in interest, in furtherance of the goals, objectives and requirements of the Final Development Plan Approval, agreed to restrict the initial and subsequent purchase and transfer of each affordable Unit to "Qualified Buyers" as that term is defined in these Restrictions, and who fall within employment, asset and income guidelines as maintained by the TCHA from time to time; and

WHEREAS, "Qualified Buyers" are natural persons meeting the income, asset and all other qualifications as set forth herein at the time of contracting for the purchase of a Unit, and who agree pursuant to these Restrictions to occupy the Unit as their primary place of residence, not to purchase the Unit for speculation or engage in any unpermitted business activity on the Unit, not to rent the Unit in violation hereof, and to otherwise comply with the terms and conditions of these Restrictions; and

WHEREAS, an "Owner" is a person or persons who is a Qualified Buyer who acquires an ownership interest in a Unit in compliance with the terms and provisions of these Restrictions; it being understood that such person or persons shall be deemed an "Owner" hereunder only during the period of his or her ownership interest in the Unit and shall be obligated hereunder for the full and complete performance and observance of all covenants, conditions and restrictions contained herein during such period.

NOW, THEREFORE, Declarant, in consideration of the approval of Final Development Plan (DEV 03-0011), covenants and agrees for itself and each and every person acquiring ownership of the

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Grantor: JH AFFORDABLE HOUSING*
 Grantee: THE PUBLIC
 Doc 0696461 bk 654 pg 303-313 Filed at 1:58 on 02/27/07
 Sherry L Dalgle, Teton County Clerk fees 57 00
 By NICHELE E FAIRHURST Deputy



Property or any such individual Unit thereon, that the Property and each Unit thereon shall be held, used, occupied, transferred and conveyed subject to the following special covenants, conditions and deed restrictions.

COVENANTS, CONDITIONS, AND RESTRICTIONS

1. **Purchase By Qualified Buyers Only.** The purchase of each Unit shall be limited to natural persons who meet the following definition of "Qualified Buyer" at the time of the sale. In the event there is more than one Qualified Buyer, preference shall be given as described in the Teton County Housing Authority's Guidelines:

a. **County Employment Requirement.** The Qualified Buyer must be currently employed in Teton County on substantially a full-time basis. For the purposes of this paragraph, "substantial full-time employment" means employment for at least 10 months each year, and for a minimum of 30 hours each week so employed; and

b. **Sole Residence Requirement.** The Qualified Buyer may not own any other full time residence. At the time of purchase, the Qualified Buyer must demonstrate to the satisfaction of the TCHA that any other owned residence is listed for sale at or below the demonstrated market value and is being actively marketed. The Qualified Buyer shall further provide notice to TCHA for the sale of the former owned residence immediately following the closing of the sale, which notice shall include the name, address and telephone number of the buyers and the date of the sale. TCHA shall require an affidavit confirming this commitment in writing prior to closing

c. **Income Eligibility Requirement for Affordable Lots:**

i. **Category I:** The Qualified Buyer, and such other persons comprising the household buying or occupying a Unit designated by the TCHA as Category I Housing, shall have a combined gross income no greater than 80% of the "Area Median Income" for a family the size of said household, as published by the U.S. Department of Housing and Urban Development ("HUD"). The Area Median Income shall be adjusted each year in an amount determined by TCHA, based upon published changes in the Area Median Income as prepared by HUD.

ii. **Category II:** The Qualified Buyer, and such other persons comprising the household buying or occupying a Unit designated by the TCHA as Category II Housing, shall have a combined gross income no greater than 100% of the "Area Median Income" for a family the size of said household, as published by HUD. The Area Median Income shall be adjusted each year in an amount determined by TCHA, based upon published changes in the Area Median Income as prepared by HUD.

iii. **Category III:** The Qualified Buyer, and such other persons comprising the household buying or occupying a Unit designated by the TCHA as Category III Housing, shall have a combined gross income no greater than 120% of the "Area Median Income" for a family the size of said household, as published by HUD. The Area Median Incomes shall be adjusted each year in an amount determined by TCHA, based upon published changes in the Area Median Income as prepared by HUD.



d. Household Asset Limitation for Affordable Lots Category I, II, and III: The Qualified Buyer, and such other persons comprising the household buying or occupying the Unit, shall have combined net assets having a fair market value no greater than the maximum value as outlined in the TCHA Guidelines in effect at the time the Qualified Buyer submits his or her application through the time the Qualified Buyer closes on the Unit and thereby becomes an Owner of the Unit. "Net assets" are defined as total assets minus liabilities.

e. Determination of Qualified Buyer. The Executive Director of the TCHA shall be the sole judge of whether a person qualifies as a Qualified Buyer. Such determination shall be based upon such written applications, representations, information and verification as are deemed by the Executive Director to be reasonably necessary under the circumstances to establish and substantiate legitimate eligibility. In the absence of fraud or misrepresentation, the written statement of qualification as a Qualified Buyer, signed by such Executive Director, shall be conclusive evidence of a person being a Qualified Buyer for purposes of these Restrictions. No prospective buyer or other party shall have the right to sue or bring other legal process against Declarant, Town of Jackson, TCHA or any person affiliated with any of them arising out of this instrument, and neither the Declarant, Town of Jackson, or TCHA shall have any liability whatsoever to any person aggrieved by the decision of the Executive Director regarding qualification of a prospective purchaser or any other matter relating to this agreement.

f. The restrictions recited in paragraphs 1(a), 1(b), 1(c) and 1(d) above apply only to a Qualified Buyer's acquisition of a Unit. Once a buyer qualifies as a Qualified Buyer, closes on a Unit and thereby becomes an Owner, any changes in the said Owner's employment, income or net assets shall have no force or effect upon the Owner's continued ownership of such Unit.

2. Owner Restriction On Use Of Property. An Owner, in connection with the use of any Unit, shall:

a. Occupy the Unit as his or her primary residence at least 10 months out of each year, except in cases of illness, leaves of absence for education or training, or other exigent circumstances with the advance approval of, and according to conditions as specified by, the TCHA;

b. Not engage in any business activity in such Unit, other than any home occupation use permitted by applicable zoning and subject to the issuance of any necessary permits by applicable governmental entities;

c. Not permit any adult guests over the age of 18 for periods in excess of 30 days at a time;

d. Not rent any room, garage or other portion of the Unit without the prior written approval of the TCHA, nor permit any use or occupancy of such Unit except in compliance with these Restrictions;

e. If any person other than the Owner, his/her spouse and/or children or other dependants occupies the Unit for more than 30 days without concurrent occupancy by the Owner, such occupancy shall be considered a violation of the terms of these Restrictions unless and until the Owner provides the necessary authoritative information required by TCHA



and affirmatively establishes to the satisfaction of the TCHA that there is no violation of these Restrictions; and

f. Occupy the Unit in full compliance with these Restrictions, any other covenants, conditions and restrictions affecting the Property, and any other rules and regulations of a homeowner's association with authority over the Property, as may be adopted from time to time.

In the event an Owner changes domicile or ceases to utilize the Unit as his or her sole exclusive residence, the Unit will be offered for sale pursuant to the provisions of Section 3 for Non-qualified Transferee. Owner shall be deemed to have changed domicile by becoming a resident elsewhere or accepting permanent employment outside of Teton County, Wyoming, or residing in the property fewer than 10 months per calendar year without the express written consent of TCHA.

3. **Resale Limitations.** So long as the Restrictions remain in effect, no Unit may be sold or otherwise transferred to anyone who is not a Qualified Buyer at the time of sale or transfer; provided that, in the case of the death of an Owner, such Owner's interest may be passed, by right of survivorship, descent or distribution, under a will, to the co-Owner, heirs, successors, devisees or beneficiaries of such deceased Owner, subject to the ongoing effectiveness of the provisions of these Restrictions.

Any purported sale, transfer, or other disposition to any person or entity in contravention of these Restrictions shall be null and void, shall confer no title whatsoever upon the transferee and shall be grounds for the TCHA to exercise its purchase rights as contained herein.

In the event that title to the Unit vests by right of survivorship, descent in individuals and/or entities who are not Qualified Buyers or Owners as that term is defined herein (hereinafter a "Non-qualified Transferee"), the Unit shall immediately be listed for sale as provided by these Restrictions and the TCHA Guidelines. In this case, the highest bid received by a Qualified Buyer, for not less than 95% of the Maximum Resale Price or the appraised restricted market value, whichever is less, shall be accepted. Should all bids by Qualified Buyers fall below the 95% of the Maximum Resale Price or the appraised market value, the Unit shall continue to be listed for sale until a bid is received in accordance with this section and which bid must be accepted by the TCHA. Costs of any appraisal shall be born by the Non-qualified Transferee.

a. A Non-qualified Transferee shall join in any sale, conveyance or transfer of the Unit to a Qualified Buyer and shall execute any and all documents necessary to do so; and

b. A Non-qualified Transferee shall specifically agree not to:

- i. Occupy the Unit;
- ii. Rent all or any part of the Unit, except in strict compliance with TCHA advance written approval and conditions;
- iii. Engage in any business activity in the Unit; or
- iv. Sell or otherwise transfer the Unit except in accordance with these Special Restrictions and TCHA Guidelines.

c. The TCHA and/or the Town of Jackson shall have the right and option to purchase the Unit, exercisable within a period of 15 business days after the acquisition of a Unit by a Non-qualified Transferee, subject to the provisions of these Restrictions or Maximum Resale Price, as defined below.

d. The TCHA and/or the Town of Jackson may require the Owner to rent the Unit during the course of the sales and bidding process according to conditions as it would determine appropriate.

4. **Sale By Owner.** Upon written notice by Owner to TCHA of the Owner's intent to sell, TCHA will timely inspect the home to examine its condition and the improvements thereon for purposes of determining the Maximum Resale Price as defined below. Upon agreement by TCHA and Owner on the calculated Maximum Resale Price, Owner shall execute a standard listing contract with TCHA providing for an 80 day listing period, or such other time period as required by TCHA under its then-currently adopted Policies and Procedures for Affordable Housing Resales. The TCHA shall promptly advertise the Unit for sale at the price stated in the listing contract to Qualified Buyers. The TCHA may offer to sell the property by competitive bid if necessary and according to its adopted Policies and Procedures. In its discretion, the TCHA may also list the Unit with a licensed real estate agent or broker in order to accomplish a timely sale for Owner. In the event that only one qualified offer is received equal to the listing price, the Unit shall be sold to such person making the offer, at that price. In the event TCHA receives applications from two or more Qualified Buyers whose offers are equal to the listing price, the buyer shall be selected according to the priorities as set forth in the TCHA Affordable Guidelines and its Policies and Procedures. This may include a lottery process. Selected Qualified Buyers shall be provided with a site visit, after which they shall have five business days to execute a binding offer. The sales contract shall contain the following standard terms: (a) a maximum of a \$2,000 earnest money deposit to be fully refunded if the Qualified Buyer cannot obtain reasonable financing; (b) equally-shared closing costs between the Qualified Buyer and Owner; (c) required title insurance to be at Owner's expense; (d) a 15-day Qualified Buyer's inspection period; and (e) a 30-day closing period. Should Owner elect not to sell for any reason, Owner shall pay all fees associated with TCHA's costs for advertising, contract, realtor expenses, if any, legal expenses, if any, and other costs associated with selection of applicants. The Owner shall pay, upon closing, a fee to the TCHA in an amount equal to 2% of the sales price for its facilitation services. Qualified Buyers shall be required to execute an acknowledgment of deed restrictions at the time of sale on a form to be provided by TCHA.

5. **Maximum Resale Price.** On or prior to the date of initial sale of the Units, the Declarant will have caused improvements to be made by the construction of residential condominium units on the Property, with the result that no additional improvements will be required for the Units to be used for their intended purpose as residential dwellings. Accordingly, to further Declarant's goal of providing affordable housing in the Town of Jackson, these Units may not be sold for an amount in excess of the "Maximum Resale Price" calculated in accordance with the requirements of this Section 5. The Maximum Resale Price shall be determined by first calculating a "Base Amount" and then applying certain adjustments thereto, all as described in this Section 5. The Base Amount shall be calculated in accordance with the following formula:

Base Amount	=	Owner's Original Purchase Price	+	2.5% adjustment compounded annually for each full year of ownership
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NOTHING HEREIN SHALL BE CONSTRUED TO CONSTITUTE A REPRESENTATION OR GUARANTEE BY THE TCHA THAT ON SALE THE OWNER SHALL OBTAIN THE MAXIMUM RESALE PRICE. The final Maximum Resale Price shall be determined by applying, to the extent applicable, the following adjustments to the Base Amount:

a. **Capital Improvements.** The Base Amount may be increased by an amount of up to 10% of the Owner's original purchase price to reflect permitted capital improvements made by the

Owner of the Unit. For purposes of this calculation, permitted capital improvements shall include only those proposed improvements by the Owner that (i) have been described in a writing submitted to TCHA; (ii) have been approved by TCHA in writing prior to the Owner's initiation of such improvements; and (iii) have been documented by the Owner by the submission of certain written information to TCHA following completion of the capital improvements as described below. The Owner's written proposal shall also provide an estimate of the costs associated with expenses and labor. Promptly following completion of the capital improvements, the Owner shall provide TCHA with the following information:

- i. Original or duplicate receipts which identify the actual costs expended by the Owner, the party to whom paid and the date of payment;
- ii. Owner's affidavit verifying that the receipts are valid and correct receipts tendered at the time of purchase; and
- iii. True and correct copies of final building permits and certificate(s) of occupancy/inspection required to be issued by the Town of Jackson Building and Planning Department with respect to such capital improvements.

Owner's failure to provide TCHA with the above-described information within two months after the completion of the capital improvements shall, without exception or possibility of waiver, act to automatically and unconditionally disqualify any related costs as adjustments for purposes of calculating the Maximum Resale Price.

b. Government Required Improvements. The Base Amount may be increased to reflect the actual cost of capital improvements made to the Unit as a result of any requirement imposed by any governmental agency; provided, that no such adjustment shall be allowed unless Owner provides TCHA with the information identified in items 5(a)(1) to 5(a)(3), above, along with written documentation evidencing the applicable governmental requirement necessitating the improvement.

c. Actual Expense and Sweat Equity. In calculating adjustments made to the Base Amount to reflect improvements made to the Unit in accordance with this Section 5, only the Owner's actual out-of-pocket costs and expenses paid to unrelated third parties shall be eligible for inclusion, and no amounts shall be included to reflect the input of the Owner's time and labor unless the amount of such time and labor, and a dollar amount to be assigned thereto, has been approved in advance by TCHA in its sole and absolute discretion.

d. Assumption of Owner's Costs. To ensure that the sale prices of Units are limited to the Maximum Resale Price, no Qualified Buyer of any Unit shall assume any obligation of the Owner existing at the time of the sale, nor shall such purchaser pay nor provide to the Owner any other form of consideration in connection with the sale of the Unit.

It is understood that TCHA's consideration of all Owner's improvements for credit under Section 5 (a) above shall be evaluated with the intent of maintaining affordability for future Qualified Buyers. No consideration of maintenance expenses or luxury improvements will be considered. Owner shall not be entitled to the full amount of the Maximum Resale Price to the extent the Owner does not maintain the Unit. Accordingly, based on its inspection, TCHA shall reduce the Maximum Resale Price by the amount, determined by TCHA, in its sole and absolute discretion, required to restore the Unit and its

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improvements to a properly-maintained state. This calculation, as made by TCHA's Executive Director, shall be final.

6. **Default.** The following shall be considered a default by the Owner:

- a. A violation of these Restrictions; or
- b. Default in payment or other obligations due or to be performed under a promissory note secured by a first qualified mortgage encumbering the Unit.

In the event that the TCHA has reasonable cause to believe the Owner is violating or has violated the provisions of these Restrictions, or failed to make payment as set forth in 6(b) above, the TCHA, by its authorized representative, may inspect the Unit, at any time, after providing the Owner with adequate notice.

7. **Violation And Hearing.**

a. **Violation of Restrictions.** In the event that the TCHA deems the Owner to have violated any of these Restrictions, the TCHA shall send a notice of violation to the Owner detailing the nature of the violation and allowing the Owner 15 days to cure such violation as well as provide any information required by the TCHA or to request a hearing by the TCHA Board of Directors at a regularly scheduled Board Meeting. If no hearing is requested and the violation is not cured within the 15-day period, the Owner shall be considered in violation of these Restrictions. If a hearing is held before the TCHA, the decision of the TCHA based on the record of such hearing shall be final for the purpose of determining if a violation has occurred.

b. **Default On Promissory Note.** Owner must notify the 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, described herein, within five calendar days of Owner's notification from lender, or its assigns, of said default or past due payments. Upon notification from Owner, or other notice of such default, TCHA may, in its sole discretion, offer loan counseling or distressed loan services to Owner, if any of these services are available. Additionally, the TCHA may require the Owner to sell the Property, if the TCHA determines, in its sole discretion, that the Owner will not be able to timely perform the obligations required under any mortgages and these Restrictions. In the event that TCHA determines that the sale of the Property is necessary, Owner shall immediately execute a sale and purchase contract with TCHA subject to the provisions of Section 4 herein. Upon sale of the Unit, all proceeds will first be applied to the payment of all mortgages, unpaid taxes, assessments, claims and liens on the Unit, the payment of the usual closing costs and fees as described in Section 4 hereof, and the payment of any penalties assessed against the Owner by the TCHA or the Town of Jackson. Any remaining net proceeds shall be paid to Owner. In all sales events, the Unit shall remain subject to these Restrictions. For purposes of this Section 7(b), penalties against the Owner that may be assessed by the TCHA or the Town of Jackson include eliminating resale gain, forced sale, and/or penalties found in the Town of Jackson Land Development Regulations.

8. **Alternate Remedies.** Nothing in the preceding paragraph shall preclude the TCHA, its successor or assigns, from pursuing an alternate legal or equitable remedy against the Owner for any alleged violation of these Restrictions.

9. **Limitation on Listed Purchase Price In Event of Default Or Fraud.** In the event of an uncured breach of any of these Restrictions by the Owner, the Owner's heirs, successors or assigns, or in the event of a determination of fraud on the part of the Owner by a court of competent jurisdiction, the TCHA's listed purchase price of the Unit as set forth in Section 5 shall, upon the date of such breach or court decision, whichever first occurs, automatically cease to increase and the resale price shall remain so fixed.

10. **Option To Purchase In The Event Of Fraud Or Uncured Violation Of Restrictions**
In addition to any other remedies the TCHA may have under law or the terms of these Restrictions, in the event of fraud or misrepresentation whereby the purchaser of a Unit is not a Qualified Buyer, or in the event of any other uncured breach of the terms of these Restrictions, the TCHA, or its assignee, shall have the option to purchase the Unit from the Qualified Buyer for a purchase price equal to the full amount owed on a qualified mortgage encumbering the Unit or the appraised deed-restricted value of the Unit. Such price shall be payable to Owner in cash, to the extent the purchase price exceeds the amount of Owner's mortgage (if it is assumed or fully paid and satisfied), less any costs or attorneys fees to which TCHA is entitled as the result of such breach.

a. **Notice.** If TCHA shall elect to exercise the purchase option set forth herein it shall immediately notify Owner in writing of its election to purchase, and exercise (or assign this option and have its assignee exercise such rights) the foregoing option to purchase within 60 days of TCHA's notice of election to purchase.

b. **TCHA As Attorney-In-Fact.** In the event TCHA exercises its option to purchase as set forth above, Owner hereby irrevocably appoints TCHA its attorney-in-fact to effect such sale on Owner's behalf and to execute any and all deeds of conveyance or other instruments necessary to fully effect such sale and conveyance.

c. **Cost of Sale.** The costs of such sale shall be taxed against the proceeds of the sale.

11. **Notices.** Any notice, consent or approval which is required to be given hereunder to the Owner shall be given by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid to the Owner's mailing address on record with the Teton County Assessor. Any notice which is required to be given hereunder by the Owner to the TCHA shall be given by mailing the same, certified mail, return receipt requested, properly addressed and with postage fully prepaid to the TCHA, P.O. Box 714, Jackson, WY 83001. Alternatively, either party may hand deliver the notice, consent or approval to the other party, but shall be required to obtain a signed receipt evidencing the hand delivery. 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. **Restriction As Covenant.** These Restrictions shall constitute covenants running with the Property, as a burden thereon, and shall be binding on all parties having any right, title, or interest in the described Property or any part thereof (except the Declarant during its holding period prior to sales to individual Owners), their heirs, successors and assigns, and shall inure to the benefit of and shall be enforceable by the TCHA, and their respective assigns or successors.

13. **Removal Of Restrictions Upon Unredeemed Foreclosure By Qualified Mortgagee.** Notwithstanding anything herein contained to the contrary, the Restrictions contained herein shall lapse and become void and of no force or effect upon issuance of a Sheriff's Deed to any purchaser other than the Owner or a person affiliated with the Owner, after the running of the statutory redemption period,

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resulting from the foreclosure of a Qualified Mortgage (defined below) encumbering a Unit by a Qualified Mortgagee; provided that the said qualified Mortgagee has given TCHA written copies of all notices of intent to foreclose and all other notices related to the foreclosure contemporaneously with its service of such notices upon the Owner. Each qualified mortgage or loan agreement shall provide that in the event of default, TCHA or its assigns shall have the right to acquire the loan from the lender by paying the balance due together with accrued interest and costs, and TCHA shall thereafter have the right to foreclose upon the property in accordance with the mortgage and other loan documents.

Nothing herein shall limit or restrict Owner's right of statutory redemption, in which event these Restrictions shall remain in effect. In addition, in the event of foreclosure of a Qualified Mortgage by a Qualified Mortgagee, TCHA or their designee may purchase the Unit at the foreclosure sale. In such event, the Unit shall remain subject to these Restrictions.

If Owner receives any notice of default, as the result of any event of default under the Qualified Mortgage, whereby the Qualified Mortgagee has commenced any proceedings to foreclose said Mortgage, then Owner shall, immediately, notify TCHA and provide it with a copy of any such notice and, by the terms of this instrument, Owner hereby authorizes the Qualified Mortgagee to provide TCHA full and complete information relating to such default.

14. **Definition Of And Requirements For A Qualifying Mortgage.** All mortgages with security against the deed restricted property shall be "Qualifying Mortgages". A "Qualifying Mortgage" shall be a mortgage which:

- a. Is an encumbrance on the Unit given solely for the purpose of purchasing the Unit, or for the purpose of financing improvements or repairs to the Unit, or refinancing a mortgage previously given for such purpose;
- b. The principal amount of the obligation(s) secured does not exceed the appraised fair market value of the Unit; and
- c. 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
 - ii. 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.

No second mortgages shall encumber the property without advance approval by TCHA or its successors. Assumptions of costs or loans shall not be permitted.

15. **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 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.

16. **Choice of Law.** These Restrictions and each and every related document, are to be governed by and construed in accordance with the laws of the state of Wyoming.

17. **Severability.** Each provision of these Restrictions and any other related document shall be interpreted in such a manner as to be valid under applicable law; but, if any provision of any of the foregoing shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provisions of such document.

18. **Section Headings.** Paragraph or section headings within these 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.

19. **Termination of Deed Restrictions.** These Restrictions may only be terminated by a judicial determination in a court of competent jurisdiction, following the adoption of findings of fact by both the Town of Jackson and Teton County, Wyoming that the original intent and purpose as set forth in the recitals herein can no longer be accomplished with these Restrictions and that they should therefore be terminated.

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

21. **Modifications.** The parties to these Restrictions agree that any modifications of these Restrictions shall be effective only when made by writings signed by Owner, and by the TCHA, and recorded with the Clerk of Teton County, Wyoming.

IN WITNESS WHEREOF, the Declarant has executed this instrument on the 16th day of January, 2007.

DECLARANT

JH AFFORDABLE HOUSING ASSOCIATES, LLC,
a Delaware limited liability company

By JACKSON RANCH ASSOCIATES, LLC,
a Delaware limited liability company,
Sole Member, JH Affordable Housing Associates, LLC

By: FARALLON JACKSON HOLE INVESTORS, LLC,
a Delaware limited liability company,
Manager, Jackson Ranch Associates, LLC



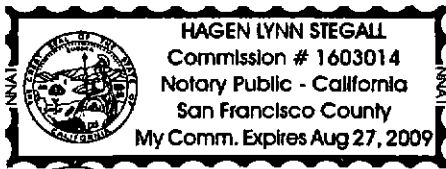
By: FARALLON CAPITAL MANAGEMENT, L.L.C.,
a Delaware limited liability company,
Manager, Farallon Jackson Hole Investors, LLC

By: _____
Name: Stephen L. Millham
Title: Managing Member

STATE OF California)
COUNTY OF San Francisco)ss

On this 16th day of January, 2007, before me personally appeared Stephen h Millham, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed within this instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on this instrument, the entities upon behalf of which the person acted executed this instrument.

WITNESS my hand and official seal.



Hagen Lynn Stegall
Notary Public
My commission expires: Aug 27, 2009

TCHA Acknowledgement & Acceptance:

Christine Walker
Christine Walker, Executive Director

STATE OF Wyoming)
COUNTY OF Teton)ss

On this 3rd day of JANUARY, 2007, before me personally appeared CHRISTINE WACKER, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed within this instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on this instrument, the entities upon behalf of which the person acted executed this instrument.

WITNESS my hand and official seal.



Stacy A. Stoker
Notary Public
My commission expires: 8-13-08