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**DECLARATION OF CONDOMINIUM FOR THE TVDC CONDOMINIUMS  
FIRST ADDITION TO THE TOWN OF JACKSON**

**d/b/a TVDC Condominiums**

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INDEXED	
ABSTRACTED	
SCANNED	

Grantor: TETON VALLEY DEVELOPMENT CO'  
Grantee: THE PUBLIC  
Doc 0650583 bk 589 pg 943-946 Filed at 2:44 on 05/25/05  
Sherry L Daigle, Teton County Clerk fees: 17.00  
By MARY D ANTROBUS Deputy

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**DATED**  
18 MAY, 2005

**DECLARATION OF CONDOMINIUM FOR TVDC CONDOMINIUMS  
FIRST ADDITION TO THE TOWN OF JACKSON**

THIS DECLARATION OF CONDOMINIUM FOR TVDC CONDOMINIUMS FIRST ADDITION TO THE TOWN OF JACKSON ("Declaration of Condominium") is made this 18 day of MAY, 2005, by Teton Valley Development Co., LLC, a Wyoming limited liability company ("Declarant").

**RECITALS**

A. Declarant is the owner of land located in Jackson, Teton County, Wyoming, described as follows:

A parcel of land located in the SW1/4NE1/4, Section 34, T.41 N., R.116 W., 6th P.M., Town of Jackson, Teton County, Wyoming, being more particularly described as follows:

TVDC Condominiums First Addition to the Town of Jackson, Plat No. 1148, filed of record on 5-25-2005, 2005 in the office of the Teton County, Wyoming Clerk (the "Condominium Plat").

The condominium created by this Declaration is part of a larger development by the Declarant on adjacent land (hereafter referred to collectively as the "TVDC Townhomes and Condominium Development"), the existing Townhome portion of which is shown on Plat No. 1147, entitled "TVDC Townhomes, First Addition to the Town of Jackson," filed of record on 5-25-2005, 2005 in the office of the Teton County, Wyoming Clerk.

**ARTICLE I - CREATION AND DECLARATION OF CONDOMINIUM**

1.1 Creation

Declarant hereby creates and dedicates Lot 2 to condominium ownership pursuant to the Wyoming Condominium Ownership Act, W.S. §§ 34-20-101 et seq., as the same may be amended from time to time. This instrument is executed by the Owners of all condominium units of record, according to the land records of the Clerk of Teton County, Wyoming on the date of recording of same.

1.2 Applicable Law

The provisions of the Condominium Act and Wyoming law shall apply to the condominium created by this Declaration, its organization, the rights of Declarant, and management, unless a contrary provision is specified in this Declaration of Condominium or the related Declaration of Covenants, Conditions and Restrictions for the TVDC Condominiums and Townhomes.

1.3 Declaration of Covenants, Conditions, and Restrictions.

The condominium created by this Declaration of Condominium shall be held, used, and conveyed subject to those covenants, conditions, restrictions and easements in a Declaration of Covenants, Conditions and Restrictions for The TVDC Condominiums and Townhomes Additions to the Town of Jackson (the "Declaration of CC&R's") filed of record in the office of the Teton County, Wyoming Clerk, as same may be amended from time to time. The covenants, conditions, restrictions and easements in the Declaration of CC&R's shall also govern the sale, use and conveyance of Townhomes in the TVDC Townhomes and Condominium Development. Owners of condominium Units created by this Declaration of Condominium and Owners of Townhomes in the TVDC Townhomes and Condominium Development shall be members of a single homeowners association, the rights and obligations of which are described in the Declaration of CC&R's.

## **ARTICLE II - DESCRIPTION OF UNITS AND UNIT BOUNDARIES**

2.1 The condominium Units initially created by and subject to this Declaration are located in one residential Building, with three levels. The Units are shown by boundary and wall separations, as shown and depicted on the Condominium Plat, and the location and identifying numbers of Units are shown and described on the Condominium Plat.

2.2 Each Unit is generally described as a column of vertical space existing between the horizontal planes of the floor and ceiling of the story within the Building in which it is located. The physical boundaries of each Unit are the interior unfinished surfaces of the perimeter walls, floors, ceilings, doors and windows of the Unit but not including any structural components of the Building, if any, located within the Unit with:

- i. The underside of the finished but undecorated ceiling as the top horizontal boundary;
- ii. The top of the finished but undecorated flooring shall be the bottom horizontal boundary; and
- iii. The interior of the finished but undecorated walls shall be the vertical boundaries. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces are a part of the Unit, and all other portions of the walls, floors or ceilings are a part of the Common Elements. The structural elements of exterior windows and doors shall be Limited Common Elements allocated to that Unit as provided in Subsection 2.5 below.

2.3. If any chute, flue, duct, wire, conduit, bearing wall, bearing column or beam, heating or air conditioning unit or apparatus or other fixture lies partially within and partially outside the boundaries of a Unit, any portion serving only that Unit is a Limited Common Element allocated solely to that Unit and any portion serving more than one Unit or any portion of the Common Elements is a part of the General Common Elements.

2.4. Subject to the provisions of Subsection 2.1 or 2.2 of this Article, all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are part of the Unit.

2.5. Any shutters, awnings, window boxes, doorsteps, stoops, porches, decks, entryways, or patios, and all exterior doors and glass windows or other fixtures designed to serve exclusively a single Unit, but located outside of the Unit's physical boundaries, are Limited Common Elements allocated exclusively to that Unit.

2.6. In the event of an inconsistency or conflict between the provisions of this Article and the Condominium Plat, this Article shall control.

2.7. The physical boundaries of a Unit shall be considered to be the proper boundaries regardless of the settling, rising or lateral movement of the Buildings and regardless of any variances between the boundaries shown on the Condominium Plat and the actual physical boundaries.

## **ARTICLE III - DEFINITIONS**

3.1 Capitalized terms not otherwise defined in this Declaration of Condominium shall have the meanings specified for such terms in the Condominium Act or in the Declaration of CC&R's.

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

Declarant:

Teton Valley Development Co., LLC,  
Wyoming limited liability company

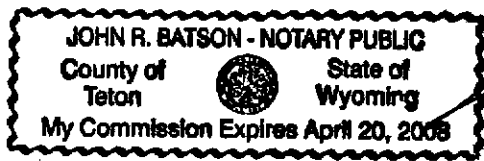
By: Scott M. Shepherd  
Scott M. Shepherd, Manager

STATE OF WYOMING     )  
                                  ) ss.  
COUNTY OF TETON     )

On this 18 day of MAY, 2005, before me personally appeared Scott M. Shepherd, to me personally known, who, being by me duly sworn, did say that he is the Manager of Teton Valley Development Co, LLC, and that said instrument was signed on behalf of said limited liability company, and said Manager acknowledged said instrument to be the free act and deed of said limited liability company.

Given under my hand and seal the date first above written.

SEAL



John R. Batson

**SUPPLEMENTAL DECLARATION OF COVENANTS,  
CONDITIONS & RESTRICTIONS  
FOR TVDC CONDOMINIUMS, FIRST ADDITION TO THE TOWN OF JACKSON**

KNOW ALL MEN BY THESE PRESENTS that the undersigned Declarant, as owner of Units 1 and 2 of TVDC Condominiums, First Addition to the Town of Jackson, Wyoming and according to that plat no. \_\_\_\_\_ recorded in the Office of the Clerk of Teton County, Wyoming, adopts these Supplemental Declaration of Covenants, Conditions & Restrictions (the "Supplemental Restrictions") and hereby declares that all of the properties described above shall be held, sold, leased, and conveyed subject to the following restrictions, covenants, and conditions affecting all dwellings, appurtenances, and improvements, associated with the condominium property described (hereinafter referred to individually as a "Unit") and shall be in addition to all other covenants, conditions or restrictions of record affecting 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 the TOWN OF JACKSON, WYOMING (herein referred to as "TOJ").

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**RECITALS:**

WHEREAS, Declarant as a condition of its Development Approval for TVDC Condominiums development (Development Application No. 05-028) by the Jackson Town Council agreed to provide for or make available, affordable housing units in furtherance of the Town's goal of making the purchase of a Unit or 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 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 Supplemental 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 Supplemental 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 Supplemental Restrictions; and

WHEREAS, an "Owner" is a person or persons who is/are a Qualified Buyer who acquires an ownership interest in a Unit in compliance with the terms and provisions of these Supplemental Restrictions; it being understood that such person or persons shall be deemed an "Owner" hereunder only during the period of this Declaration, or their ownership interest in the

Grantor: TETON VALLEY DEVELOPMENT  
Grantee: THE PUBLIC  
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Sherry L Dalgic, Teton County Clerk fees: 44.00  
By MARY D ANTROBUS Deputy

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 such Development Application, 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 to natural persons who meet the following definition of "Qualified Buyers" 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" 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 buyer may not own any interest in residential property. At the time of purchase, buyer must demonstrate to the satisfaction of the TCHA that any other owned residential property has been sold or that such property is listed for sale at or below the demonstrated market value and is being actively marketed. The Owner shall further provide notice to TCHA of the sale of the former owned residential property 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 as an eligibility condition in writing prior to closing.

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

i. **Category I:** The Qualified Buyer, and all such other persons comprising the household buying or occupying Unit 1, 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 US Department of Housing and Urban Development (HUD). The Area Median Incomes shall be adjusted each year in an amount determined by TCHA, based upon published changes in the Teton County Area Median Income as prepared by HUD.

ii. **Category III:** The Qualified Buyer, and all such other persons comprising the household buying or occupying Unit 2, 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 the US Department of Housing and Urban Development (HUD). The Area Median Incomes shall be adjusted each year in an amount determined by TCHA, based upon published changes in the Teton County Area Median Income as prepared by HUD.

d. **Household Asset Limitation for Affordable Units:** 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/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. 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 Supplemental 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.c and 1.d above apply only to a Qualified Buyer's acquisition of the 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 of any Unit ("Owner"), in connection with the use of any Unit, shall:

a. Occupy the dwelling on the Unit as his or her sole residence at least 10 months out of each year, except in cases of illness, short-term leaves of absence (less than one-year) for education or training purposes, or other exigent circumstances with the advance written approval of, and according to conditions as specified by, the 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 as described in the Declaration of Covenants, Conditions and Restrictions affecting the Unit;

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 dwelling, garage, any portion of the Unit, or any room within said dwelling, without the prior written approval of the TCHA, nor permit any use or occupancy of such dwelling except in compliance with these Supplemental Restrictions;

e. If any person other than the Owner, his/her spouse and/or children or other legal 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 Supplemental 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 Supplemental Restrictions; and

f. Occupy the dwelling in full compliance with the Declaration of Covenants, Conditions and Restrictions affecting this property and any other Rules and Regulations of the HOA as adopted from time to time.

In the event an Owner changes domicile or ceases to utilize the Unit in accordance with Section 2, above, the Unit will be offered for sale pursuant to the provisions of Section 3 for Non-qualified Transferee.

3. 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 Supplemental Restrictions.

Any purported sale, transfer, or other disposition to any person or entity in contravention of these Supplemental 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 upon the death of an Owner to 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 Supplemental 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 shall be accepted. Should all bids by Qualified Buyers fall below the 95% of the Maximum Resale Price, the Unit shall continue to be listed for sale until a bid is received in accordance with this Section and the TCHA Guidelines or until such time as the Owners accept a lower bid;

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 Supplemental Restrictions and TCHA Guidelines.

c. The TCHA or its assigns shall have the irrevocable right and first option to purchase the Unit, exercisable within a period of 15 business days following its determination



that the heir, devisee, joint tenant, etc., is not a Qualified Buyer in compliance with these provisions for maximum resale price calculation.

d. The TCHA or its assigns 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, as described below, Owner shall execute a standard listing contract with TCHA providing for a 270 day listing period, or such other time period as required by TCHA under its 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 property with a licensed real estate agent or broker in order to accomplish a timely sale for Owner. In the event that one qualified offer is received equal to the listing price, the Unit and improvements 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 notification and opportunity for site visit according to the TCHA's adopted Guidelines and/or adopted policies and procedures. The sales contract shall provide for a maximum of a \$1,000 earnest money payment, to be refundable if the Qualified Buyer cannot obtain financing according to the contract terms, equally shared closing costs to Buyer and Owner, Owner's required title insurance in the amount of the purchase price at Owner's expense, a 15 day Buyer's inspection period, and 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, agent contract, legal expenses if any, and/or 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 maximum resale 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, the TCHA and/or the original developer caused improvements to be made by the construction of a single family residence thereon, with the result that no additional improvements are required in order for the Unit to be used for its intended purpose as a single family residence. Accordingly, to further the TCHA's goal of providing permanently affordable housing in Teton County, the Unit, together with all improvements currently existing thereon and as may be made thereto in the future, may not be sold for an amount in excess of the "Maximum Resale Price" calculated in accordance with the requirements of this Section 5. 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

<b>BASE AMOUNT</b>	=	Owner's Original Purchase Price	+	<b>2.5 % adjustment compounded annually for each full year of ownership.</b>
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The final Maximum Resale Price shall be determined by applying, to the extent applicable, the following adjustments to the Base Amount without compounding:

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 to the Unit. For purposes of this calculation, permitted capital improvements shall include only those proposed capital improvements by the Owner that: Have been described in a writing and submitted to TCHA; have been approved by TCHA in writing **prior** to the Owner's initiation of such improvements; and that have also 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, copies of the proposed improvement drawings as appropriate, and an estimated schedule. 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 and/or subdivision architectural committee with respect to such capital improvements.

Owner's failure to provide TCHA with the above-described information within three (3) 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.

**Capital improvements shall be evaluated by TCHA's Executive Director under the Affordable housing program intent that only those items to be considered useful by a majority of low-income households for habitable space and as a non-luxury improvement (rather than maintenance or repair expenses) shall be eligible.** Owners are discouraged from over improving the residence rather than building a maintenance reserve, paying off the outstanding debt, and building equity in their investment. Capital improvements pre-authorized by the Executive Director may include a depreciation factor based on the estimated useful life of the improvement but not to exceed a ten (10) year period. In no case will decks, landscaping, sprinkler systems, hot tubs, new appliances, tile, carpeting, or wood or faux wood flooring be eligible. **All improvements which have been affixed to the property either by planting,**

**nailing, screwing, caulking or other significant attachment shall remain permanently with the property for the remainder of its life and shall not be removed on sale.**

b. Government Required Improvements. The Base Amount may be increased to reflect the actual cost of capital improvements made to the Lot 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)(i) to 5(a)(iii), 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, which approval may be withheld for any or no reason.

d. Assumption of Owner's Costs. To ensure that the sale price of the Unit is limited to the Maximum Resale Price, no purchaser of the Unit shall assume any obligation of the Owner existing at the time of the sale of the Unit, nor shall such purchaser pay to the Owner any other form of consideration in connection with the sale of the Unit. Prior to any sale of the Unit, and as a condition precedent to such sale, the Owner and the proposed purchaser of the Unit shall each provide TCHA with a certificate, signed under penalty of perjury, stating that the purchase price of the Unit does not exceed the Maximum Resale Price and that the Owner has not and will not receive from the purchaser any other consideration in connection with the sale of the Unit.

Given the unique nature of Teton County, the value of real property located in the County has historically appreciated at a rate that greatly exceeds the rate of increase experienced regionally and nationally and at a rate that is generally unrelated to economic activity in the County. In light of such appreciation trend, which is expected to continue indefinitely, the value of the Unit is also expected to appreciate dramatically, regardless of the condition of the Unit and the improvements thereon and even if such condition is allowed to deteriorate to a state which makes the improvements on the Unit uninhabitable. To prevent an unintended windfall, Owner shall not be entitled to the full amount of the Maximum Resale Price to the extent the Owner does not maintain the Unit and the improvements thereon or adequately contribute to a homeowner's association capital maintenance reserve account. Accordingly, based on its inspection, TCHA shall reduce the Maximum Resale Price by the amount, determined by TCHA in its sole and absolute discretion, that would be required to restore the Unit and its improvements to a properly-maintained state or provide for the necessary capital reserve budget; provided that the Maximum Resale Price may not be reduced to an amount below the Owner's original purchase price.

6. Default. The following shall be considered a default by the Owner, namely:
- a. A violation of these Supplemental Restrictions including TCHA's adopted Guidelines;
  - b. A violation of the Declaration of Covenants & Conditions; and
  - c. Default in payment or other obligations due or to be performed under a promissory note secured by a qualified mortgage encumbering the Unit; materialman's lien, or other liens for non-payment of debt recorded against the Property.

In the event that the TCHA and/or the TOJ has reasonable cause to believe the Owner is violating or has violated the provisions of these Supplemental Restrictions, or failed to make payment as set forth 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. In the event that the TCHA or the TOJ deems the Owner to have violated any of the requirements in Section 6.a thru 6.e above, 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 within the 15 day period in the event owner has not cured the default. In the event that the Owner timely requests a hearing, the Commissioners of the TCHA shall hear and decide the matter as a contested case under the Wyoming Administrative Procedures Act to determine the merits of the allegations. The TCHA Commissioners, or a hearing officer appointed by the Commissioners, shall conduct the hearing. In cases where the Commissioners conduct the contested case hearing, they shall do so within 30 days of the request. In cases where a hearing officer conducts the hearing, the hearing officer shall do so within a reasonable time. 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. If the Owner does not timely request a hearing and the violation is not cured within the 15 day period, the Owner shall be considered in violation of these Supplemental Restrictions.

b. Owner must notify the TCHA, in writing, of any notification received from a lender, lien holder, or their assigns, of past due payments or default in payment or other obligations due or to be performed under a promissory note or other debt, described herein, within 5 calendar days of Owners notification of said default or past due payments. Upon notification from Owner, or other notice of such default, TCHA may offer loan counseling or distressed loan services to Owner, if any of these services are available. Additionally, the TCHA may require Owner to sell the Property, if Owner will not be financially able to timely perform the obligations required under any agreements or contracts and these Supplemental Restrictions. In the event that TCHA determines that the sale of the Property is necessary, Owner shall immediately execute a standard sale and purchase contract with TCHA or its assigns. After the payment of all mortgages, unpaid taxes, assessments, claims and liens on the Unit and the payment of the usual closing costs, the net proceeds shall be paid to Owner. In all sales events,

the Unit shall remain subject to these Supplemental Restrictions. The costs of any sale shall be assessed against the proceeds of the sale with the balance being paid to the Owner.

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 Supplemental Restrictions.

9. **Limitation on Listed Purchase Price In Event of Default Or Fraud.** In the event of an uncured breach of any of these Supplemental Restrictions by the Owner, the Owner's heirs, successors or assigns, the TCHA, effective upon the beginning date of any such breach and until such breach is cured, shall not add to the "base amount" the 2.5 percentage compounded annually for each full year of ownership as set forth in Section 5 pertaining to Maximum Resale Price.

10. **Option To Purchase In The Event Of Fraud, Misrepresentation, Or Uncured Violation Of Supplemental Restrictions.** In addition to any other remedies 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 Supplemental Restrictions, TCHA or its assignee shall have the option to purchase the Unit. In the case of fraud or misrepresentation whereby the purchaser of a Unit is not a Qualified Buyer, TCHA or its assignee shall have the option to purchase the Unit at a price equal to the greater of 90% of the appraised deed restricted value of the Unit as determined by a licensed appraiser engaged by TCHA or the full amount owed on a Qualified Mortgage encumbering the Unit. In all other cases, TCHA or its assignee shall have the option to purchase the Unit at a price equal to the greater of the full amount owed on a qualified mortgage encumbering the Unit, or the appraised deed-restricted value of the house. In either event, 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: notify Owner of its election to purchase, and exercise (or assign this option and have its assignee exercise such rights) the foregoing option to purchase not less than 30 days nor more than 180 days from the date of said notice.

b. **Request for Contested Case Hearing.** Not later than 15 days after the date of TCHA's notice to the Owner of its election to so purchase, the Owner may request a contested case hearing under the Wyoming Administrative Procedures on the issue of the TCHA's right to exercise its option to purchase under this Section 10. In such event, the request shall stay TCHA's exercise of its option to purchase pending resolution of the contested case. The TCHA Commissioners, or a hearing officer appointed by the Commissioners, shall conduct the hearing

c. **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.

d. **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 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 Supplemental 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, and/or the Town of Jackson, and their respective successors.

13. **Removal Of Supplemental Restrictions Upon Unredeemed Foreclosure By Qualified Mortgagee.** Notwithstanding anything herein contained to the contrary, the Supplemental 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 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 Supplemental 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 defined as:

a. Is an encumbrance on the Unit given solely for the purpose of purchasing the Unit, or for the purpose of financing authorized improvements or repairs to a dwelling upon 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 deed restricted value of the Unit and any authorized improvements to the Unit;

c. Runs in favor of either:

i. 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

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

iii. A non-affiliated, legitimate, "finance company". In no event may 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. Assumptions of costs or loans shall not be permitted.

15. **Attorney's Fees.** In the event TCHA or Teton County resorts to litigation, either within the context of a contested case or in a court of competent jurisdiction, with respect to the enforcement or defense of any provision of these Supplemental Restrictions, the substantially prevailing party shall be entitled to recover damages and costs from the Owner, including reasonable attorney's fees.

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

17. **Severability.** Each provision of these 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 Supplemental 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 Supplemental 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, that the original intent and purpose as set forth in the recitals herein can no longer be accomplished with these Supplemental Restrictions and that they should therefore be terminated.

20. Waiver. No claim of waiver, consent or acquiescence with respect to any provision of these Supplemental Restrictions shall be valid against any party hereto except on the basis of a written instrument executed by the parties to these Supplemental 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 Supplemental Restrictions agree that any modifications of these Supplemental Restrictions shall be effective only when made by writings signed by TCHA and approved by the Town of Jackson, or the applicable successor Owners and TCHA and approved by the Town of Jackson and recorded with the Clerk of Teton County, Wyoming. Notwithstanding the foregoing, the TCHA reserves the right to amend these Supplemental Restrictions unilaterally where deemed necessary to effectuate the purpose and intent of these Supplemental Restrictions, and where such unilateral action does not materially impair the Owner or Lender's rights.

IN WITNESS WHEREOF, the Declarant has executed this instrument on the 11 day of May, 2005.

DECLARANT:  
Teton Valley Development Company, LLC

  
Scott Shepherd, Manager

(acknowledgement on the following page)

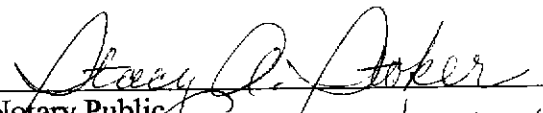


STATE OF WYOMING     )  
  ) ss.  
COUNTY OF TETON     )

The foregoing instrument was acknowledged before me by Scott Shepherd, as Manager of Teton Valley Development Company, LLC, and has submitted that he executed the foregoing this 14th day of May, 2005.

Witness my hand and official seal.

SEAL

  
Notary Public  
My Commission Expires: 8/13/08



TCHA Acknowledgment & Acceptance:

  
Lani Matthews, *Community Resources*

PIDN: TMP000 \_\_\_\_\_

PIDN: TMP000 \_\_\_\_\_

**Amendment to Declaration of Covenants, Conditions and Restrictions for the TVDC  
Condominiums and Town Homes Additions to the Town of Jackson**

Teton Valley Development Co., LLC, a Wyoming limited liability company ("Declarant"), pursuant to Section 1.25 (Definition of "Period of Declarant Control") and Section 12.3 ("Amendment") of that "Declaration of Covenants, Conditions and Restrictions for the TVDC Condominiums and Town Home Additions to the Town of Jackson" recorded on May 25, 2005 as document number 0650582 in Book 589 at pages 905 - 942 ("the Original Declaration"), hereby amends the Original Declaration by deleting Section 5.17 of the Original Declaration and replacing it with the following:

RELEASED	
INDEXED	✓
ABSTRACTED	✓
SCANNED	

5.17 Pets

A. An Owner may keep and maintain no more than a combination of one cat and two dogs, or a combination of two cats and one dog on the Property (but not three cats or three dogs), or within the confines of his Town Home or Unit.

B. Any cat or dog allowed outside the Owner's Town Home or Unit shall be restrained by a leash at all times.

C. Each Owner of a cat or dog shall physically pick up any animal droppings left by their animal and dispose of same in a proper receptacle. The Association may levy an Assessment upon any Owner who is found to have violated the rules regarding pets described above. The amount of said Assessment shall be \$50.00 for the first violation, and \$100.00 for each subsequent violation.

D. Any such Assessment shall be due to the Association upon written notice to the Owner that a charge has been levied. Any Assessment unpaid when due shall become an Assessment Lien against the Owner's Town Home or Unit and the Association shall have the right to collect said lien in the same manner as other charges and assessments pursuant to Article VIII of this Declaration.

E. The Board of Directors may adopt other rules or regulations governing the presence of dogs and cats and other pets within the Property.

IN WITNESS WHEREOF, the Declarant has executed this Amendment on the day and year set forth below.

Declarant:

Grantor: TETON VALLEY DEVELOPMENT CO\*  
Grantee: THE PUBLIC  
Doc 0704668 bk 667 pg 100-100 Filed at 4:23 on 06/13/07  
Sherry L Daigle, Teton County Clerk fees: 19.00  
By MICHELE E. FAIRHURST Deputy

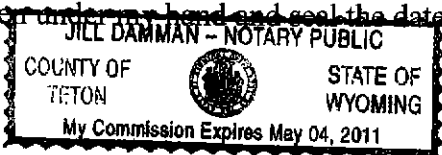
Teton Valley Development Co., LLC,  
Wyoming limited liability company

By: *SM Shepherd*  
Scott M. Shepherd, Manager *Manager*

STATE OF WYOMING     )  
  ) ss.  
COUNTY OF TETON     )

On this 12<sup>th</sup> day of JUNE, 2007, before me personally appeared Scott M. Shepherd, to me personally known, who, being by me duly sworn, did say that he is the Manager of Teton Valley Development Co. LLC, and that said instrument was signed on behalf of said limited liability company, and said Manager acknowledged said instrument to be the free act and deed of said limited liability company.

Given under my hand and seal the date first above written.

SEAL 

*Jill Damman*