

**JACKSON/TETON COUNTY HOUSING AUTHORITY  
GROUND LEASE  
Millward Redevelopment**

THIS LEASE (“Lease”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the Jackson/Teton County Housing Authority, a duly constituted Housing Authority established by Teton County, Wyoming pursuant to W.S. §15-10-116, as amended, (“JTCHA”), and \_\_\_\_\_ (“Homeowner”).

**RECITALS**

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

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

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

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

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

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

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

**ARTICLE 1: LEASE OF THE LEASED LAND.**

1.1 JTCHA owns certain real property situated in Teton County, Wyoming commonly known as \_\_\_\_\_ (insert physical address, example: 375 E. Main), Jackson **[or Teton County]**, Wyoming and more particularly described as follows:

Lot [insert lot # of land], Millward Redevelopment Teton County, Wyoming, according to that plat recorded in the Office of the Teton County Clerk on October 21, 2003 as Plat No. 1097 (the "Leased Land"). PIN #

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

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

**ARTICLE 2: TERM OF LEASE.**

This Lease shall remain in effect for 99 years, beginning on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, and ending on the \_\_\_\_\_ day of \_\_\_\_\_, 21\_\_\_, unless earlier terminated as provided herein.

**ARTICLE 3: JTCHA GUIDELINES.**

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

**ARTICLE 4: USE OF LEASED LAND.**

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

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

4.3. Guests. No guests over the age of 18 shall be permitted to reside in the Home for periods in excess of 30 days in a calendar year. Homeowner shall be responsible for the use of the Home and Leased Land by all guests and anyone else using the Leased Land and shall make all such people aware of the restrictions on use affecting the Home and Leased Land.

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

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

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

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

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

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

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

#### **ARTICLE 5: LEASE FEE.**

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

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

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

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

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

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

#### **ARTICLE 6: TAXES AND ASSESSMENTS.**

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

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

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

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

#### **ARTICLE 7: THE HOME**

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

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

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

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

7.5 Homeowner hereby assumes responsibility for furnishing all services or facilities on the Leased Land. JTCHA shall not be required to furnish any services or facilities or to make any repairs to the Home. Homeowner shall maintain the Home and Leased Land as required by Section 4.7 above and shall see that all necessary repairs and replacements are accomplished when needed.

#### **ARTICLE 8: FINANCING**

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

- A. An "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision; or
- B. A "community loan fund", or similar non-profit lender to housing projects for income-eligible persons (e.g., is not given to or acquired by any individual person); or
- C. A non-affiliated, legitimate, "finance company". In no event may such finance company be an individual or any company that is affiliated with or has any affiliation with the owner or any family member of the owner.

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

8.3 If, at any time subsequent to the purchase of the Home and signing of the Lease, the Homeowner seeks a loan that is to be secured by a mortgage on the Home (to refinance an existing Qualified Mortgage or to finance home repairs or for any other purpose), Homeowner must inform

JTCHA, in writing, of the proposed terms and conditions of such mortgage loan at least 15 business days prior to the expected closing of the loan. The information to be provided to the JTCHA must include:

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

JTCHA may also require Homeowner to submit additional information. JTCHA will not permit such a mortgage loan if the loan increases Homeowner's total mortgage debt to an amount greater than 95% of the then current Maximum Resale Price, calculated as provided herein, or if the terms of the transaction otherwise threaten the interests of either the Homeowner or the JTCHA. Homeowner acknowledges that the appraised value as determined for purposes of a mortgage loan may not be equal to the Maximum Resale Price.

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

- A. If Qualified Mortgagee sends a notice of default to the Homeowner because the Homeowner has failed to comply with the terms of the Qualified Mortgage, the Qualified Mortgagee shall, at the same time, send a copy of that notice to JTCHA. Upon receiving a copy of the notice of default and within that period of time in which the Homeowner has a right to cure such default (the "cure period"), JTCHA shall have the right to cure the default on the Homeowner's behalf, provided that all current payments due the Qualified Mortgagee since the notice of default was given, are made to the Qualified Mortgagee.
- B. If, after the cure period has expired, the Qualified Mortgagee intends to accelerate the note secured by the Qualified Mortgage or begin foreclosure proceedings under the Qualified Mortgage, the Qualified Mortgagee shall first notify JTCHA of its intention to do so, and JTCHA shall then have the right, upon notifying the Qualified Mortgagee within thirty (30) days of receipt of such notice, to acquire the Qualified Mortgage by paying off the debt secured by the Qualified Mortgage.
- C. If the Qualified Mortgagee acquires title to the Home through foreclosure or acceptance of a deed in lieu of foreclosure, the Qualified Mortgagee shall give JTCHA written notice of such acquisition and JTCHA shall then have an option to purchase the Home from the Qualified Mortgagee for the full amount owing to the Qualified Mortgagee under the Qualified Mortgage. To exercise this option to purchase, JTCHA must give written notice to the Qualified Mortgagee of JTCHA's intent to purchase the Home within thirty (30) days following JTCHA's receipt of the Qualified Mortgagee's notice. JTCHA must then complete the purchase of the Home within sixty (60) days of having given written notice of its intent to purchase. If JTCHA does not complete the purchase within this 60-day period, the Qualified Mortgagee shall be free to sell the Home to another person.

- D. Nothing in the Qualified Mortgage or related documents shall be construed as giving Qualified Mortgagee a claim on JTCHA's interest in the Leased Land, or as assigning any form of liability to JTCHA with regard to the Leased Land, the Home, or the Qualified Mortgage.
- E. Nothing in the Qualified Mortgage or related documents shall be construed as rendering JTCHA or any subsequent Mortgagee of JTCHA's interest in this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt secured by the Qualified Mortgage or any part thereof.
- F. The Qualified Mortgagee shall not look to JTCHA or JTCHA's interest in the Leased Land, but will look solely to Homeowner, Homeowner's interest in the Leased Land, and the Home for the payment of the debt secured thereby or any part thereof. (It is the intention of the parties hereto that JTCHA's consent to such Qualified Mortgage shall be without any liability on the part of JTCHA for any deficiency judgment.)
- G. In the event any part of the Leased Land or Home is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the Qualified Mortgagee in accordance with the provisions of Article 9 hereof.
- H. JTCHA shall not be obligated to execute an assignment of the Lease Fee or other rent payable by Homeowner under the terms of this Lease.

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

- A. Any Qualified Mortgagee shall, without further consent by JTCHA, have the right to (a) cure any default under this Lease, and perform any obligation required under this Lease, such cure or performance being effective as if it had been performed by Homeowner; (b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Homeowner by this Lease or otherwise by law, subject to the provisions, if any, in the Qualified Mortgage, which may limit any exercise of any such right, remedy or privilege; and (c) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of a Qualified Mortgagee.
- B. A Qualified Mortgagee shall not be required, as a condition to the exercise of its rights under the Lease, to assume personal liability for the payment and performance of the obligations of the Homeowner under the Lease. Any such payment or performance or other act by Qualified Mortgagee under the Lease shall not be construed as an agreement by Qualified Mortgagee to assume such personal liability except to the extent Qualified Mortgagee actually takes possession of the Home and Leased Land. In the event Qualified Mortgagee does take possession of the Home and Leased Land and thereupon transfers the same, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Qualified Mortgagee shall automatically be released from personal liability under the Lease.
- C. In the event that title to the estates of both JTCHA and Homeowner are acquired at any time by the same person or persons, no merger of these estates shall occur without the

prior written declaration of merger by Qualified Mortgagee, so long as Qualified Mortgagee owns any interest in the Home or in a Qualified Mortgage.

- D. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, and in the event JTCHA has not exercised its option to purchase the Home in such instances, JTCHA shall enter into a new lease for the Leased Land with the Qualified Mortgagee (or with any party designated by the Qualified Mortgagee, subject to JTCHA's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Qualified Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Qualified Mortgagee shall make a written request to JTCHA for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Qualified Mortgagee or the party designated by the Qualified Mortgagee to be the Homeowner thereunder. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the Land as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by JTCHA, Homeowner and the Qualified Mortgagee.
- E. The JTCHA shall have no right to terminate the Lease during such time as the Qualified Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.
- F. In the event that JTCHA sends a notice of default under the Lease to Homeowner, JTCHA shall also send a notice of Homeowner's default to Qualified Mortgagee. Such notice shall be given in the manner set forth in Section 12.1 of the Lease to the Qualified Mortgagee at the address which has been given by the Qualified Mortgagee to JTCHA by a written notice to JTCHA sent in the manner set forth in said Section 12.1 of the Lease.
- G. In the event of foreclosure sale by a Qualified Mortgagee and expiration of any redemption period, termination of any right to purchase of JTCHA, or the delivery of a deed to a Qualified Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Qualified Mortgagee all provisions of the Lease regarding (a) occupancy of the Leased Premises as a primary residence by the Lessee, (b) any limitation on the assignment of, or sublease under, the Lease, (c) any obligation to target certain populations in marketing the Home to potential transferees, (d) the price at which the Home may be transferred, and (e) the income of successive transferees, and their successors and assigns, shall be of no further force or effect with respect to such Qualified Mortgagee or its successive transferees, assignees or successors. The foregoing sentence shall not be construed to invalidate other Lease provisions regarding permitted use of the Leased Land. Any transfer or assignment of the property encumbered by the Qualified Mortgage as provided for in this paragraph shall be deemed a permitted sale, transfer or assignment of the Lease and the leasehold estate. Further, in such event, the Home may be transferred, mortgaged and sublet an



unlimited number of times, and JTCHA shall not require a credit review or impose other qualifying criteria on any such transferee, mortgagee or sublessee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **ARTICLE 10: TRANSFER OF THE HOME.**

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

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

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

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

10.5 Upon JTCHA's receipt of the Notice to Sell, JTCHA shall determine the "Maximum Resale Price," in accordance with and as defined in the Guidelines. Upon JTCHA's determination of the Maximum Resale Price, the sale of the Home shall be facilitated by JTCHA and shall be completed in accordance

with the procedure set forth in the Guidelines, which procedure may include, without limitation: a fee (not to exceed 2% of the Maximum Resale Price, as defined herein) paid to JTCHA for such facilitation; requirements regarding the listing of the Home with JTCHA and/or a licensed real estate agent, as JTCHA may direct; standard terms for the sales contract; and a selection procedure for the purchaser (which selection procedure may include a lottery).

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

10.7 To further the goal of providing affordable housing, a Home may not be sold for a purchase price in excess of the "Maximum Resale Price". The Maximum Resale Price is the original purchase price plus an increase in price of 2.5% per year compounded annually, plus the depreciated cost of pre-approved or government-required capital improvements, plus any other costs allowed by JTCHA, less any required maintenance or repair adjustment, all as more fully described in the Guidelines. Further, notwithstanding the determination of the Maximum Resale Price, the actual sales proceeds delivered to a selling homeowner may be reduced to account for restoration or repair of the Home (including without limitation, replacement of carpets, painting, roof repair, siding maintenance/replacement, etc.) determined necessary in JTCHA's sole and absolute discretion. Finally, to ensure that the sales price of the Home is limited to the Maximum Resale Price (as it may be adjusted), no purchaser of a Home shall assume any obligation of a selling owner, nor shall such purchaser pay or provide to a selling homeowner any other form of consideration in connection with the sale of the Home. The calculation of the Maximum Resale Price, as made by JTCHA, shall be final and binding on all parties.

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

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

#### **ARTICLE 11: DEFAULT.**

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

- A. A violation of any term of the Lease, the Guidelines, the Declaration, or any laws, codes, ordinances, rules, regulations, or covenants, conditions and restrictions affecting the Home or the Leased Land.
- B. Default in payment or other obligations due or to be performed under a promissory note or any mortgage, lien or other encumbrance purporting to affect the Home, including without limitation a Qualified Mortgage (as defined herein) affecting a Home, or default in any other payment required in connection with the Home or the Leased Land, including without limitation homeowner association dues and fees, assessments, payments to contractors, materialmen, or other vendors for work undertaken for which a lien could be filed against the Home. The Homeowner shall notify JTCHA in writing of any notification received from a lender, or its assigns, of past due payments or default in

payment or other obligations due or to be performed under a promissory note or other encumbrance within five calendar days of the Homeowner's notification from a lender, or its assigns, of said default or past due payments.

- C. If the Home is taken by execution or by other process of law, or if the Homeowner is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of the Homeowner for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of the Home by a court of competent jurisdiction, or if a petition is filed for the reorganization of the owner under any provisions of the Bankruptcy Act now or hereafter enacted, or if the owner files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.
- D. Fraud or misrepresentation by the Homeowner in its application to JTCHA whereby JTCHA determines, in its sole and absolute discretion, that the purchaser of a Home was not a Qualified Household.

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

A. Purchase Option.

- 1. JTCHA shall have the option to terminate the Lease and purchase the Home for a purchase price equal to the Maximum Resale Price, subject to JTCHA's ability to limit appreciation as provided in this Section ("Option").
- 2. If JTCHA desires to exercise its Option, JTCHA shall provide written notice to the Homeowner of such election and shall use its best efforts to complete the purchase of the Home within ninety (90) days of such notice.
- 3. Upon JTCHA's purchase of the Home, unless otherwise required by law or statute, all proceeds will be applied in the following order:

FIRST, to the payment of any unpaid taxes;  
SECOND, to the payment of any Qualified Mortgage;  
THIRD, to assessments, claims and liens on the Home or Leased Land (not including any mortgage or lien purportedly affecting the Home which is not a Qualified Mortgage);  
FOURTH, to the payment of closing costs and fees;  
FIFTH, to the 2% facilitation fee to JTCHA;  
SIXTH, to the payment of any penalties assessed against the owner by JTCHA;  
SEVENTH, to the repayment to JTCHA of any unpaid Lease Fees, and any monies advanced by JTCHA in connection with a mortgage or other debt with respect to

the Home or Leased Land, or any other payment made by JTCHA on owner's behalf;

EIGHTH, to the cost of any repairs required by JTCHA for the Home; and

NINTH, the balance, if any, to the Homeowner.

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

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

FIRST, to the payment of any unpaid taxes;

SECOND, to the payment of any Qualified Mortgage;

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

FOURTH, to the payment of closing costs and fees;

FIFTH, to the 2% facilitation fee to JTCHA;

SIXTH, to the payment of any penalties assessed against the owner by JTCHA;

SEVENTH, to the repayment to JTCHA of any unpaid Lease Fees and any monies advanced by JTCHA in connection with a mortgage or other debt with respect to the Home or Leased Land, or any other payment made by JTCHA on owner's behalf;

EIGHTH, to the cost of any repairs required by JTCHA for the Home; and

NINTH, the balance, if any, to the Homeowner.

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

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

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

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

## **ARTICLE 12: GENERAL PROVISIONS.**

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

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

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

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

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

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

- A. Homeowner shall give written notice of such offer (the "Notice of Offer") to JTCHA setting forth (a) the name and address of the prospective purchaser of the Home, (b) the purchase price offered by the prospective purchaser and (c) all other terms and

conditions of the sale. JTCHA shall have a period of forty-five (45) days after the receipt of the Notice of Offer (the "Election Period") within which to exercise the right of first refusal by giving notice of intent to purchase the Home (the "Notice of Intent to Purchase") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Homeowner within the Election Period.

- B. If JTCHA exercises the right to purchase the Home, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by JTCHA (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.
- C. Should JTCHA fail to exercise the right of first refusal within the Election Period, then the Homeowner shall have the right (subject to any other applicable restrictions in the Lease) to go forward with the sale which the Homeowner desires to accept, and to sell the Home within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. If the sale is not consummated within such one-year period, the Homeowner's right so to sell shall end, and all of the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid.

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

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

12.7 JTCHA'S Right to Prosecute or Defend. JTCHA shall have the right, but shall have no obligation, to prosecute or defend, in its own or the Homeowner's name, any actions or proceedings appropriate to the protection of its own or Homeowner's interest in the Leased Land. Whenever requested by JTCHA, Homeowner shall give JTCHA all reasonable aid in any such action or proceeding.

12.8 Construction. Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

12.9 Headings. The headings and subheadings appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

12.10 Parties Bound. This Lease sets forth the entire agreement between JTCHA and Homeowner with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be

altered or amended only by written notice executed by JTCHA and Homeowner or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

12.11. Change of Land Owner. If ownership of the Leased Land is ever transferred by JTCHA (whether voluntarily or involuntarily) to any other person or institution, this Lease shall not cease, but shall remain binding on the new landowner as well as the Homeowner.

12.12. Ground Lease Rider. In the event of a conflict between any provision in this Lease and any provision in a "Ground Lease Rider" or other agreement executed by JTCHA and Homeowner, and recorded against the Property ("Rider"), the provisions of the Rider shall be controlling, but only for so long as the loan which the mortgage secures is outstanding against the Property.

DRAFT



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

\_\_\_\_\_  
[Insert Homeowner]

\_\_\_\_\_  
[Insert Homeowner]

STATE OF WYOMING            )  
  ) ss.  
COUNTY OF TETON            )

On the \_\_\_\_\_ day of \_\_\_\_\_, 2017, the foregoing Lease was acknowledged before me by \_\_\_\_\_.

Witness my hand and official seal.

(Seal)

\_\_\_\_\_  
Notary Public

**JACKSON/TETON COUNTY HOUSING AUTHORITY**

\_\_\_\_\_  
Matthew Faupel, Chairman

**Attest:**

\_\_\_\_\_  
Danielle Goldyn-Haigh, Clerk

STATE OF WYOMING            )  
  ) ss.  
COUNTY OF TETON            )

On the \_\_\_\_ day of \_\_\_\_\_, 2017, the foregoing Lease was acknowledged before me by Matthew Faupel, as the Chiarman of the Jackson/Teton County Housing Authority.

Witness my hand and official seal.

(Seal)

\_\_\_\_\_  
Notary Public

STATE OF WYOMING            )  
  ) ss.  
COUNTY OF TETON            )

On the \_\_\_\_ day of \_\_\_\_\_, 2017, the foregoing Lease was acknowledged before me by Danielle Goldyn-Haigh, as the Clerk of the Jackson/Teton County Housing Authority.

Witness my hand and official seal.

(Seal)

\_\_\_\_\_  
Notary Public