

Appendix R

Affordable Housing Special Restrictions

All Category IV and V affordable housing units originally referenced within the Draft Special Restrictions for Teton Village Expansion Resort Master Plan PUD have been modified to Employment Based units. Guidelines for Employment Based units will be further defined at sketch plan level.

Draft Special Restrictions for Teton Village Expansion Resort Master Plan PUD

KNOW ALL MEN BY THESE PRESENTS that the undersigned Declarant, as owner of the Affordable Units _____ through _____ of Teton Village Expansion, according to that plat recorded in the Office of the Clerk of Teton County, Wyoming, adopts these special restrictions (the "Special Restrictions") and hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following restrictions, covenants, and conditions affecting all dwellings described (hereinafter referred to individually as a "Unit") and shall be in addition to all other covenants, conditions or restrictions of record effecting such Unit, 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 by TETON COUNTY, WYOMING.

RECITALS:

WHEREAS, Declarant as a condition of its Planned Unit Development Approval for the Planned Unit Development for Planned Resort by Teton County agreed to provide for or make available, Affordable housing units in furtherance of Teton County's goal of making the purchase of a Residential Housing unit realistically attainable by full time working middle income residents in the County who will occupy the dwelling as their primary residence and not for unauthorized rental or speculation; and

WHEREAS, Declarant in furtherance of the goals, objectives and requirements of the Planned Unit Development 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 special restrictions, 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 the closing of the sale from Declarant to the Qualified Buyer, and who agree pursuant to these Special 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, or to rent the dwellings in violation hereof, and to otherwise comply with the terms and conditions of these Special Restrictions;

NOW, THEREFORE, Declarant, in consideration of the approval of such Planned Unit Development and Subdivision, covenants and agrees for itself and each and every person acquiring ownership of each such Unit, that each Unit shall be held, used, occupied, transferred and conveyed subject to the following special covenants, conditions and deed restrictions;

1. Purchase By Qualified Buyers Only. The purchase of each Unit shall be limited exclusively to natural persons who meet the following definition of "Qualified Buyers" at the time of the sale:

a. County Employment Requirement. One of the purchasing occupants is a person who is currently employed in Teton County on substantially a full-time basis (at least 10 months each year). In the event there is more than one prospective Qualified Buyer, preference shall be given by the length of time employed in Teton County as described in the Teton County Housing Authority's Guidelines.

b. Sole Residence Requirement. The buyer may not own any other full time residence. At the time of purchase, the Unit Owner must demonstrate to the satisfaction of the TCHA that any other owned residence is listed for sale and being actively marketed. The Owner 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.

c. Income Eligibility Requirement for Category One Affordable Units:

The individual person, and their spouse or such other persons comprising the household buying or occupying the Unit, shall have combined gross incomes no greater than 80% of the "Area Median Income" for Teton County, for a family of their size to be adjusted each year in the amount determined by TCHA, based upon published changes in the published HUD Area Median Income.

d. Income Eligibility Requirement for Category Two Affordable Units:

The individual person, and their spouse or such other persons comprising the household buying or occupying the Unit, shall have combined gross incomes no greater than 100% of the "Area Median Income" for Teton County, for a family of their size to be adjusted each year in the amount determined by TCHA, based upon published changes in the published HUD Area Median Income.

e. Income Eligibility Requirement for Category Three Affordable Units:

The individual person, and their spouse or such other persons comprising the household buying or occupying the Unit, shall have combined gross incomes no greater than 120% of the "Area Median Income" for Teton County, for a family of their size to be adjusted each year in the amount determined by TCHA, based upon published changes in the published HUD Area Median Income.

f. Income Eligibility Requirement for Category Four Affordable Units:

The individual person, and their spouse or such other persons comprising the household buying or occupying the Unit, shall have combined gross incomes no greater than 140% of the "Area Median Income" for Teton County, for a family of their size to be adjusted each year in the amount determined by TCHA, based upon published changes in the published HUD Area Median Income.

g. Income Eligibility Requirement for Category Five Affordable Units:

The individual person, and their spouse or such other persons comprising the household buying or occupying the Unit, shall have combined gross incomes no greater than 175% of the "Area Median Income" for Teton County, for a family of their size to be adjusted each year in the amount determined by TCHA, based upon published changes in the published HUD Area Median Income.

h. Household Asset Limitation for Category One Affordable, Two Affordable, Three Affordable, Four Affordable and Five Affordable Units:

The individual person, and their spouse or 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 set forth herein. "Net assets" are defined as total assets minus liabilities, but shall not include funds in a qualified retirement fund. The initial maximum amount of net assets is outlined in the Teton County Housing Authority Guidelines and will be updated each year.

The Director of the Teton County Housing Authority shall be the party that determines whether a buyer is eligible to be a qualified buyer, as defined above. Such determination shall be based upon such written applications, representations, information and verification as are deemed by its Director to be reasonably necessary under the circumstances to establish and substantiate legitimate eligibility. In the absence of fraud or misrepresentation, the written statement signed by such Director shall be conclusive evidence of a purchaser 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, Teton County, TCHA or any person affiliated with any of them arising out of this instrument, and none of said parties shall have any liability whatsoever to any person aggrieved by the decision of the Director regarding qualification of a prospective purchaser or any other matter relating to this agreement.

The foregoing restrictions on the qualification of a purchaser have relevance only at the time of acquisition of a Unit and, once determined to have been a Qualified Buyer, any changes in the employment, income or net assets of the Owner of a Unit after the purchase of a Unit shall have no force or effect upon the Owner's continued ownership of such Unit.

Anything hereinabove or herein below to the contrary notwithstanding the Units subject to this restriction may be sold by the Declarant to governmental entities such as, The Teton County Housing Authority, or any non-profit charitable organization such as, but not limited to Habitat For Humanity, which has as one of its primary purposes the provision of or development of properties for assistance to low-income or other disadvantaged families or individuals, provided that any Units that are purchased by such entities for further development and/or resale shall thereafter be subject to these Special Restrictions and all subsequent purchasers shall be required to meet the qualified buyers restrictions as contained in this agreement.

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

a) occupy the Unit as his or her sole and exclusive primary residence (at least 10 months out of each year) during the time that such unit is owned, 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 TCHA;

b) not engage in any business activity in such dwelling, other than any home occupation use permitted in that zoning district and subject to the issuance of the necessary permits;

c) not rent or permit any use or occupancy of such dwelling except in compliance with these Special Restrictions.

3. Prohibition On Rental Of Dwelling. No Owner of any Unit may rent the dwelling for any period of time; provided, however, that the Owner may rent a room of the dwelling, so long as the Owner also resides in the dwelling on a full-time basis. Such rental shall only be with the advance approval of, and according to conditions by TCHA.

4. Resale Limitations. So long as the restrictions, contained herein 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.

a. the maximum allowed resale price for any Category I, II or III Unit shall not exceed the initial sales price plus a percentage increase equal to the percentage increase in the CPI-U Denver-Boulder, Colorado as published by the U.S. Department of Labor to reflect inflation, or its most nearly comparable successor index as determined by the TCHA.

b. the maximum allowed resale price for any Category IV or V Unit shall not exceed the initial sales price plus a percentage increase equal to 2.5% per annum over the percentage increase in the CPI-U Denver-Boulder, Colorado as published by the U.S. Department of Labor to reflect inflation, or its most nearly comparable successor index as determined by the TCHA.

Any other purported sale, transfer, or other disposition to any other person or entity effected without following the procedures set forth herein, except in the case of a sale, transfer, or other disposition to a Qualified Buyer, and for not more than the maximum allowed sales price or Qualified Mortgagee in lieu of foreclosure, in accordance with the terms hereof, shall be null and void and shall confer no title whatsoever upon the transferee and shall be grounds for the TCHA to exercise its purchase rights as contained herein.

In each event that Owner contemplates a sale, transfer or other disposition of its interest in the Unit, then not less than thirty (30) days prior to the contemplated closing thereof, the Owner shall give TCHA notice thereof together with such information as may be

requested by TCHA in order for it to determine if the prospective transferee is a Qualified Buyer.

5. Breach. In the event that the TCHA has reasonable cause to believe the Owner is violating the provisions of these Special Restrictions, the TCHA, by its authorized representative, may inspect the Unit, at any time, after providing the Owner with adequate notice. If any person other than the record title holding Owner to the property (and their spouse and/or children or parents of either spouse) occupies the Unit for more than 30 days without concurrent occupancy by the record title holding owner, such person shall be conclusively presumed not to be a permitted transferee who met the requirements of a Qualified Buyer, and not to be a permitted renter, as are required by these Restrictions, and such occupancy shall be considered a violation of the terms of these Restrictions unless and until the Owner cooperates with TCHA in providing necessary authoritative information required by TCHA and affirmatively establishes to the satisfaction of the TCHA that there is no violation of these Special Restrictions.

6. Violation and Hearing. The TCHA, in the event a violation of these Special Restrictions is discovered, shall send a notice of violation to the Owner detailing the nature of the violation and allowing the Owner fifteen (15) days to cure such violation as well as provide any information required to be provided to TCHA. Said notice shall state that the Owner may request a hearing before the TCHA within fifteen (15) days to determine the merits of the allegations. If no hearing is requested and the violation is not cured within the fifteen (15) day period, the Owner shall be considered in violation of these Special 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.

7. Remedies. In the event that the Owner fails to cure any breach, the TCHA may resort to any and all available legal actions or remedies, including but not limited to specific performance of these Special Restrictions or mandatory injunction requiring the sale of the Unit by Owner as specified below, as well as by eviction of unpermitted occupants of the Unit.

In the event TCHA or Teton County must resort to litigation with respect to any or all provisions of these Special Restrictions, they shall be entitled to recover damages and costs from the Owner, including reasonable attorney's fees.

8. Option To Purchase In The Event Of Fraud Or Uncured Violation Of Restrictions. In addition to any other remedies they may have under law or the terms of this instrument, 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 Special Restrictions, TCHA or its assignee shall have the option to purchase the Unit for the original purchase price. 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) If TCHA shall elect to exercise the purchase option set forth herein it shall: (a) notify Owner of its election to purchase, and (b) exercise (or assign this option and have its assignee exercise such rights) the foregoing option to purchase within sixty (60) days of TCHA's notice of election to purchase.

b) 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) The costs of such sale shall be taxed against the proceeds of the sale with the balance being paid to the Owner.

9. Restriction As Covenant. These Special Restrictions shall constitute covenants running with the real property, described above, as a burden thereon, and shall be binding on all parties having any right, title, or interest in the described properties 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, the Board Of County Commissioners for the County (the "County"), and their respective successors.

10. Removal Of Restrictions Upon Unredeemed Foreclosure By Qualified Mortgagee. Notwithstanding anything herein contained to the contrary, the Special 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, resulting from the foreclosure of a Qualified Mortgage encumbering the Unit by a Qualified Mortgagee; provided that the said 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 the County or their designee may purchase the Unit at the foreclosure sale. In such event, the Unit shall remain subject to these Special 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.

11. Definition Of And Requirements For A Qualifying Mortgage. 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 fair market value of the Unit;

c) Runs in favor of either (1) 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, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (2) 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 (3) a non-affiliated, legitimate, "finance company". In no event may it 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.

12. 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.

13. Severability. Whenever possible, 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 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.

14. Section Head. 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.

15. 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.

16. Modifications. The parties to these Special Restrictions agree that any modifications of these Special Restrictions shall be effective only when made by writings signed by Declarant, or the applicable successor Owners and TCHA and recorded with the Clerk of Teton County, Wyoming.

17. Owner and Successors. The term "Owner" shall mean the person or persons who shall acquire an ownership interest in the Unit in compliance with the terms and provisions of these Special Restrictions; it being understood that such person or persons shall be deemed an "Owner" hereunder only during the period of his, her or their 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.

IN WITNESS WHEREOF, the Declarant has executed this instrument on the day and year above first written.

DECLARANT:

Crystal Springs Ranch, Inc., a Wyoming corporation

BY: _____
President

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me by _____, as President, of Teton Village Inc., a Wyoming corporation and that he executed the foregoing as such an officer in the name of and on behalf of said corporation this _____ day of _____, 2002.

Witness my hand and official seal.

Notary Public

My Commission Expires: