

Special Joint Information Meeting

TOWN COUNCIL & COUNTY COMMISSIONER MEETING

December 20, 2018

12:30 PM

County Chambers

Chair: Mark Newcomb

NOTICE: THE VIDEO AND AUDIO FOR THIS MEETING ARE STREAMED TO THE PUBLIC VIA THE INTERNET AND MOBILE DEVICES WITH VIEWS THAT ENCOMPASS ALL AREAS, PARTICIPANTS AND AUDIENCE MEMBERS. **PLEASE SILENCE ALL ELECTRONIC DEVICES DURING THE MEETING**

I. CALL TO ORDER AND ROLL CALL

II. DISCUSSION/ACTION ITEMS

A. Redmond Street Rentals Ground Lease Amendment

III. EXECUTIVE SESSION, if needed

IV. ADJOURN

Please note that at any point during the meeting, the Chairman or Mayor may change the order of items listed on this agenda. In order to ensure that you are present at the time your item of interest is discussed, please join the meeting at the beginning to hear any changes to the schedule or agenda.



**BOARD OF COUNTY
COMMISSIONERS**



TOWN COUNCIL

JOINT INFORMATION MEETING AGENDA DOCUMENTATION

PREPARATION DATE: December 13, 2018

MEETING DATE: December 20, 2018

SUBMITTING DEPARTMENT: Housing

DEPARTMENT DIRECTOR: April Norton

PRESENTER: April Norton

SUBJECT: Redmond Street Rentals Ground Lease Addendum

STATEMENT/PURPOSE:

Staff is bringing this attached Addendum to the ground leases for Redmond Street Rentals for the purposes of 1) memorializing the current Project Percentages for each entity at this time and 2) providing clarification on how surpluses, deficits, and future contributions to the Project Percentages will be handled.

BACKGROUND/ALTERNATIVES

Now that the Redmond Street Rentals project development is complete, the parties to the ground leases desire to memorialize the initial Project Percentage for each entity. The parties also desire to memorialize their agreement regarding contributions, surpluses, and deficits.

The central question staff is bringing to the Town Council (Council) and Board of County Commissioners (Board) exists around three leases the Housing Trust sold for a total of \$905,000 and whether this money should be counted toward the Trust's Project Percentage. There is some divergence amongst Town and County staff as to the meaning of the words "contributed" and "contribution" to the project, which is not defined in the agreement. Thus, under the circumstances, some believe this makes the term ambiguous. Staff is interested in what the Town and County (Housing Authority) understood this term to mean, as a contract is to reflect a "meeting of minds" of the parties. The leases are summarized under the key issue discussion, below.

The relevant language in the executed ground leases is:

The "Project Percentage" shall mean the percentage that results from the following fraction: (a) the numerator will be the total amount that a party has contributed to the RSR Project subsequent to this

agreement, and (b) the denominator will be the total amount of all financial contributions made by the Town, Housing Authority, and Housing Trust to the project. For the purpose of calculating the numerator and the denominator, the \$1,650,000 paid by the Town for purposes of purchasing Lots 3 and 4 and obtaining three rights of first purchase or rental, is excluded. If additional monies are contributed to the project at any time by the Town, the Housing Authority or the JHCHT (for example if additional monies are contributed for the purpose of paying down any loan on the property), the numerator and denominator in the above calculation will be adjusted accordingly, thereby adjusting each party's Project Percentage.

As a quick refresher, the Town paid \$1.65M to purchase Lots 3 & 4 for the project and entered into a long-term ground lease with the Trust. At that time the project consisted of 12 rental units. The Town received three (3) revolving rights of purchase or rent from the Housing Trust. These allow a Town employee to receive the first right to purchase or to rent a Housing Trust unit when it becomes available. It is not specific to the Redmond Street Rentals Project. The employee will pay the Housing Trust to purchase or rent the unit.

In 2013 and 2015, the Housing Trust purchased two adjacent parcels (Lots 1 & 6) to add to the project. Together, the four parcels consist of 1.29 acres. With the additional land, the project grew from 12 rental units to 28 rental units.

In early 2017, the Town of Jackson provided an additional \$2,101,355 for the project (\$543,475 in Employee exactions and \$1,557,880 from the General Fund) and the JTCHA provided \$1.95M in SPET funds. In consideration of the allocation of these funds to the project:

- The Housing Trust conveyed Lots 1 and 6 exclusive of any improvements (the improvements are owned by the Housing Trust) to the Housing Authority and the Town, respectively; and
- The Housing Trust assumed sole responsibility for the development and construction of the project; and
- The Housing Trust assumed sole responsibility for the financing of the Redmond Street Rental Project; and
- The Housing Trust assumed sole responsibility for the management of rental operations, including securing tenants, maintenance, budgeting, insurance and enforcement, for so long as the Trust is the guarantor of the third-party financing required for the project.

Once the leasehold mortgage on the project is satisfied in full (it has a term of 25 years), the Town and JTCHA will receive an annual land lease payment as described in Section 2.3(b) of the ground leases (the "Ground Lease Fee"). The amount of the payment is based on each party's "Project Percentage" as defined in the ground leases and provided above.

The project development budget is summarized below, and the complete final project development report is attached to this staff report. On an annual basis, beginning in 2019, the Trust is required to provide the Housing Department with an annual report for the project. The report template is attached to this staff report.

Contributions to Project		
Town of Jackson	\$1,650,000	In 2017, Council agreed not to count towards Project Percentage
Town of Jackson	\$2,101,355	Will count towards Project Percentage
JTCHA	\$1,950,000	Will count towards Project Percentage
Housing Trust	\$2,389,284	Pledges in hand, will count towards Project Percentage
Housing Trust	\$905,000	3 leases sold to nonprofits, should these count towards Project Percentage?
RMB Loan	\$3,913,514	Commercial 25-year, fixed rate note
Total Contributions	\$12,909,153	
Total Project Cost		
Hard Costs	\$5,741,305	Shaw Construction contract
Hard Costs	\$2,302,018	Housing Trust direct purchases
Soft Costs	\$1,140,298	architectural fees, survey, appraisal, loan fees, Housing Trust fee, marketing, etc.
Land Costs	\$3,645,958	
Total Project Cost	\$12,829,579	
Excess Funds	\$79,574	These funds are restricted for the project and will be utilized to seed operations and reserve.
<i>Footnote</i>	<i>\$173,333</i>	<i>Housing Trust pledges that are outstanding and will not count towards Project Percentage at this time, but are restricted for the project.</i>

Key Issue: Determining Current Project Percentage

According to the ground leases executed by each party, the pro rata portion of net rents will be calculated by multiplying the net rents by the entity's Project Percentage.

Based on a memo received November 19, 2018, the Housing Trust states it has raised \$2,389,284 in funds restricted for the planning and construction of RSR and \$905,000 in funds generated from the sale of three 15-year leases for a total contribution of \$3,467,617. They have \$173,333 in pledges for the project, but these have not yet been contributed to the project and will not be counted towards the Project Percentage.

Summary of the three leases sold by the Housing Trust:

- 1) TC Library Foundation pre-paid for a unit for a Library employee. The Library will set the rental rate for the tenant; RSR LLC, as administrator of the sublease agreement with the Tenant, will withhold funds from gross rents to cover management and maintenance costs (adjusted on an annual basis). The net rental revenue will be returned to the Library Foundation. This lease agreement includes an obligation of the Housing Trust (not the RSR, LLC) to repay rent not yet received by the Library Foundation if the lease terminates prior to the 15-year term. This performance obligation will be carried in the footnotes of the Housing Trust's financial statements as a contingent liability.
- 2) A donor made a gift directly to the Housing Trust to pre-pay for a unit for a local artist. The donor specified that net rents should be directed to the Center of Wonder. Center of Wonder will set the rental rate for the tenant. RSR will withhold funds from gross rents to cover management and maintenance costs (adjusted on an annual basis). The net rental revenue will be returned to the Center of Wonder. There is no contingent liability associated with this lease.
- 3) Teton County Sheriff's Auxiliary pre-paid for a unit for Sheriff's employee. The TCSA will set the rental rate for the tenant. RSR will withhold funds from gross rents to cover management and maintenance costs (adjusted on an annual basis). The net rental revenue will be returned to the TCSA. There is no contingent liability associated with this lease.

The central issue surrounding these three leases is whether they should be characterized as “contributions” for the purpose of determining Project Percentages.

Why the leases should be included

The three leases generated \$905,000 and that money was contributed by the Trust to RSR to develop the project. The Trust is obligated under the ground leases to service the long-term note, which is anticipated to take 25 years, and maintain and manage the short-term needs and long-term reserves of the project. The Town and JTCHA will not begin receiving (or paying) their Project Percentage until the long-term note is paid. The leases will terminate prior to the Trust retiring the debt, so the rent revenue that is not generated on an annual basis because of the prepayment is part of the RSR annual budget for the first 15 years and is therefore a risk the Trust is assuming because they are solely responsible for annual budget deficits prior to retiring the long-term debt.

Why the leases should not be included

The transactions are not by definition a “prepaid lease”, that occurs when an entity recognizes revenue over a lease term. The management and maintenance costs retained by RSR is considered a prepaid lease/deferred revenue. The remaining funds are returned to the original payer, which makes this money a cash advance/lease deposit. So, the money generated by the leases will only partially stay with the project in the form of the management and maintenance coverage. Therefore, the money generated from the leases is essentially a financing tool that enabled the project to get built, but that should not be counted toward the Project Percentage for the Housing Trust just like the long-term note is not being counted toward the Project Percentage for the Housing Trust.

Options for the Council and Board to consider

Several options for going forward have been discussed by Town, County, and Housing Trust staff and are outlined below. Any option the Council and Board choose must also be approved by the Housing Trust Board of Directors.

Option A: Count all prepaid leases as part of the Trust’s Project Percentage. The Housing Trust Board supports this option.

Option B: Count the Sheriff’s Auxiliary and Center of Wonder leases as part of the Project Percentage now, but do not count the Library Foundation’s lease because of the performance obligation. Once the performance obligation is fulfilled, count the Library Foundation Lease. The Housing Trust Board will support this option.

Option C: Determine the amount of money saved in interest by receiving the \$905,000 up front instead of over a 15-year lease term, thus allowing the Trust to borrow less money for the project. At 4.6% interest over a 25-year period, staff estimates that \$620,000 in interest payments was avoided. The Trust should receive credit for this money saved. Staff does not know whether the Housing Trust Board will support this option.

Option D: Count none of the prepaid leases as part of the Trust’s Project Percentage. The Housing Trust Board does not support this option.

Option E: Over the 15-year lease term, calculate the amount of money that stayed with the project and count that amount toward the Trust's Project Percentage. The Housing Trust Board will not support this option.

Staff has provided Project Percentage calculations for options A, B, and C, below. Because the Housing Trust Board has already determined they will not support Option D or Option E, staff has removed these from the table.

Option A – all leases count now		Option B – 2 leases count now, 1 may count later		Option C – interest savings on \$905k at 4.6% over 25 years	
Housing Trust	44.85%	Housing Trust	43.10%	Housing Trust	42.62%
Town	28.60%	Town	29.51%	Town	29.76%
JTCHA	26.55%	JTCHA	27.39%	JTCHA	27.62%

Next Steps

If Council and Board direct staff to move forward with Option A or Option C, staff will work to revise the Addendum if necessary, and take to the Housing Authority Board, Housing Trust Board, and Council to sign. If the Council and Board direct staff to move forward with Option D, staff will work with the Trust to see if this is a workable option for their board. If the Council and Board direct staff to move forward with some other option not summarized in this staff report, staff will work with the Trust to determine if the new option is workable for their board. If no option can be agreed upon by all three entities, staff will bring this back to the Board and Council for reconsideration and/or direction to enter into dispute resolution as outlined in Section 7 of the Agreement Regarding Redmond Street Rental Project.

Other items clarified in the Addendum

The executed ground leases state that if additional monies are contributed to the RSR Project at any time by the Town, Housing Authority, or Housing Trust (for example if additional monies are contributed for the purpose of paying down any loan on the properties), the numerator and denominator will be adjusted accordingly, thereby adjusting each party's Project Percentage.

- The Ground Lease is not specific about what happens if an entity provides money for a capital project or debt acceleration and how the three entities go about agreeing on and calculating Project Percentages. Staff and the Housing Trust have agreed, and the addendum attached reflects, that all three entities must agree to Project Percentage credits in the future, whether it be for a capital project that was not anticipated or debt acceleration. Requiring all three entities to agree limits any one entity's ability to acquire a larger Project Percentage without acknowledgement and approval of the other two partners.

The annual surplus or deficit generated by the project will vary over time.

- The Housing Trust is the sole owner of Redmond Street Rentals LLC. If RSR LLC experiences an operational deficit, staff recommends, and the Housing Trust has agreed, that any money provided by the Housing Trust to cover this deficit should not be counted toward their Project Percentage unless the expense arises from a revision to RSR's management obligations mandated by the Town and JTCHA. An example of this might be a change in reporting requirements from an

annual report to a monthly report. If the Town or JTCHA contribute to the payment of operational expenses that amount may be included as part of the Project Percentage calculation. This is reflected in the attached Addendum.

- If RSR LLC experiences a surplus once all reserves are funded, staff recommends, and the Housing Trust has agreed, that the Housing Trust as sole owner of the LLC can choose to withdraw the surplus to utilize for their own purposes without any adjustment to their Project Percentage. This is reflected in the attached Addendum.

ATTACHMENTS

- Draft Ground Lease Addendum
- Agreement with Jackson/Teton County Housing Authority Regarding Redmond Street Rental Project
- Ground Lease (Redmond Street Rental Project)
- Redmond Street Rentals Final Project Report, November 2018
- Redmond Street Rentals Annual Report Template

FISCAL IMPACT

The fiscal impacts of the project will vary based on policy decisions, annual operations, etc. These have been summarized throughout this staff report.

STAFF IMPACT

Impact on housing staff is ongoing as it relates to annual reporting for the project. Town and County legal, Town and County administration, and Town finance staff have also spent considerable time on this item.

STAKEHOLDER ANALYSIS

Stakeholders: Teton County; Town of Jackson; Jackson Hole Community Housing Trust; Town and County taxpayers and residents; potential renters; local businesses; community members at-large; neighbors living near the development; etc.

LEGAL REVIEW

This staff report and the Ground Lease Addendum have been reviewed by Keith Gingery and Audrey Cohen-Davis.

RECOMMENDATION

Staff makes no collective recommendation. If changes are made to the proposed Addendum the Housing Trust Board of Directors will also need to approve and sign the Addendum.

SUGGESTED MOTION

For the Commission and the Town Council:

I move to approve the Addendum to the Ground Lease for Redmond Street Rentals as presented.

OR

I move to approve the Addendum to the Ground Lease for Redmond Street Rentals with the following changes, subject to approval by the Jackson Hole Community Housing Trust Board of Directors:

ADDENDUM TO GROUND LEASES
(REDMOND STREET RENTALS PROJECT)

THIS ADDENDUM TO GROUND LEASES (this “**Addendum**”) is entered into as of December __, 2018 (“**Effective Date**”), by and between Redmond Street Rentals LLC, a Wyoming limited liability company (“**RSR**”), the Jackson/Teton County Housing Authority (the “**Housing Authority**”), and the Town of Jackson, a Wyoming municipal corporation (the “**Town**.”

RECITALS

WHEREAS, RSR is wholly-owned by the Jackson Hole Community Housing Trust (the “**JHCHT**”), a Wyoming 501(c)(3) tax exempt organization organized exclusively for charitable purposes, including, but not limited to, the provision, management and administration of affordable housing in Teton County, Wyoming and lessening the burden of government;

WHEREAS, the Housing Authority and RSR entered into that certain Ground Lease, dated April 10, 2017, whereby the Housing Authority leased to RSR that certain real property described as Lot 1 of the James G. and Julia L. Scarlet Addition Second Filing to the Town of Jackson, Plat No. 1316 (the “**Housing Authority Lot**”), together with all rights, privileges and appurtenances thereto, but exclusive of any improvements (the “**Housing Authority Ground Lease**”);

WHEREAS, the Town and RSR entered into that certain Ground Lease, dated March 20, 2017, whereby the Town leased to RSR that certain real property described as Lot 3, Lot 4 and Lot 6 of the James G. and Julia L. Scarlet Addition Second Filing to the Town of Jackson, Plat No. 1316 (the “**Town Lots**”), together with all rights, privileges and appurtenances thereto, but exclusive of any improvements (the “**Town Ground Lease**,” and together with the Housing Authority Ground Lease, the “**Ground Leases**”);

WHEREAS, RSR, in accordance with the Ground Leases, that certain Agreement with the Jackson/Teton County Housing Authority Regarding Redmond Street Rental Project, dated April 10, 2017, and that certain Agreement with the Town of Jackson Regarding Redmond Street Rental Project, dated March 20, 2017 (collectively, the “**Governing Documents**”), has completed the development and construction of permanently restricted affordable rental units on the Housing Authority Lot and the Town Lots (the “**Redmond Street Rental Project**”);

WHEREAS, now that the development and construction of the Redmond Street Rental Project is complete and all certificates of occupancy have been obtained, RSR (i) is the owner of twenty-eight (28) permanently restricted affordable rental units (the “**Rental Units**”) on the Housing Authority Lot and the Town Lots subject to the Ground Leases, (ii) is the borrower under the Loan (as defined in the Ground Leases) and the mortgagor under the Leasehold Mortgage (as defined in the Ground Leases), which Loan is guaranteed by the JHCHT; and (iii) so long as the Leasehold Mortgage is outstanding or JHCHT is the guarantor of the Loan secured thereby, is solely obligated under the Governing Documents to manage, operate and maintain the Redmond Street Rental Project in accordance with the terms thereof; and

WHEREAS, RSR entered into three leases with non-profit entities for three separate Rental Units for a lease term of fifteen (15) years each (the “**Long-Term Leases**”), in exchange for the

upfront payment by each non-profit entity to RSR of an amount representing fifteen (15) years of rental payments under each such lease (the “**Lease Price**”); and

WHEREAS, in light of the foregoing, the parties hereto desire to clarify and confirm certain provisions contained in the Ground Leases.

AGREEMENT

NOW THEREFORE, for and in consideration of the foregoing recitals, which are hereby incorporated into this Addendum, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, RSR, the Housing Authority and the Town agree as follows:

1. Definitions. All capitalized terms utilized in this Addendum and not defined herein shall have the meanings ascribed to them in the Ground Leases.

2. Establishment of Project Percentages. For purposes of Section 2.3(b) of the Ground Leases, the “Project Percentage” of each of RSR, the Housing Authority and the Town as of the Effective Date of this Agreement are as follows:

RSR:	44%
Housing Authority:	27%
Town of Jackson:	29%

On an annual basis as part of the reporting required in Section 2.4(d) of the Ground Leases, each party hereto will have the opportunity to submit documentation to the other parties hereto in support of an adjustment to the Project Percentages. Any adjustments to Project Percentages must be mutually agreed upon the parties hereto. The parties agree that after RSR fulfills its performance obligations under its lease to the Teton County Library Foundation (“TCLF”), which is expected to occur in 2033, the Lease Price paid by TCLF to RSR will be included in the Project Percentage of RSR

3. Provisions Regarding Long-Term Leases. The parties agree as follows with respect to the Long-Term Leases:

a. RSR contributed the Lease Price paid to RSR under each Long-Term Lease to the Redmond Street Rental Project for the purpose of reducing the balance outstanding under the construction loan, and the Lease Prices are therefore included in the Project Percentage of RSR stated above, except for the Lease Price paid by TCLF which shall be included in the Project Percentage of RSR at a later date as described above in Section 2.

b. No Long-Term Lease may be renewed, and no new Long-Term Leases shall be entered into, without the prior written approval of the Housing Authority, the Town and RSR.

c. The parties hereto acknowledge that the current term of the Loan is twenty-five (25) years, and Section 2.3(b) of the Ground Leases provides that upon the satisfaction in full of the Leasehold Mortgage, the Town, the Housing Authority and RSR will begin to receive an

annual lease fee payment from the Redmond Street Rental Project in an amount equal to each such party's "pro rata portion of net rents" generated from the Redmond Street Rental Project as described therein. Therefore, if the Loan is prepaid in full prior to the expiration of the term of the Long-Term Leases, the parties hereto agree that the Town and the Housing Authority shall receive, in addition to their annual lease fee, an additional amount of "net rents" (as defined in Section 2.3 of the Ground Leases) to account for the loss in rental revenue from the Rental Units still subject to the Long-Term Leases (the "**Adjustment Amount**"). The Adjustment Amount shall be calculated by multiplying (i) the number of months remaining in the terms of the Long-Term Leases as of the date the Loan is prepaid in full, by (ii) the then current monthly amount of "net rents" generated by Rental Units that are comparable in size to the Rental Units subject to the Long-Term Leases. The Adjustment Amount shall be payable in equal monthly installments over the remaining term of the Long-Term Leases.

4. Contributions to the Redmond Street Rental Project. The parties agree as follows regarding certain categories of contributions a party may make to the Redmond Street Rental Project and the effect of those contributions on the Project Percentages:

a. *Operations:* RSR's payment of operational expenses related to the Redmond Street Rental Project shall not be included in the calculation of Project Percentages, unless the expense arises from a revision to RSR's management obligations mandated by either the Town or the Housing Authority (e.g., the Housing Authority requires monthly, rather than annual, reporting), and so long as the Town, Housing Authority, and RSR all agree to the expense being included in the calculation of Project Percentages. On the other hand, if the Town or the Housing Authority contribute to the payment of operational expenses related to the Redmond Street Rental Project (which they are under no obligation to do until the Loan is paid in full), the amount of such contributions shall be included in the calculation of Project Percentages for the benefit of the party making such contribution, so long as the Town, Housing Authority, and RSR all agree to the expense being included in the calculation of Project Percentages.

b. *Capital Improvements.* If any party hereto makes a capital investment to the Redmond Street Rental Project that is above and beyond the funding available in the reserve fund and not included in the activities anticipated in the then current reserve fund schedule (e.g., finishing out the basements in the Rental Units), the amount of such capital investment shall be included in the calculation of Project Percentages for the benefit of the party making such contribution, so long as the Town, Housing Authority, and RSR all agree to the investment being included in the calculation of Project Percentages.

c. *Debt Service Acceleration.* If any party hereto contributes funds to the Redmond Street Rental Project for the purpose of accelerating the repayment of the Loan, the amount of such funds shall be included in the calculation of Project Percentages for the benefit of the party making such contribution, so long as the Town, Housing Authority, and RSR all agree to the contribution being included in the calculation of Project Percentages. The parties hereto acknowledge that the prepayment of the Loan may result in prepayment penalties.

5. Surplus; Deficit. So long as the Leasehold Mortgage is outstanding or JHCHT is the guarantor of the Loan secured thereby, RSR is obligated to manage, operate and maintain, at

its sole cost and expense, the Redmond Street Rental Project in accordance with the terms of the Governing Documents.

a. *Surplus.* During such period, RSR shall have sole responsibility and discretion regarding the use of all funds, including any surplus funds, generated by the Redmond Street Rental Project. Also, during such period: (i) RSR may distribute surplus funds to the JHCHT and the Project Percentages shall not be adjusted, and (ii) RSR may contribute surplus funds to the Redmond Street Rental Project for any category described in Section 4 above, so long as the Town, Housing Authority, and RSR all agree to the contribution being included in the calculation of Project Percentages.

b. *Deficit.* During such period, RSR bears full responsibility to fund any deficit that occurs with respect to the costs of the management, operations and maintenance of the Redmond Street Rental Project (which for the avoidance of doubt includes debt service on the Loan and funding the reserves).

6. Continued Effectiveness of Terms of Agreement. Except as expressly modified in this Addendum, the terms and conditions contained in the Ground Leases shall remain unmodified and in full force and effect. In the event of any conflict between the terms in this Addendum and the terms of any Governing Document, the terms of this Addendum shall control.

7. Counterpart Signatures. This Addendum may be executed in any number of counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute one agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed as of the Effective Date.

RSR:

**Redmond Street Rentals, LLC,
a Wyoming nonprofit corporation**

By: Jackson Hole Community Housing Trust, a
Wyoming nonprofit corporation, its Manager

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by _____ and _____, as Officers of the Jackson Hole Community Housing Trust, a Wyoming nonprofit corporation, as the Manager of Redmond Street Rentals LLC, a Wyoming limited liability company, this ____ day of _____, 20____.

WITNESS my hand and official seal.

Notary Public

My commission expires:

Housing Authority:

The foregoing Agreement is hereby accepted by the Jackson/Teton County Housing Authority this _____ day of _____, 20_____.

JACKSON/TETON COUNTY HOUSING AUTHORITY

Matt Faupel, Chairman

Attest: _____
Danielle Goldyn-Haigh, Clerk

Affirmed and Approved By:

JACKSON TOWN COUNCIL

Pete Muldoon, Mayor

Attest: _____
Sandy Birdyshaw, Jackson Town Clerk

Affirmed and Approved By:

TETON COUNTY BOARD OF COUNTY COMMISSIONERS

Mark Newcomb, Chairman

Attest: _____
Sherry Daigle, Teton County Clerk

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by Matt Faupel and Danielle Goldyn-Haigh, Chairman and Clerk, respectively, of the Jackson/Teton County Housing Authority, this _____ day of _____, 20____.

Witness my hand and official seal.

Notary Public

My Commission Expires:

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by Pete Muldoon and Sandy Birdyshaw, Mayor and Town Clerk, respectively, of the Jackson Town Council, this ____ day of _____, 20____.

Witness my hand and official seal.

Notary Public

My Commission Expires:

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by Mark Newcomb and Sherry Daigle, Chairman and Teton County Clerk, respectively, of the Teton County Board of County Commissioners, this _ day of _____, 20____.

Witness my hand and official seal.

Notary Public

My Commission Expires:

Town of Jackson

JACKSON TOWN COUNCIL

Pete Muldoon, Mayor

Attest: _____
Sandy Birdyshaw, Jackson Town Clerk

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by Pete Muldoon and Sandy Birdyshaw, Mayor and Town Clerk, respectively, of the Jackson Town Council, this ____ day of _____, 20____.

Witness my hand and official seal.

Notary Public

My Commission Expires:

GROUND LEASE
(REDMOND STREET RENTAL PROJECT)

THIS GROUND LEASE (the "Lease") is entered into and made to be effective as of the ____ day of _____, 2017, by and among the **Jackson/Teton County Housing Authority** (the "Lessor" or "Housing Authority") and the **Redmond Street Rentals LLC**, a Wyoming limited liability company (the "Lessee" or "JHCHT").

RECITALS

WHEREAS, Lessee is a 501(c)3 tax exempt organization organized exclusively for charitable purposes including, but not limited to, the provision, management and administration of affordable housing in Teton County, Wyoming and lessening the burden of government;

WHEREAS, Lessor has determined the shortage of rental housing opportunities is a growing burden of the Town of Jackson and Teton County, and part of its governmental function, and that there is a strong need for the assistance of the Lessee in meeting such need;

WHEREAS, in accordance with that certain Agreement with the Jackson/Teton County Housing Authority Regarding Redmond Street Rental Project, dated _____, 2017, between the Housing Authority and JHCHT (the "Project Agreement"), immediately prior to the execution of this Lease, the JHCHT conveyed to the Housing Authority Lot 1 of the James G. and Julia L. Scarlett Addition Second Filing to the Town of Jackson, Plat Number 1316 as further described on Exhibit A attached hereto, together with all rights, privileges and appurtenances thereto, but exclusive of any improvements ("Lot 1");

WHEREAS, the conveyance of Lot 1, along with the following items of consideration set forth in the Project Rental Agreement, established the consideration necessary for the Housing Authority's contribution of \$1,950,000 in specific purpose excise tax funds to the Redmond Street Rental Project: (i) JHCHT will be solely responsible for the development and construction of the Redmond Street Rental Project; (ii) JHCHT will have sole responsibility for the financing of the Redmond Street Rental Project, (iii) JHCHT will have sole responsibility for the management of rental operations, including securing tenants, maintenance, budgeting, insurance and enforcement, for so long as JHCHT is the guarantor of the third-party financing required for the Redmond Street Rental Project; and (iv) rental revenue payment to the Housing Authority on the terms and conditions described below;

WHEREAS, in accordance with the Project Agreement, Lessor now desires to enter into this 50 Year Ground Lease with Lessee pursuant to the terms and conditions set forth herein so that Lessee can construct and manage affordable rental units on Lot 1 (collectively, the "Scarlett Property");

WHEREAS, in accordance with the Project Agreement, Lessee desires to enter into this 50 Year Ground Lease with Lessor pursuant to the terms and conditions set forth herein so that Lessee can construct and manage affordable rental units on the Scarlett Property and lessen the burden of government; and

NOW THEREFORE, in consideration of the foregoing Recitals and the mutual promises and covenants herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Lessor hereby leases the Scarlett Property to the Lessee, and the Lessee hereby leases the Scarlett Property from Lessor subject to the terms and conditions set forth hereafter.

ARTICLE 1. DEFINITIONS

1.1 Definitions. The following terms shall have the following meanings in this Lease.

(a) "Award" means any compensation or payment made or paid for the Total, Partial or Temporary Taking of all of any part of or interest in the Scarlett Property and/or the Improvements, whether pursuant to judgment, agreement or otherwise.

(b) "Housing Authority" means the Jackson/Teton County Housing Authority

established pursuant to Wyo. Stat. §15-10-116(b).

(c) "Housing Department" means the Town of Jackson/Teton County Housing Department.

(d) "Improvements" shall mean the buildings, structures and other improvements, including the building fixtures therein, now or hereafter located on the Scarlett Property, including but not limited to the Scarlett Units.

(e) "Lease" shall mean this ground lease between the Lessee and the Lessor for the Scarlett Property and shall include any and all duly approved amendments made to this Lease in writing.

(f) "Lease Term" shall mean the initial fifty (50) year period beginning on the date of this Lease, and any option period that may be granted pursuant to the terms of this Lease

(g) "Leasehold Mortgage" shall mean any mortgage, deed of trust, security agreement or collateral assignment securing a Loan and encumbering Lessee's leasehold interest in the Scarlett Property.

(g) "Lender(s)" shall mean only those lenders identified by Lessee to the Lessor in writing, and any assignee of such Lenders who are also identified to the Lessor in writing during the term of the identified loans.

(h) "Lessee" shall mean the Jackson Hole Community Housing Trust, and its successors and assigns.

(i) "Lessor" shall mean the Housing Authority.

(j) "Loans" shall mean collectively any loans or funding sources originated by Lessee for construction of the Scarlett Units on the Scarlett Property.

(k) "Loan Documents" shall mean all loan agreements, notes, deeds of trust, security documents, including regulatory agreements, use agreements, security agreements, fixture filings, and financing statements required in connection with any Loans.

(l) "Notice of Intended Taking" means any notice or notification on which a reasonably prudent person would rely and which said person would interpret as expressing an existing intention of Taking as distinguished from a mere preliminary inquiry or proposal. It includes, without limitation, the service of a condemnation summons and complaint on a party to this Lease. The notice is considered to have been received when a party to this Lease receives from the condemning agency or entity a notice of intent to take, in writing, containing a description or map of the taking which reasonably defines the extent of the taking.

(m) "Partial Taking" means any taking of the fee title of the Scarlett Property and/or the Improvements that is not either a Total, Substantial or Temporary Taking.

(n) "Party" shall mean the Lessor or the Lessee individually.

(o) "Parties" shall mean the Lessor and the Lessee collectively.

(p) "Redmond Street Rental Project" shall mean the twenty-eight (28) rental units (which includes the Scarlett Units) on the Scarlett Property and on Lots 3, 4 and 6 of the James G. and Julia L. Scarlett Addition as illustrated on the site plan attached hereto as Exhibit A.

(q) "Scarlett Property" means Lot 1.

(r) "Scarlett Units" means the rental units to be constructed on the Scarlett Property by Lessee pursuant to the Final Development Plan approval provided for in Section 2.4(a).

(s) "Taking" means institution of any proceedings for the taking or condemnation of all or a portion of the Scarlett Property by the government of the United States, State of Wyoming, County of Teton, or any other governmental authority, or any other entity under the right of eminent domain. Unless otherwise provided, the taking shall be deemed to occur as of the earlier of (a) the date actual physical possession is taken by the condemnor, or (b) the date on which the right to compensation and damages accrues under the law applicable to the Scarlett Property and/or the Improvements.

(t) "Tenant" means any sublessee of any of the Scarlett Units.

(u) "Town" means the Town of Jackson.

(v) "Substantial Taking" means the taking of so much of the Scarlett Property and/or the Improvements that the portion of the Scarlett Property and/or the Improvements not taken cannot be repaired or reconstructed, taking into consideration the amount of the Award available for repair or reconstruction, so as to constitute a complete, rentable structure, capable of producing a proportionately fair and reasonable net annual income, and all other charges payable under this Lease, and after performance of all covenants and conditions required by Lessee by law and under this Lease. Eminent domain actions filed by Lessor against owners of portions of the Scarlett Property and pending as of the date of this Lease shall not be deemed, construed or interpreted as a Substantial Taking under this Lease.

(w) "Temporary Taking" means a taking of all or any part of the Scarlett Property and/or the Improvements for a term certain which term is specified at the time of taking. Temporary Taking does not include a taking which is to last for an indefinite period or a taking which will terminate only upon the happening of a specified event unless it can be determined at the time of the taking substantially when such event will occur. If a taking for an indefinite term should take place, it shall be treated as a Total, Substantial or Partial Taking in accordance with the definitions set forth herein.

(x) "Total Taking" means the taking of the fee title to all of the Scarlett Property.

ARTICLE 2. LEASE OF THE SCARLETT PROPERTY: LEASE PAYMENTS: TAXES AND ASSESSMENTS

2.1 Lease of the Scarlett Property. The Lessor, for and in consideration of the covenants and agreements to be kept and performed by the Lessee, leases the Scarlett Property to the Lessee, and in consideration thereof, the Lessee does take, hire and lease the Scarlett Property from the Lessor pursuant to the terms of this Lease. The Lessee or its designee shall operate the Scarlett Units in compliance with all applicable laws. This Lease hereby amends and restates in its entirety the Existing Lease, and the Existing Lease shall have no further force or effect. Concurrently with the execution of this Lease, Lessor and Lessee shall record this Lease in the Office of the Teton County Clerk.

2.2 Term.

(a) Initial Term. The term of this Lease shall commence upon the date this Lease is executed and end fifty (50) years from that date (the "Initial Term"), unless extended pursuant to section (b) below, or terminated by the parties or pursuant to the terms and conditions of this Lease.

(b) Extension. Provided the Conditions Precedent to Renewal described below are satisfied as of the time of Lessee's exercise of a renewal option and again upon commencement of the renewal period, Lessee shall have the right and option to extend the term for two (2) additional terms. The first such term shall be for a period of twenty-five (25) years, and the second such term shall be for a period of twenty-four (24) years. Each option to extend the term of this Lease may be exercised by

delivering to Lessor written notice of such renewal no later than two (2) years prior to either the Initial Expiration Date or the end of the first options period of twenty-five (25) years, as appropriate. All other terms and provisions of this Lease shall be applicable during the renewal periods with the same force and effect as the initial term. In order to extend the term of this Lease as contemplated herein, the following Conditions Precedent to Renewal must be satisfied as of the dates set forth above: (i) Lessee shall not be in material breach of the terms of this Lease; (ii) Lessee shall be a public charity qualified under §501(c)(3) of the IRC, or any successor code section; (iii) Lessor, in its reasonable determination, has not previously found that the Lessee has materially breached its obligation to hold the Improvements in trust for the benefit of the citizens of the Town of Jackson and Teton County; (iv) Lessor, in its reasonable determination, has not previously found that the Lessee has materially breached its obligation to operate and maintain the Redmond Street Rental Project primarily for the public benefit and not for the benefit of any private individual or entity; and (v) Lessor does not determine, at the time of an extension, that the Lessee lacks the financial, operational or business stability to continue to effectively operate the Redmond Street Rental Project in the best interest of the citizens of the Town of Jackson and Teton County, Wyoming.

(c) Rent During Extended Term. Rent for any extended term will be as set forth in Section 2.3.

2.3 Lease Payments. The Lessee shall make all lease payments to the Lessor, at Post Office Box 1727, Jackson, Wyoming 83001, or such other place as Lessor may designate in writing.

(a) Rent for the Scarlett Property will be \$1.00 per year for the first five (5) years of the Term which shall be due and payable upon execution of this Lease. Thereafter, rent for the Scarlett Property will be \$400.00 per year which shall be due annually no later than the 1st of May. This amount shall be adjusted each year in accordance with any percentage of increase or decrease in the Wyoming Cost of Living Index (incorporating all items included in the Wyoming Cost of Living Index except for the housing component) for the Northwest Region, as promulgated by the Wyoming Department of Administration, Division of Research and Statistics pursuant to the fourth quarter report of the Index for the preceding year (which report is published in April of each year). If the Wyoming Index is not published or available, the CPI-U published by the United States, or other similar index as selected by the CLT may be used to determine the applicable inflation factor. Rent shall be payable for the first year of the Lease Term within five (5) days of commencement of this Lease and thereafter within five (5) days of the date of each one year anniversary. The prepayment of Rent is prohibited.

(b) As provided in the Project Agreement, upon the satisfaction in full of the Leasehold Mortgage, the Town, the Housing Authority and the JHCHT will begin to receive an annual lease fee payment from the Redmond Street Rental Project in an amount equal to each such party's "pro rata portion of net rents" generated from the Redmond Street Rental Project as described below. Contemporaneously with the execution of this Lease, the Town has entered into a Ground Lease with the JHCHT for Lots 3, 4 and 6 of the James G. Scarlett and Julia L. Scarlett Addition to the Town of Jackson, Teton County, Wyoming according to the plat recorded in the Office of the Teton County Clerk as Plat No. 1128, which Ground Lease contains the same terms set forth herein. The Town's "pro rata portion of net rents" will be calculated by multiplying the "net rents" (as defined below) by the Town's Project Percentage (as described below).

- For purposes of this Lease, "Project Percentage" shall mean the percentage that results from the following fraction: (a) the numerator will be the total amount that a party has contributed to the Redmond Street Rental Project subsequent to this Lease, and (b) the denominator will be the total amount of all financial contributions made by the Town, the Housing Authority and the JHCHT to the Redmond Street Rental Project. For the purpose of calculating the numerator and the denominator, the \$1,650,000 paid by the Town for purposes of purchasing Lots 3 and 4 and obtaining three rights of first purchase or rental, will be excluded. If additional monies are contributed to the Redmond Street Rental Project at any time by the Town, the Housing Authority or the JHCHT (for example if additional monies are contributed for the purpose of paying down any loan on the Scarlett Property), the

numerator and denominator in the above calculation will be adjusted accordingly, thereby adjusting each party's Project Percentage. For illustration purposes only, and not taking into account any potential adjustment due to additional contributions, if the total amount contributed by the Housing Authority totals \$1,950,000, the total amount contributed by the Town totals \$2,100,000, and the total amount contributed by the JHCHT totals \$3,000,000, then the Project Percentage of the Housing Authority will be 28%, the Project Percentage of the Town will be 30% and the Project Percentage of the Housing Trust will be 42%.

- The calculation of each party's Project Percentage and resulting "pro rata portion of net rents" will occur when the Leasehold Mortgage for the Redmond Street Rental Project is retired.
- "Net rents" will be determined on an annual basis by deducting all expenses (including taxes, insurance, maintenance, reserves, administrative expenses and management fees) of the Redmond Street Rental Project from the gross rents generated from the Redmond Street Rental Project. Capital expenses deemed necessary by the mutual agreement of the Housing Authority, the Town of Jackson and the Housing Trust that are not paid for out of the reserve fund for the Redmond Street Rental Project will also be deducted from gross rents.

2.4 Construction of Scarlett Units: Occupancy Requirements.

(a) Scarlett Units. The Lessee shall be obligated to construct only the nine (9) units approved by the Town for the Scarlett Property (the "Scarlett Units");

(b) Verification of Sufficient Funds to Commence Construction of Affordable Rental Units. Prior to the issuance of the building permit for the Scarlett Units, the Lessee will provide written verification to the Housing Authority that the Lessee holds sufficient private funding and has secured sufficient third-party financing funds for the completion of the construction of the Scarlett Units. The third-party financing may not exceed \$4,000,000 without the consent of the Housing Authority. The building permit will not be issued until the foregoing requirement has been deemed satisfied by the Housing Authority in its reasonable discretion;

(c) Completion of Construction of Scarlett Units. The Lessee shall complete, to the Housing Authority's reasonable discretion, on or before 5PM MT on January 1, 2019, the Scarlett Units on the Scarlett Property, which performance obligation shall be deemed to be satisfied by the Lessee if the Town has issued certificates of occupancy (or similar documentation) to permit occupancy of all of the units permitted for construction by Town. If the foregoing performance obligation is not satisfied by the Lessee, the Housing Authority shall have the unilateral right to terminate this Lease after providing notice to the Lessee and after the expiration of a 180-day cure period if the Lessee has commenced construction;

(d) Occupancy, Income and Rental Pricing Requirements. Prior to renting the first of the Scarlett Units, the Lessee shall establish, in its sole and absolute discretion, the occupancy, income and rental pricing of each Scarlett Unit in accordance with the policies of the Lessee and Internal Revenue Service guidelines in furtherance of the charitable purposes of Lessee, as amended. The rental pricing shall be determined in a manner that is consistent with the Department of Housing and Urban Development's affordability standards and the charitable purposes of Lessee, as amended. The JHCHT is permitted to lease Scarlett Units to Teton County employers, provided that the employee to which the employer subleases the unit satisfies the occupancy and income policies of the JHCHT. Lessee shall determine whether a prospective Tenant is qualified and therefore eligible to rent each of the Scarlett Units. Such determination shall be based upon the written applications, representations, information and verification as are deemed by Lessee, in its sole discretion, to be necessary to establish and substantiate eligibility. No Tenant shall have the right to any appeal of such decision by Lessee, and each Tenant applicant shall, by making the application, waive any such right he or she may otherwise have. No lease (or sub-lease in the case of an employer renting to an employee) for a Scarlett Unit shall be renewed without the Tenant re-qualifying for such unit under the then applicable occupancy and income guidelines. In furtherance of the Housing Trust's commitment to keep the units occupied by qualified community

members, the Housing Trust will provide an annual report on the Scarlett Units to the Housing Department that details household incomes served, demographics (i.e. number of adults, children and pets), and confirmation of employment, and any other information directly related to the Scarlett Units that the Housing Department reasonably requests. Notwithstanding anything to the contrary herein, commensurate with the satisfaction in full of the Leasehold Mortgage or the release of JHCHT as the guarantor of the Leasehold Mortgage, whichever occurs first, the Lessor and the Lessee shall assess the impact of the Redmond Street Rental Project on the housing needs facing the community and, if deemed necessary by the mutual agreement of Lessor and Lessee, the applicable guidelines and policies may be adjusted to better respond to the housing needs of Teton County residents.

2.5 Taxes and Assessments.

(a) Payment by Lessee. Lessee covenants and agrees during the entire Lease Term, at its own cost and expense, to pay, subject to any applicable exemptions, prior to delinquency and before any fine, penalty, interest, or other charge may be added to them for nonpayment, all real estate taxes, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature, made, assessed, levied or imposed upon, or due and payable in connection with, or which become a lien upon, the Scarlett Property, the Improvements located thereon, or any part of the Scarlett Property or Improvements located thereon, or upon this Lease, as well as assessments for sidewalks, streets, sewers, water, or any other public improvements and any other Improvements or benefits which shall, during the Lease Term, be made, assessed, levied, or imposed upon or become due and payable in connection with, or a lien upon the Scarlett Property, the Improvements, or any part of the Scarlett Property or Improvements, or upon this Lease. Nothing herein shall impair Lessee's right to request and receive exemption from the payment of real estate taxes. Notwithstanding anything in this Lease to the contrary, Lessee shall not be required to pay any franchise tax or transfer tax imposed on any document to which Lessor is a party (other than this Lease) creating or transferring an estate or interest in Scarlett Property, any municipal, state or federal income taxes levied against Lessor, any income, profits or revenues tax, assessment or charge imposed upon the Rent received by Lessor under this Lease, any estate, gift, succession, inheritance or transfer taxes of Lessor, or any business and occupational tax attributed and imposed upon Lessor for work, business or income not related or attributable to Scarlett Property.

(b) Lessee's Right to Contest. If Lessee disputes any amount or validity of any liens, taxes, assessments, or charges upon the Scarlett Property or the Improvements located thereon, Lessee may contest and defend against the same at its cost, and in good faith diligently conduct any necessary proceedings in connection therewith to prevent and avoid the same; provided, however, that such contest shall be prosecuted to a final conclusion as speedily as possible. Lessor agrees to render to Lessee all reasonable assistance, at no expense to Lessor, in contesting the validity or amount of any such liens, taxes, assessments or charges, including joining in the signing of any protests or pleadings which Lessee may deem advisable to file. During any such contest, Lessee shall (by the payment or bonding of such liens, disputed taxes, assessments or charges, if necessary) prevent any advertisement of tax sale, any foreclosure of, or any divesting thereby of Lessor's title, reversion or other interest in or to the Scarlett Property.

(c) Triple Net Lease. This Lease is a triple net lease and the Lessee shall be responsible to pay all costs, charges, taxes, impositions and other obligations related thereto. If the Lessor pays any such amounts, whether to cure a default or otherwise protect its interests hereunder, the Lessor will be entitled to be reimbursed by Lessee the full amount of such payments as additional rent within thirty (30) days of written demand by Lessor. Failure to timely pay the additional rent shall be an Event of Default (as defined in Section 9.1).

ARTICLE 3. MAINTENANCE; USE OF PREMISES

3.1 Title to Improvements; Personal Property.

(a) During the Lease Term title to all Improvements, now existing or later made, on the Scarlett Property are and shall be vested in Lessee, provided, however, that Lessee shall have no right to destroy, demolish or remove the Improvements except as specifically provided for in this Lease

or as approved in writing by Lessor. When the Lease Term expires or, when the Lease is otherwise terminated under the terms of this Lease, title to the Improvements shall revert to and vest in Lessor without cost to Lessor. It is the intent of the Parties that this Lease shall create a constructive notice of severance of the Improvements from the Scarlett Property without the necessity of a deed from Lessor to Lessee. The Improvements shall be and remain real property and shall be owned in fee by the Lessee for the Lease Term. At the request of Lessor and at the end of the Lease Term, Lessee agrees to execute a confirmatory quitclaim deed of the Improvements to Lessor to be recorded at Lessor's option and expense and any other documents that may be reasonably required by Lessor or Lessor's title company to provide Lessor title to the Scarlett Property and the Improvements free and clear of Lessee's leasehold interest in the Scarlett Property, ownership interest in the Improvements and all monetary liens and monetary encumbrances not caused or agreed to by Lessor in writing. Lessor acknowledges and agrees that any and all depreciation, amortization and tax credits for federal or state tax purposes relating to the Improvements located on the Scarlett Property and any and all additions thereto, substitutions therefor, fixtures therein and other property relating thereto shall be deducted or credited exclusively to Lessee during the Lease Term and for the tax years during which the Term begins and ends.

(b) All personal property, furnishings, fixtures and equipment, including, without limitation, Lessee-owned appliances, which are not so affixed to the Scarlett Property or the buildings thereon as to require substantial damage to the buildings upon removal thereof shall constitute personal property including, but not limited to, (a) functional items related to the everyday operations of the Scarlett Property, and (b) personal property and furnishings. At any time during the Lease Term, and at the termination thereof, Lessee shall have the right to remove any and all such personal property, furnishings, fixtures and equipment; provided, that Lessee repairs any damage to the Scarlett Property or the Improvements caused by such removal.

3.2 Permits, Licenses and Easements; Utilities. The Lessor agrees that, within a reasonable period after receipt of written request from the Lessee, it shall (at no expense to the Lessor) join in any and all applications for permits, licenses or other authorizations required by any governmental or other body claiming jurisdiction in connection with any work the Lessee may do pursuant to this Lease, and shall also join in any grants of easements for public utilities useful or necessary to the development of the Scarlett Units. The Lessor, by virtue of its fee title to the Scarlett Property, may hold certain rights, entitlements or credit with respect to utility capacity, connections, etc.

3.3 Use of Property. The Lessee shall at all times during the Lease Term use or cause Scarlett Units and Scarlett Property to be used for the purposes set forth in this Lease, consistent with all applicable zoning and environmental laws of any governmental authority having jurisdiction over Scarlett Units and Scarlett Property. The Lessee agrees to comply with all applicable statutes, rules, orders, ordinances, requirements and regulations of the United States, the State of Wyoming, the County of Teton, and of any other governmental authority having jurisdiction over the Scarlett Property or the Improvements.

3.4 Maintenance of the Scarlett Property.

(a) So long as the Leasehold Mortgage is outstanding or the JHCHT serves as the guarantor of the Leasehold Mortgage, the Lessee shall maintain the Redmond Street Rental Project in good repair and working order, and in a neat, clean and orderly condition, including the walkways, driveways, alleyways and landscaping, and from time to time make all necessary and proper repairs, renewals, and replacements.

(b) Commensurate with the satisfaction in full of the Leasehold Mortgage or the release of JHCHT as the guarantor of the Leasehold Mortgage, whichever occurs first, either the Lessee, the Housing Department or a third-party Property Manager will be engaged to manage the Redmond Street Rental Project. This election shall be made by the mutual agreement of the Town, the JHCHT and the Housing Authority. The Town, the JHCHT and the Housing Authority shall also mutually agree to a management fee to cover the cost of the continued management of the Redmond Street Rental Project,

which management fee will be comparable with management fees paid to property managers that provide similar services to comparable projects in Teton County at such time. The management fee will be deducted from gross rents generated from the Redmond Street Rental Project. The Property Manager must report on at least a quarterly basis to the JHCHT, the Town and the Housing Authority regarding the current financial and operational status of the development.

(c) For so long as the Lessee is obligated to maintain the Redmond Street Rental Project in accordance with this Lease, if the Housing Authority gives written notice to Lessee that the maintenance, repair, operation or condition of the Scarlett Property or any portion thereof or any Improvements thereon does not comply with this Lease and such notice describes the deficiencies, Lessee shall correct, remedy or cure the deficiency within thirty (30) days following the submission of such notice, unless (1) such deficiency cannot be reasonably corrected within such thirty (30) day period in which case such deficiency shall be deemed cured if Lessee commences such cure within such thirty (30) day period and thereafter diligently completes such cure within ninety (90) days following the submission of such notice or (2) the notice states that the deficiency is an urgent matter relating to public health and safety in which case Lessee shall cure the deficiency with all due diligence and shall complete the cure at the earliest possible time but in no event more than seventy-two (72) hours following the submission of the notice. In the event Lessee fails to maintain the Scarlett Property, or any portion thereof, or any Improvements thereon in accordance with this Lease and fails to cure any deficiencies with the applicable period described above, the Housing Authority shall have, in addition to any other rights and remedies hereunder, the right to maintain the Scarlett Property and the Improvements thereon, or portion thereof, or to contract for the correction of any deficiencies and Lessee shall be responsible for payment of all costs reasonably incurred by the Housing Authority.

3.5 Utilities. The Lessee shall be responsible for the cost of all utilities, including water, heat, gas, electricity, waste removal, sewers, and other utilities or services supplied to the Scarlett Property, and the Lessee shall pay or cause same to be paid currently and as due. The Lessee shall pass this obligation on to the tenants of the Redmond Street Rental Project pursuant to the lease agreements with those tenants.

3.6 Damage to Person or Property; Hazardous Materials; Indemnification.

3.6.1 Damage to Person or Property-General Indemnification. During the Lease Term Lessor shall not in any event whatsoever be liable for any injury or damage to any person happening on or about the Scarlett Property, for any injury or damage to the Improvements, or to any property of Lessee, or to any property of any other person, entity or association on or about the Scarlett Property. Lessee shall defend, hold harmless and indemnify the Lessor, and its respective officers, agents, and employees (each an "Indemnified Party" and together, the "Indemnified Parties"), of and from all claims, loss, damage, injury, actions, causes of action and liability of every kind, nature and description directly or indirectly arising from and during its tenancy, its use of the Scarlett Property and the Scarlett Units, and any of its operations activities thereon or connected thereto; provided, however, that this Section 3.6 shall not be deemed or construed to and shall not impose an obligation to indemnify and save harmless the Lessor, the Housing Authority or any of their officers, agents or employees from any claim, loss, damage, liability or expense, of any nature whatsoever, arising from or in any way related to or connected with any willful misconduct or gross negligence by the person or entity seeking such indemnity. This Section 3.6.1 shall survive termination of this Ground Lease.

3.6.2 Hazardous Materials – Indemnification.

(a) Lessee shall indemnify, defend, and hold the Lessor, and its officials, officers, agents and employees (individually, an "Indemnified Party" and collectively, the "Indemnified Parties") harmless from and against any and all losses, costs, claims, damages, liabilities, and causes of action of any nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel and engineering consultants) (the "Liabilities") incurred by or asserted against any Indemnified Party in connection with, arising out of, in response to, or in any manner relating to violation of any Environmental Law, or any Release, threatened Release and any condition of pollution, contamination or Hazardous Substance-related nuisance on, or under or from the Scarlett Property. The foregoing indemnity shall apply to any Liabilities arising from and during Lessee's tenancy. This Section 3.6.2

shall survive termination of this Ground Lease.

(b) For purposes of this Section 3.6.2, the following definitions shall apply:

(i) "Hazardous Substance" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Agreement, 42 U.S.C. '9601(14), and in addition shall include, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls ("PCBs"), PCB-containing materials, all hazardous substances identified in the Wyoming Health & Safety Code 25316 and 25281(d), all chemicals listed pursuant to the Wyoming Health & Safety Code 25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, or contaminant under Environmental Law.

(ii) "Environmental Law" shall include all federal, state and local laws, regulations and ordinances governing hazardous waste, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use or storage, and employee or community right-to-know requirements related to the work being performed under this Agreement.

(iii) "Release" shall mean any spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discharging of barrels, containers, and other closed receptacles containing any Hazardous Substances.

ARTICLE 4. MORTGAGE LOANS

4.1 Liens and Encumbrances Against Lessee's Interest in the Leasehold Estate. The Lessee shall have the right to mortgage, pledge, deed in trust, assign rents, issues and profits and/or collaterally (or absolutely for purposes of security if required by any lender) assign its interest in this Lease or otherwise encumber the leasehold estate, and/or the interest of Lessee hereunder, in whole or in part, and any interests or rights appurtenant to this Lease, and to assign or pledge the same as security for any debt (the holder of such mortgage, pledge or other encumbrance, and the beneficiary of any such deed of trust being hereinafter referred to as "Mortgagee" and the mortgage, pledge, deed of trust or other instrument hereinafter referred to as "Leasehold Mortgage") in order to construct the Scarlett Units with prior written consent for each encumbrance by the Lessor. Such consent will not be unreasonably withheld, conditioned or delayed.

4.2 Cost of Loans to be Paid by Lessee. The Lessee affirms that it shall bear all of the costs and expenses in connection with (i) the preparation and securing of the Loans, (ii) the delivery of any instruments and documents and their filing and recording, if required, and (iii) all taxes and charges payable in connection with the Loans.

4.3 Proceeds of Loans. It is expressly understood and agreed that all Loan proceeds shall be paid to and become the property of Lessee, and that the Lessor shall have no right to receive any such Loan proceeds.

4.4 Notice and Right to Cure Defaults Under Loans. Any loan which encumbers the leasehold must provide the Lessor with adequate rights to cure any defaults by Lessee, including (a) providing the Lessor or its successor with copies of any notices of default at the same time and in the same manner as provided to Borrower, and (b) providing the Lessor with a cure period of at least sixty (60) days to cure any default.

4.5 Notice to Lessor of Leasehold Mortgages. Lessee shall provide written notice to Lessor of the name and address of each Lender under this Lease, and shall provide Lessor with updates based on any changes in name or address or assignments that occur.

ARTICLE 5. INSURANCE

5.1 Required Insurance Coverage.

(a) Property Insurance. The Lessee shall during the Lease Term keep the Scarlett Units insured against loss or damage by a property insurance policy providing coverage of the perils of direct damage as insured under the Insurance Services Office (ISO) "Causes of Loss-Special Form" or equivalent with limits in sufficient amounts such that the proceeds of such insurance shall not be less than the replacement value of the Scarlett Units.

(b) Commercial General Liability (CGL) Insurance. During the Lease Term, the Lessee shall keep in full force and effect a policy or policies of Commercial General Liability insurance against liability for bodily injury to or death of any person or property damage arising out of an occurrence on or about the Scarlett Property. The limits of such insurance shall be not less than One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage.

(c) Builders' Risk Insurance. During the course of any alteration, construction or reconstruction, the cost of which exceeds One Hundred Thousand Dollars (\$100,000), either Lessee or its contractor shall provide builders' risk insurance for not less than the amount of work to be performed, insuring against the perils of direct damage as insured under the Insurance Services Office ISO "Causes of Loss - Special Form" or equivalent.

(d) Adjustment of Coverage Limits. Whenever the insurance coverages required by this Section 5.1 are renewed or extended, the Lessee shall increase the coverage limits required to an amount that incorporates the insurance coverage limits customarily required by Lenders in Teton County, Wyoming at the time the insurance is renewed or extended which shall be confirmed at such time by Lessee by obtaining documentation of the insurance coverage limits required by at least one Teton County, Wyoming Lender for financing of similar types of property.

5.2 Insurance Policies and Premiums.

(a) All policies required by this Lease shall name the Lessor as an additional insured.

(b) Any policy of insurance shall provide that any change or cancellation of said policy shall be made in writing and sent to the Lessee and the Lessor at their respective principal offices at least thirty (30) days before the effective date of change or cancellation.

(c) Any insurance provided for in this Article 5 may be placed by a policy or policies of blanket and/or excess liability (or umbrella) insurance.

5.3 Proceeds of Insurance.

(a) For so long as any Loan on the Scarlett Units is outstanding, all fire and standard risk or extended coverage (casualty) insurance proceeds shall be applied to the payment of the costs of repairing or rebuilding that part of the Scarlett Units damaged or destroyed if to the extent required, each Lender with an outstanding Loan permits such repair or rebuilding. If the Scarlett Units are not repaired or rebuilt, all such proceeds shall be applied in a manner consistent with the terms of the Loans.

(b) In the event that no Loan is outstanding, all insurance proceeds received under the policies set forth in this Article shall be paid to the Lessee, provided that the Lessee shall apply such proceeds to the repair or rebuilding of the Improvements, and if repair or rebuilding is not economically feasible in Lessee's reasonable discretion, then all insurance proceeds shall be paid to Lessor and Lessee shall have no further obligation to repair or rebuild the Improvements.

ARTICLE 6. CONDEMNATION

6.1 Taking of Land or Improvements. If, during the term of this Lease, there is any Taking of all or any part of the Improvements, or the Scarlett Property, the rights and obligations of the parties shall be determined as follows:

6.2 Total Taking. If the Improvements, or the Scarlett Property are totally taken by condemnation, this Lease shall terminate on the date of the taking. If this Lease is terminated pursuant to this Section 6.2, the Award for such taking shall be apportioned and distributed as follows:

(a) First, to the Mortgagees, if any, to the extent of the Leasehold Mortgage;

(b) Second, to Lessee, a sum equal to the fair market value of the Improvements on the date immediately preceding the Taking as determined by the appraisal method set forth in Section 6.7 and determined as if there were no Taking, nor threat of condemnation; plus the residual value of the Term, subject to the rent reserved; and

(c) Third, to Lessor, the remainder, if any.

6.3 Reserved.

6.4 Substantial Taking.

(a) In the event of a Taking which is substantial, Lessee may, subject to the rights of the Mortgagee, if any, terminate this Lease. For purposes hereof, a Taking shall be deemed to be "substantial" if it renders the Scarlett Property and/or Improvements economically infeasible for Lessee's intended purpose. If Lessee elects to terminate this Lease under this provision, Lessee shall give written notice of its election to do so to Lessor within forty-five (45) days after receipt of a copy of a Notice of Intended Taking.

(b) In the event Lessee terminates this Lease in accordance with this Section 6.4, such termination shall be as of the time when the Taking entity takes possession of the portion of the Scarlett Property and the Improvements taken. In such event, the Award for such Substantial Taking (including any award for severance, consequential or other damages which will accrue to the portion of the Scarlett Property and/or the Improvements not taken) shall be apportioned and distributed as follows:

(i) First, to the Mortgagee, if any, to the extent of the Leasehold Mortgage;

(ii) Second, to Lessee a sum equal to the fair market value of the Improvements taken preceding the date of the Taking as determined by the appraisal process provided for in Section 6.7, commenced as provided in Section 6.2, and as modified by Section 6.5(c); plus the residual value of the Term, subject to the rent reserved; and

(iii) Third, to Lessor, the remainder, if any.

(c) Notwithstanding anything to the contrary contained in Section 6.7, if Lessee has elected to terminate this Lease, and the taking authority abandons or revises the Taking, Lessee shall have forty-five (45) days from receipt of written notice of such abandonment or revision to revoke its notice of termination of this Lease.

6.5 Partial Taking.

(a) In the event of a Partial Taking, this Lease shall continue in full force and effect and there shall be no abatement in or reduction of any of Lessee's obligations hereunder.

(b) The Award for such Partial Taking shall be apportioned and distributed first to the Mortgagee, if any, to the extent of the Leasehold Mortgage, then to Lessor and Lessee in proportion to the fair market value of their respective interests in the Scarlett Property and Improvements, as such interests existed immediately prior to such Partial Taking.

(c) The fair market value of the parties' respective interests in the Scarlett Property and the Improvements shall be determined by the appraisal process provided in Section 6.7, except the assumptions listed in such Section shall not apply. Rather, the appraisal shall be based on the value of the Scarlett Property as improved and encumbered by this Lease and on the value of the Improvements as they stand, but without regard to any Taking or threat of condemnation.

(d) Any Award for severance, consequential or other damages which accrues by reason of the Partial Taking to the portion of the Scarlett Property or the Improvements not taken shall be distributed first to the Mortgagee, if any, to the extent of the Leasehold Mortgage, then shall be apportioned between Lessor and Lessee in accordance with the diminution in value of their respective interests.

6.6 Temporary Taking.

(a) In the event of a Temporary Taking of the whole or any part of the Scarlett Property and/or Improvements, the Term shall not be reduced or affected in any way and Lessee shall continue to pay in full any sum or sums of money and charges herein reserved and provided to be paid by Lessee, and, Lessee shall be entitled to any Award or payment for the temporary use of the Scarlett Property and/or Improvements prior to the termination of this Lease, and Lessor shall be entitled to any Award or payment for such use after the termination of this Lease.

(b) Any Award or payment for damages or cost of restoration made on or after the termination of this Lease shall be paid first to the Mortgagee, if any, to the extent of the Leasehold Mortgage, then to Lessor absolutely, together with the remaining balance of any other funds paid to Lessee for such damages or cost of restoration.

6.7 Appraisal. Whenever an appraisal of the Scarlett Property or the Improvements is called for under the terms of this Lease, the parties shall use the following procedure:

(a) Appointment of Appraiser. Within ten (10) days after notice from Lessor to Lessee, Lessor and Lessee shall each appoint an MAI appraiser to participate in the appraisal process provided for in this Section 6.7 and shall give written notice thereof to the other party. Upon the failure of either party to appoint, the non-defaulting party shall have the right to apply to the District Court of Teton County, Wyoming, to appoint an appraiser to represent the defaulting party. Within ten (10) days of the parties' appointment, the two (2) appraisers shall jointly appoint a third MAI appraiser and give written notice thereof to Lessor and Lessee, or if within ten (10) days of the appointment of said appraisers the two (2) appraisers shall fail to appoint a third, then either party hereto shall have the right to make application to said District Court to appoint such third appraiser.

(b) Determination of Fair Market Value.

(i) Within thirty (30) days after the appointment of the third appraiser, the appraisers shall determine the fair market value of the Scarlett Property and/or the Improvements in accordance with the provisions hereof, and shall execute and acknowledge their determination of fair market value in writing and cause a copy thereof to be delivered to each of the parties hereto.

(ii) The appraisers shall determine the fair market value of the Scarlett Property and the Improvements based on sales of comparable property in the area in which the Scarlett Property are located; provided, however, the appraisal should reasonably reflect the rent restrictions

imposed on the Scarlett Property and/or the Improvements pursuant to Article 2 of this Lease, as well as the Housing Authority's right to a reversion of title to the Improvements to the Housing Authority at the end of the Lease Term.

(iii) If a majority of the appraisers are unable to agree on fair market value within thirty (30) days of the appointment of the third appraiser, the three (3) appraisals shall be added together and their total divided by three (3). The resulting quotient shall be the fair market value of the Scarlett Property and the Improvements. If, however, either the low appraisal and/or high appraisal is ten percent (10%) lower or higher than the middle appraisal, such appraisal shall be disregarded. If only one appraisal is disregarded, the remaining two appraisals shall be added together and their total divided by two (2). The resulting quotient shall be the fair market value of the Scarlett Property and the Improvements. If both the low and high appraisals are disregarded, the middle appraisal shall be the fair market value of the Scarlett Property.

(c) Payment of Fees. Each of the parties hereto shall (a) pay for the services of its appointee, (b) pay one-half (1/2) of the fee charged by the appraiser selected by their appointees, and (c) pay one-half (1/2) of all other proper costs of the appraisal.

6.8 Lessor's Waiver of Rights to Eminent Domain. Lessor hereby waives any and all rights to condemnation or eminent domain of the Scarlett Property for the duration of the Lease Term.

ARTICLE 7. ASSURANCES OF LESSOR

7.1 Lessor to Give Peaceful Possession. The Lessor covenants that it owns in fee simple, and that it has good and marketable title to the Scarlett Property and the Improvements, that as of the date of execution of this Lease, the Scarlett Property and Improvements were free of all easements, covenants, conditions and restrictions except as disclosed in writing to Lessee. The Lessor has the full right and authority to make this Lease. The Lessor covenants and warrants that the Lessee and its Tenants shall have, hold and enjoy, during the Lease Term, peaceful, quiet and undisputed possession of the Scarlett Property leased without hindrance or molestation by or from Lessor so long as no Event of Default exists and is continuing under this Lease.

7.2 Lessor to Lease Scarlett Units with Marketable Title. The Lessor covenants and warrants that as of the date of execution of this Lease, there were no outstanding liens and encumbrances on the Scarlett Property, other than created by Lessee or disclosed in the Title Commitments issued by Stewart Title Guaranty Company on March 14, 2017 for the Scarlett Property as Order No. W-17176.

7.3 Release of Lessor. The Lessor may sell, assign, transfer or convey (but not encumber), with the prior written consent of the Lenders which shall not be unreasonably withheld, conditioned or delayed, all or any part of Lessor's interest in the Scarlett Property, reversionary interest in the Improvements or this Lease without obtaining Lessee's consent, provided that the purchaser, assignee, or transferee expressly assumes all of the obligations of the Lessor under this Lease by a written instrument in a form reasonably satisfactory to the Lessee and recordable in the Office of the Teton County Clerk (an "Assumption Agreement"). In the event of a sale, assignment, transfer or conveyance by Lessor of the Scarlett Property or its rights under this Lease, provided an assumption agreement is executed as required above, the same shall operate to release the Lessor from any future liability upon any of the covenants or conditions of this Lease, expressed or implied, in favor of Lessee, and in such event the Lessee shall look solely to the successor in interest of Lessor in and to the Scarlett Property or this Lease. This Lease shall not be affected by any such sale, and the Lessee agrees to attorn to any such purchaser or assignee provided Lessee has received an Assumption Agreement.

ARTICLE 8. ASSURANCES OF LESSEE

8.1 Use of Site and Rents. Lessee covenants and agrees for itself, and its successors and assigns to or of the Scarlett Property, or any part thereof, that during the term of this Lease, Lessee and such successors and assigns shall comply with the following requirements:

(a) Permitted Uses. Lessee shall devote the Scarlett Property to, exclusively and in accordance with, the uses specified in this Lease.

(b) Non Discriminatory Advertising. All advertising (including signs) for sublease of the whole or any part of the Scarlett Units and the Scarlett Property shall include the legend "Equal Housing Opportunity" in type or lettering of easily legible size and design.

(c) Access for Disabled Persons. Comply with all applicable laws providing for access for persons with disabilities, including but not limited to the American with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, if applicable.

8.2 Annual Reporting to Lessor. Prior to the expiration of the first quarter of each calendar year during the Lease Term, the Lessee will provide to the Housing Department, the Teton County Clerk and the Town Clerk the year-end financials (which will indicate gross revenues, net revenues and expenses) for the Redmond Street Rental Project of the previous year and a summary of the incomes being served at each unit, and any other information directly related to the Redmond Street Rental Project that the Housing Department reasonably requests.

8.3 Lessor Deemed Beneficiary of Covenants. In amplification of, and not in restriction of, the provisions of the preceding subsections, it is intended and agreed that the Lessor shall be deemed beneficiary of the agreements and covenants provided in this Article for and in its own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall be in full force and effect, without regard to whether the Lessor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Lessor shall have the right, in the event of any breach of any such agreements or covenants, in each case, after notice and the expiration of cure periods, to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach of covenants, to which it or any other beneficiaries of such agreements or covenants may be entitled.

8.4 Review of Books and Records. The Lessee agrees that the Housing Authority, upon reasonable notice to the Lessee, may review such of its books and records at the Lessee's business office, during normal business hours and on a non-disruptive basis, as is reasonably necessary to ensure compliance with the terms hereof. Such records shall include, but shall not be limited to: (i) any books and records required to be kept by the Lessee pursuant to the management of the Redmond Street Rental Project and/or financial statements prepared by an accountant; and/or (ii) any annual or other periodic report compiled from data available from the Lessee's records showing any forecast of profits or losses for the Redmond Street Rental Project.

ARTICLE 9. DEFAULTS AND REMEDIES

9.1 Events of Default; Notices.

(a) Any one or more of the following events shall constitute an "Event of Default".

(1) Failure to make lease payments, as required pursuant to Section 2.3 of this Lease, or any other payment required under this Lease, and continuance of such failure for a period of thirty (30) days after receipt by the Lessee of written notice specifying the nonpayment;

(2) Failure of the Lessee to observe and perform any material covenant, condition or agreement hereunder on its part to be performed, and (i) continuance of such failure for a period of ninety (90) days after receipt by the Lessee of written notice specifying the nature of such default, or (ii) if by reason of the nature of such default the same cannot be remedied within said ninety (90) days, the Lessee fails to proceed with reasonable diligence after receipt of said notice to cure the same; or

(3) A general assignment by the Lessee for the benefit of creditors; or

(4) The filing of a voluntary petition by the Lessee, or the filing of an involuntary petition by any of the Lessee's creditors seeking the rehabilitation, liquidation or reorganization of the Lessee under any law relating to bankruptcy, insolvency or other relief of debtors, provided that in the case of an involuntary petition Lessee shall have ninety (90) days to cause such petition to be withdrawn or dismissed; or

(5) The appointment of a receiver or other custodian to take possession of substantially all of Lessee's assets or of this leasehold which appointment is not withdrawn or dismissed within ninety (90) days; or

(6) The Lessee becomes insolvent or declares it is unwilling to pay its debts as they become due; or any court enters a decree or order directing the winding up or liquidation of Lessee or of substantially all of its assets; or the Lessee takes any action toward the dissolution or winding up of its affairs or the cessation or suspension of its use of the Scarlett Units; or

(7) Attachment, execution or other judicial seizure of substantially all of the Lessee's assets or this leasehold, which is not dismissed, bonded, or stayed within ninety (90) days; or

(8) Failure to complete the Scarlett Units to the Housing Authority's reasonable discretion, on or before 5PM MT on January 1, 2019, which performance obligation shall be deemed to be satisfied by the Lessee if the Town has issued certificates of occupancy (or similar documentation) to permit occupancy of all of the units permitted for construction by Town. If the foregoing performance obligation is not satisfied by the Lessee, the Housing Authority shall have the unilateral right to terminate this Lease upon providing notice to the Lessee and the expiration of a 180-day cure period if Lessee has commenced construction of such incomplete units.

9.2 Remedy of Material Breach by Lessee. At any time after the occurrence of an Event of Default hereunder, Lessor may terminate this Lease by giving Lessee written notice thereof, setting forth in such notice an effective date for termination which is not less than thirty (30) days after the date of such notice, in which event this Lease and Lessee's estate created hereby and all interest of Lessee and all parties claiming by, through or under Lessee shall automatically terminate upon the effective date for termination as set forth in such notice, with the same force and effect and to the same extent as if the effective date of such notice had been the date originally fixed in Article 2 hereof for the expiration of the Lease Term. In such event, Lessor, its agents or representatives, shall have the right, without further demand or notice, to reenter and take possession of the Scarlett Property (including all buildings and other Improvements comprising any part thereof) at any time from and after the effective termination date without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or existing breaches of covenants; provided that Lessor shall not be entitled to disturb possession of any Tenants or others in possession pursuant to Tenant Leases with Lessee so long as such Tenants or others are not in default thereunder and attorn to Lessor as their lessor. Upon the exercise of Lessor's remedies pursuant to this Section 9.2, Lessee shall execute such releases, deeds and other instruments in recordable form as Lessor shall reasonably request in order to accurately set forth of record the then current status of Lessee's estate and Lessee's rights hereunder.

9.3 Deficiency Judgments. Lessor, for itself and for each and every succeeding owner of Lessor's estate in the Scarlett Property, agrees that it shall not be entitled to seek a personal judgment against Lessee and that upon any Event of Default hereunder, the rights of Lessor to enforce the obligations of Lessee, its successors or assigns, or to collect any judgment, shall be limited to the termination of this Lease and of Lessee's estate and the enforcement of any other rights and remedies specifically granted to Lessor hereunder.

ARTICLE 10. ASSIGNMENTS AND TRANSFERS

10.1 Consent Required. Except as expressly provided herein, Lessee shall not,

without the prior written consent of Lessor which shall not be unreasonably withheld, conditioned or delayed, assign this Lease or any interest therein ("Transfer"). A Transfer shall be deemed to include any attempt by Lessee to make or permit any voluntary or involuntary, total or partial, sale, assignment, conveyance, mortgage, pledge, encumbrance, or other transfer of any or all of the Improvements. Any attempt to Transfer Lessee's interest in this Lease without Lessor's prior written consent shall be null and void, and any assignee, sublessee, secured party or transferee shall acquire no right or interest by reason of such attempted Transfer.

10.2 Permitted Transfers. Notwithstanding the foregoing, Lessor's prior written consent of an assignment or transfer of this Lease or conveyance of Lessee's leasehold interest in the Scarlett Property, or any part thereof, shall not be required to effectuate any of the following ("Permitted Transfers"):

(a) A transfer to a Wyoming entity owned entirely by Lessee or co-owned by Lessee.

(b) In the event of a Permitted Transfer by Lessee pursuant to this Section, Lessee nevertheless agrees that within thirty (30) days following such Permitted Transfer it shall give written notice to Lessor of such assignment or transfer along with a true and complete copy of the executed assignment or transfer document.

(c) Notwithstanding anything to the contrary in this Lease, any party owning an interest in Lessee shall have the right, without the approval or consent of the Lessor, to pledge or otherwise encumber its partnership interest in Lessee and the foreclosure of such pledge by a Mortgagee shall not cause an Event of Default hereunder.

ARTICLE 11. MISCELLANEOUS

11.1 Instrument Is Entire Agreement. This Lease including the Recitals above and the attached Exhibits constitute the entire agreement between the Parties with respect to the matters set forth in this Lease. This Lease shall completely and fully supersede all other prior understandings or agreements, both written and oral, previously entered into between the Lessor and the Lessee relating to the lease of the Scarlett Property by the Lessor to the Lessee.

11.2 Notices. All notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be addressed and delivered by hand or by certified mail, return receipt requested, or by Federal Express, or by hand delivery by a recognized, reputable courier, to each party at the addresses set forth below. Any such notice, request, demand or other communication shall be considered given or delivered, as the case may be, on the date of receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand or other communication. By giving prior written notice thereof, any Party, from time to time, may change its address for notices hereunder. Legal counsel for the respective Parties may send to the other Party any notices, requests, demands or other communications required or permitted to be given hereunder by such Party:

If to the Lessee:

Jackson Hole Community Housing Trust
P.O. Box 4498
Jackson, Wyoming 83001
Facsimile: 307-739-0922

To Lessor at:

Housing Authority
Attn: Chair
P.O. Box 1727
Jackson, Wyoming 83001
Facsimile: 307-734-7068

11.3 Non-Waiver of Breach. Neither the failure of the Lessor or the Lessee to insist

upon strict performance of any of the covenants and agreements of this Lease nor the failure by the Lessor or the Lessee to exercise any rights or remedies granted to such Party under the terms of this Lease shall be deemed a waiver or relinquishment (i) of any covenant contained in this Lease or of any of the rights or remedies of the Lessee or the Lessor under this Lease, or (ii) or the right in the future of the Lessor or the Lessee to insist upon and to enforce by any appropriate legal remedy a strict compliance with all of the covenants and conditions of this Lease.

11.4 Effective Date; Counterparts. This Lease shall be effective during the Lease Term. This Lease may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

11.5 Lease Binding on Successors. This Lease and all of its provisions and attached Exhibits shall inure to the benefit of, and shall be binding upon, the Lessor, the Lessee, and their respective permitted successors and permitted assigns and, as provided in this Lease, Lenders of the Lessee.

11.6 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the Parties or by any third party to create the relationship of principal or agent or of partnership, joint venture or association or of buyer and seller between the Lessor and the Lessee, it being expressly understood and agreed that neither the computation of any payments and other charges under the terms of this Lease nor any other provisions contained in this Lease, nor any act or acts of the Parties, shall be deemed to create any relationship between the Lessor and the Lessee other than the relationship of landlord and tenant.

11.7 No Merger. There shall be no merger of this Lease or any interest in this Lease nor of the leasehold estate created by this Lease, with the fee estate in the Scarlett Property, by reason of the fact that this Lease or such interest in the Lease, or such leasehold estate may be directly or indirectly held by or for the account of any person who shall hold the fee estate in the Scarlett Property, or any interest in such fee estate, nor shall there be such a merger by reason of the fact that all or any part of the leasehold estate created by this Lease may be conveyed or mortgaged in a leasehold mortgage to a leasehold mortgagee who shall hold the fee estate in the Scarlett Property or any interest of the Lessor under this lease.

11.8 Gender and Number. Words of any gender used in this Lease shall be held to include any other gender, and any words in the singular number shall be held to include the plural (and vice versa), when the sense requires.

11.9 Titles. The titles and article or paragraph headings are inserted only for convenience, and are in no way to be construed as a part of this Lease or as a limitation on the scope of the particular provisions to which they refer.

11.10 Severability. If any provision of this Lease or the application of any provision to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

11.11 Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State of Wyoming.

11.12 Amendments. This Lease may not be amended or modified without the prior written consent of Lessor and Lessee.

11.13 No Mortgage Encumbrance by Lessor. Lessor shall not mortgage its fee estate unless there exists an express subordination of any fee mortgage to Lessee's interest in the Lease. Lessee shall not be obligated to subordinate its leasehold interest and any interests in subleases and subrents to a subsequent mortgage of the fee estate granted by Lessor.

11.14 Conflicts. In the event of a conflict between this Lease and the Project Agreement, the Project Agreement shall control.

11.15 Governmental Immunity. The Housing Authority does not waive its sovereign or governmental immunity by entering into this Lease with the Housing Trust, and fully retains all immunities and defenses provided by law with respect to any action based on or arising out of this Lease.

ARTICLE 12. NON-DISCRIMINATION AGAINST PERSONS WITH DISABILITIES

12.1 If Lessee provides any aid, service or benefit to others on the Lessor's behalf, Lessee shall, in the provision of such aid, service or benefit, observe and comply with all applicable provisions of Title 11 of the Americans with Disabilities Act of 1990 and any amendments thereto. Lessee shall further observe and comply with all applicable federal, state, municipal and local laws, ordinances, codes and regulations prohibiting discrimination against individuals with disabilities or ensuring that individuals with disabilities are not excluded from participating in or receiving benefits, services or activities of the Lessor.

12.2 If Lessee is or becomes a "public accommodation" as defined in Title III of the Americans with Disabilities Act of 1990, Lessee shall observe and comply with all applicable provisions of the Act and any amendments thereto, and all applicable federal, state, municipal and local laws, ordinances, codes and regulations prohibiting discrimination on the basis of disability in the full and equal enjoyment of goods, services, facilities, privileges, advantages, or accommodations offered by the Lessee. All of Lessee's activities must be in accordance with these laws, ordinances, codes, and regulations, and Lessee shall be solely responsible for complying therewith.

ARTICLE 13. LENDER PROTECTIONS AND OBLIGATIONS

13.1 Rights and Obligations of Lenders. If Lessee obtains a Leasehold Mortgage in accordance with the provisions of Article 4, as long as any such Leasehold Mortgage shall remain unsatisfied of record, the following provisions shall apply:

(a) No Cancellation. Lessor will not cancel, accept a surrender of, terminate or modify this Lease in the absence of a default by Lessee without the prior consent in writing of the Lender and until Lessor has complied with the provisions of this Article as to the Lender's rights to cure and obtain a new lease.

(b) Notice of Defaults to Lender. Lessor agrees to give to each Lender a written copy of all notices of default that Lessor gives to Lessee. Such copy shall be mailed or delivered to any Lender at, or as near as possible to, the same time such notices are given to Lessee. Upon the execution of any Leasehold Mortgage, Lessor shall be informed in writing of the vesting of the security interest evidenced by the Leasehold Mortgage and of the address to which all notices to the Lender are to be sent. Any notices of default given by Lessor under the Lease shall describe the default(s) with reasonable detail. Each Lender shall have the right to cure any breach or default within the time periods given below.

(c) Lender's Cure Rights.

(i) Notice and Cure. After receipt by Lessee of a notice of default under the Lease and the expiration of any applicable period of cure given to Lessee under the Lease, Lessor shall not terminate the Lease or exercise its other remedies under the Lease if:

1. Within sixty (60) days after Lender's receipt of the notice of default, any Lender (i) cures the default, or (ii) if the default reasonably requires more than sixty (60) days to cure, commences to cure said default within such sixty (60) day period and thereafter diligently prosecutes the same to completion; or

2. Where the default cannot be cured by payment or expenditure of money or without possession of the Scarlett Property or otherwise, Lender initiates foreclosure or other appropriate proceedings (after Lender complies with its obligations set forth in Section 13.2 below) within sixty (60) days after receipt of the notice of default, thereafter cures all other defaults reasonably capable of cure by the payment of money to Lessor, and thereafter continues to pay all rents, real property taxes and assessments, and insurance premiums to be paid by Lessee under the Lease. Lender shall then have sixty (60) days following the later to occur of (i) the date of execution and delivery of a New Lease of the Scarlett Property pursuant to Section 13.1(d) of the Lease, or (ii) the date on which Lender or its nominee is able to occupy the Scarlett Property following foreclosure under such Leasehold Mortgage and the eviction of or vacating by Lessee of the leased premises, to cure such default; provided, however, that if any such default, by its nature, is such that it cannot practicably be cured within sixty (60) days, then Lender shall have such additional time as shall be reasonably necessary to cure the default provided that Lender commences such cure within such sixty (60)-day period and thereafter diligently prosecutes the cure to completion.

(ii) Lessor agrees to accept performance by Lender of all cures, conditions and covenants as though performed by Lessee, and agrees to permit Lender access to the Scarlett Property to take all such actions as may be necessary or useful to perform any condition or covenants of the Lease or to cure any default of Lessee. Lender shall not be required to perform any act or cure any default which is not reasonably susceptible to performance or cure by Lender.

(iii) If Lender elects any of the above-mentioned options after complying with the obligations of Lender set forth in Section 13.2 below, then upon Lender's acquisition of the Lease by foreclosure, whether by power of sale or otherwise or by deed or assignment in lieu of foreclosure, or if a receiver be appointed, the Lease shall continue in full force and effect (and Lessor shall treat the Lender as Lessee) except that the covenants, agreements, conditions, provisions, restrictions and limitations contained in Section 2.4 of the Lease shall be deleted and Lessor shall have the right, but not the obligation, to increase the annual rent for each lot set forth in Section 2.3 to fair market value rental rates which shall be determined by the appraisal process provided in Section 6.7. If Lender elects the option provided in Section 13.1(c)(i)(2) above, then upon Lender's acquisition of the Lease, Lender shall cure all prior defaults of Lessee under the Lease that are reasonably capable of being cured by Lender within the time set forth in said Section, Lessor shall treat Lender as Lessee under the Lease. If Lender commences an action as set forth in Section 13.1(c)(i)(2) above, and thereafter Lessee cures such defaults (which cure Lessor shall be obligated to accept) and Lender then terminates all proceedings under the option in said Section, then the Lease shall remain in full force and effect between Lessor and Lessee, in which event the covenants, agreements, conditions, provisions, restrictions and limitations contained in Section 2.4 of the Lease shall survive.

(d) New Lease. In the event the Lease is terminated for any reason prior to the end of the Lease Term, Lessor shall promptly give Lender written notice of such termination and shall enter into a new lease ("New Lease") with Lender or Lender's nominee covering the Scarlett Property, provided that Lender (a) requests such New Lease by written notice to Lessor within sixty (60) days after Lender's receipt of written notice by Lessor of termination of the Lease, and (b) cures all prior defaults of Lessee that are reasonably capable of being cured by Lender. The New Lease shall be for the remainder of the Lease Term, effective at the date of such termination, but shall not include any of the covenants, agreements, conditions, provisions, restrictions and limitations contained in Section 2.4 of the Lease and Lessor shall have the right, but not the obligation, to increase the annual rent for each lot set forth in Section 2.3 to fair market value rental rates which shall be determined by the appraisal process provided in Section 6.7. In connection with a New Lease, Lessor shall assign to Lender or its nominee all of Lessor's interest in all existing subleases of all or any part of the Scarlett Property and all attornments given by the sublessees. Lessor shall not terminate or agree to terminate any sublease or enter into any New Lease or sublease for all or any portion of the Scarlett Property without Lender's prior written consent, unless Lender fails to deliver its request for a New Lease under this Section. In connection with any such New Lease, Lessor shall, by grant deed, convey to Lender or its nominee title to the Improvements, if any, which become vested in Lessor as a result of termination of the Lease.

(e) Permitted Delays. So long as Lender is prevented by any process or injunction issued by any court or by any statutory stay, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee or any other person, from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof, provided that Lender uses reasonable efforts to contest and appeal the issuance or continuance of any such process, stay or injunction, the time periods specified in Sections 13.1(c)(i)(1) and (2) above shall be extended for the period of such prohibition; provided that Lender shall have fully cured any default in the payment of any monetary obligations of Lessee under this Lease and shall continue to pay currently such monetary obligations as and when the same fall due.

(f) Anything herein contained to the contrary notwithstanding, the provisions of this Section shall inure only to the benefit of the holders of Leasehold Mortgages. If the holders of more than one such Leasehold Mortgage shall make written requests upon Lessor in accordance with this Lease, the New Lease (as provided for in Section 13.1(d) above) shall be entered into pursuant to the request of the holder whose Leasehold Mortgage shall be prior in lien thereto and thereupon the written requests for a new lease of each holder of a Leasehold Mortgage junior in lien shall be and be deemed to be void and of no force or effect.

13.2 Lender Obligation to Provide Notice of Default and Right to Cure Default of Leasehold Mortgage; Lessor's Forbearance.

(a) Notice of Default; Right to Cure. If a Lender sends notice of default of a Leasehold Mortgage to the Lessee because the Lessee has failed to comply with the terms of the Leasehold Mortgage, the Lender shall, at the same time, send a copy of that notice to the Lessor. Upon receiving a copy of the notice of default and within that period of time in which the Lessee has a right to cure such default, the Lessor shall have the right to cure the default on the Lessee's behalf, provided that all current payments due the Lender since the notice of default was given are made to the Lender. If after the cure period has expired, the Lender intends to accelerate the note secured by the Leasehold Mortgage or begin foreclosure proceedings under the Leasehold Mortgage, the Lender shall first notify the Lessor of its intention to do so, and Lessor shall then have the right, upon notifying the Lender within thirty (30) days of receipt of such notice, to acquire the Leasehold Mortgage by paying off the debt secured by the Leasehold Mortgage. If the Lender acquires the leasehold interest and Scarlett Units through foreclosure or acceptance of a deed in lieu of foreclosure (in which event the Lease shall continue in full force and effect and Lessor shall treat the Lender as Lessee except that the covenants, agreements, conditions, provisions, restrictions and limitations contained in Section 2.4 of the Lease shall be deleted and Lessor shall have the right, but not the obligation, to increase the annual rent for each lot set forth in Section 2.3 to fair market value rental rates which shall be determined by the appraisal process provided in Section 6.7), the Lender shall give Lessor written notice of such acquisition and Lessor shall then have an option to purchase the leasehold interest and Scarlett Units from the Lender for the full amount owing to the Lender under the Leasehold Mortgage. To exercise this option to purchase, Lessor must give written notice to the Lender of its intent to purchase the foregoing within thirty (30) days following Lessor's receipt of the Lender's notice. Lessor must then complete the purchase within sixty (60) days of having given written notice of its intent to purchase. If Lessor does not complete the purchase within this sixty (60) day period, the Lender shall be free to sell the Leasehold Interest and Scarlett Units to any person or entity.

(b) Lender's Transferees, Etc. In the event the leasehold estate hereunder shall be acquired by foreclosure, trustee's sale or deed or assignment in lieu of foreclosure of a Leasehold Mortgage, the purchaser at such sale or the transferee by such assignment and its successors as holders of the leasehold estate hereunder shall not be liable for any Rent, if any, or other obligations accruing after its or their subsequent sale or transfer of such leasehold estate and such purchaser or transferee and its successors shall be entitled to transfer such estate or interest without consent or approval of Lessor; provided that, the purchaser or transferee or successor as holder of the leasehold estate hereunder shall be liable for the payment of all Rent, if any, becoming due with respect to the period during which such purchaser, transferee or other successor is the holder of the leasehold estate hereunder. This Section shall also apply to the rights of a Lender in connection with the entry into a New Lease under Section 13.1(d) and to the appointment of a receiver on behalf of a Lender.

(c) Insurance and Condemnation. In the event of any casualty to, or condemnation of, all or any part of the leased premises or any improvements now or hereafter located thereon, the provisions of the Leasehold Mortgages, relating thereto shall prevail over any provisions of this Lease relating thereto.

13.3 No Liability of Lender for Prior Indemnified Acts. A Lender shall not be obligated to assume the liability of Lessee for any indemnities arising for a period prior to Lender's acquiring the right to possession of the Scarlett Property under this Lease.

13.4 Further Amendments: Estoppels. Lessor and Lessee shall cooperate in including in the Lease by suitable amendment from time to time any provision which may be reasonably requested by any proposed Lender for the purpose of implementing the mortgagee protection provisions contained in this Lease. Lessor and Lessee each agree to execute and deliver (and to acknowledge for recording purposes, if necessary) any agreement required to affect any such amendment. At the request of Lessee or any proposed or existing Lender, Lessor shall promptly execute and deliver (i) any documents or instruments reasonably requested to evidence, acknowledge and/or perfect the rights of Lenders as herein provided; and (ii) an estoppel certificate certifying the status of this Lease and Lessee's interest herein and such matters as are reasonably requested by Lessee or such Lenders. Any such estoppel certificate may be conclusively relied upon by any proposed or existing leasehold Lender or assignee of Lessee's interest in this Lease.

ARTICLE 14. - FORCE MAJEURE

14.1 Any prevention, delay, nonperformance or stoppage by Lessee due to any of the following causes shall be excused: any regulation, order, act, restriction or requirement or limitation imposed by any federal, state, municipal or foreign government or any department or agency thereof, or civil or military authority; acts of God; acts or omissions of Lessor or its agents or employees; fire, explosion or floods; strikes, walkouts or inability to obtain materials; war, riots, sabotage or civil insurrection; or any other causes beyond the reasonable control of Lessee.

14.2 No prevention, delay, or stoppage of performance shall be excused unless Lessee notifies Lessor within ninety (90) days of such prevention, delay or stoppage that it is claiming excuse of its obligations under this Article 14.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the date first written above.

LESSEE:

Redmond Street Rentals LLC, a Wyoming limited liability company

By: Jackson Hole Community Housing Trust, a Wyoming nonprofit corporation
Its: Manager

By: [Signature]
Title: President

By: [Signature]
Title: Secretary

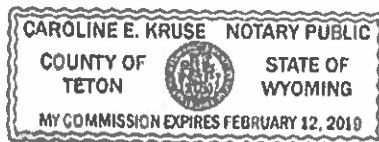
STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by
[Signature] and [Signature], as Officers of the
Jackson Hole Community Housing Trust, a Wyoming nonprofit corporation, as the
Manager of Redmond Street Rentals LLC, a Wyoming limited liability company, this
23 day of March, 2017.

WITNESS my hand and official seal.

[Signature]
Notary Public

My commission expires:

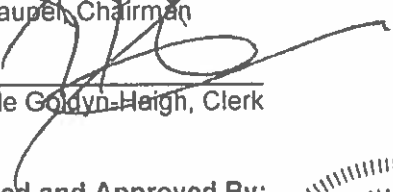


LESSOR:

The foregoing Agreement is hereby accepted by the Jackson/Teton County Housing Authority this 2nd day of March, 2017.

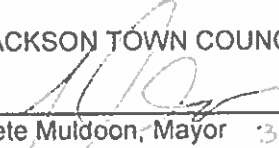
JACKSON/TETON COUNTY HOUSING AUTHORITY


Matt Faupen, Chairman

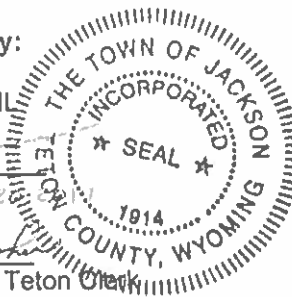
Attest: 
Danielle Goldyn-Heigh, Clerk

Affirmed and Approved By:

JACKSON TOWN COUNCIL


Pete Muldoon, Mayor

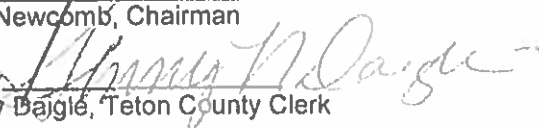
Attest: 
Sandy Birdyshaw, Jackson Teton Clerk



Affirmed and Approved By:

TETON COUNTY BOARD OF COUNTY COMMISSIONERS


Mark Newcomb, Chairman

Attest: 
Sherry Baigle, Teton County Clerk



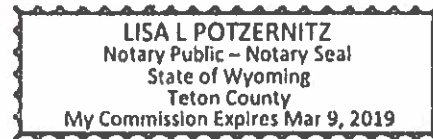
STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by Matt Faupel and Danielle Goldyn-Haigh, Chairman and Clerk, respectively, of the Jackson/Teton County Housing Authority, this 22 day of March, 2017.

Witness my hand and official seal.

Lisa L. Potzernitz
Notary Public

My Commission Expires:



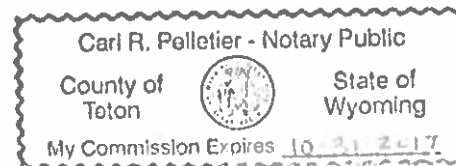
STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by Pete Muldoon and Sandy Birdyshaw, Mayor and Town Clerk, respectively, of the Jackson Town Council, this 20 day of March, 2017.

Witness my hand and official seal.

Carl R. Pelletier
Notary Public

My Commission Expires: 10-31-2017



STATE OF WYOMING)
) ss.
COUNTY OF TETON)

The foregoing instrument was acknowledged before me by Mark Newcomb and Sherry Daigle, Chairman and Teton County Clerk, respectively, of the Teton County Board of County Commissioners, this 22 day of March, 2017.

Witness my hand and official seal.

Carl R. Pelletier
Notary Public

My Commission Expires: 10-31-2017

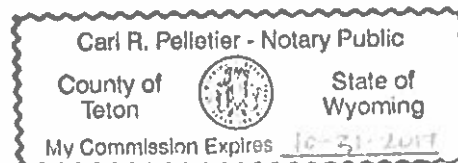


EXHIBIT A

Legal Description of Lot 1

Lot 1 of James G. and Julia L. Scarlett Addition to the Town of Jackson, Teton County, Wyoming, according to that plat recorded in the Office of the Teton County Clerk on August 13, 2004 as Plat No. 1128. Parcel ID: 22-41-16-34-1-81-001

**AGREEMENT WITH JACKSON/TETON COUNTY HOUSING
AUTHORITY REGARDING
REDMOND STREET RENTAL PROJECT**

This Agreement Regarding Redmond Street Rental Project ("Agreement") is entered into on the 23 day of March, 2017 ("Effective Date"), by and between the Jackson/Teton County Housing Authority, a duly created housing authority pursuant to Wyo. Stat. §15-10-116(b) (the "Housing Authority") and the Jackson Hole Community Housing Trust, a Wyoming nonprofit corporation (the "Housing Trust"). The Housing Authority and the Housing Trust are each referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Teton County, Wyoming, and the Town of Jackson, Wyoming, continue to experience a significant shortage of safe and sanitary dwelling accommodations available to persons of low income at rentals or prices they can afford;

WHEREAS, Division 7.4 of the Land Development Regulations of the Town of Jackson and of the Land Development Regulations of Teton County state that it is the objective of the Town of Jackson and the County to make measurable progress toward reducing the existing shortage of affordable housing;

WHEREAS, Wyo. Stat. § 15-10-101(a)(ii)(C) states that the Housing Authority may provide, or assist in providing by any suitable method decent, safe and sanitary housing and related facilities to persons of low income, and through Wyo. Stat. § 15-10-113(a)(vi) may cause services to be furnished of the character that the public body is empowered to furnish;

WHEREAS, the Housing Trust is a non-profit, public benefit corporation incorporated in the State of Wyoming and recognized by the United States Department of the Treasury as a public charity pursuant to § 501(c)(3) of the Internal Revenue Code of 1986;

WHEREAS, the Housing Trust is organized exclusively for charitable purposes including but not limited to the provision, management and administration of affordable housing in Teton County, Wyoming and lessening the burden of government;

WHEREAS, the Housing Authority currently holds one million nine hundred fifty thousand dollars and no cents (\$1,950,000) of specific purpose excise tax funds (the "SPET Funds") remaining from the May 2006 specific purpose excise tax ballot, which provided four million fifty thousand dollars and no cents (\$4,050,000) for the acquisition, planning, improvement and financing of properties to be utilized for affordable housing;

WHEREAS, the Housing Trust currently owns Lot 1 of the James G. and Julia L. Scarlett Addition to the Town of Jackson, Plat Number 1128 ("Lot 1"), and Lot 6 of the James G. and Julia L. Scarlett Addition Second Filing to the Town of Jackson, Plat Number 1316 ("Lot 6");

WHEREAS the Housing Trust is the Lessee of Lot 3 and Lot 4 of the James G. and Julia L. Scarlett Addition to the Town of Jackson, Plat Number 1128 ("Lot 3" and "Lot 4" respectively) under that certain 99-Year Ground Lease, dated February 27, 2014 (the "Town Ground Lease"), with the Town of Jackson as Lessor;

WHEREAS, the Housing Authority desires that the Housing Trust develop permanently restricted affordable rental units on Lots 1, 3, 4, and 6 of the James G. and Julia L. Scarlett Addition as illustrated on the site plan attached hereto as **Exhibit A** and is commonly known as the "Redmond Street Rental Project";

WHEREAS, the Housing Authority, in consideration of the significant housing shortage in Teton County, Wyoming, would like to accelerate the development of affordable housing and enable the Housing Trust to begin construction of the Redmond Street Rental Project in the spring season of 2017, on the terms and conditions set forth herein;

WHEREAS, the Housing Authority's provision of the SPET Funds to the Housing Trust on the terms and conditions set forth herein is in compliance with Article 16, Section 6 of the Wyoming Constitution, given the public purpose served and the following consideration that will be received by the Housing Authority (collectively, the foregoing will hereinafter be referred to as the "Housing Trust Consideration");

- The Housing Trust will convey Lot 1 exclusive of any improvements (approximately 11,500 square feet) to the Housing Authority as depicted on **Exhibit B** attached hereto ("Lot 1"), on the terms and conditions set forth herein; and
- The Housing Trust will have sole responsibility for the development and construction of the Redmond Street Rental Project; and
- The Housing Trust will have sole responsibility for the financing of the Redmond Street Rental Project; and
- The Housing Trust will have sole responsibility for the management of rental operations, including securing tenants, maintenance, budgeting, insurance and enforcement, for so long as the Housing Trust is the guarantor of the third-party financing required for the Redmond Street Rental Project; and
- The Housing Authority will receive an annual land lease payment on the terms and conditions described below.

WHEREAS, upon the conveyance of Lot 1, the Parties will enter into a 50-Year Ground Lease in form and substance similar to the Town Ground Lease, which lease will govern Lot 1 as further described herein.

NOW, THEREFORE, for and in consideration of the Housing Trust Consideration and the Recitals described above, which Recitals the Parties hereby acknowledge as true and accurate, and in consideration of the respective mutual covenants and agreements hereinafter contained, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Town Agreement. The commencement of the Parties' obligations under this Agreement is expressly conditioned upon the complete execution by the Town of Jackson and the Housing Trust of that certain Agreement with the Town of Jackson Regarding Redmond Street Rental Project (the "Town Agreement") containing terms and conditions substantively similar in form and substance to those contained herein. In the event the Town Agreement is not executed by the Town of Jackson and the Housing Trust, the Parties agree this Agreement will automatically terminate and the Parties will have no further obligations hereunder.

2. Conveyance of Lot 1; Ground Lease; Verification of Sufficient Funds.

A. Conveyance of Lot 1. Upon the finalization of the HA Ground Lease as described below, the Housing Trust will convey Lot 1 to the Housing Authority, exclusive of any improvements, by execution and delivery of a good and sufficient warranty deed, in form and substance satisfactory to the Housing Authority. Lot 1 will be conveyed free and clear of all liens, except for any encumbrances related to the third-party construction financing for the Redmond Street Rental Project.

B. Ground Lease.

(i) Promptly following the execution of this Agreement, the Housing Trust and the Housing Authority will use their best efforts to finalize a 50-Year Ground Lease for Lot 1 (the "HA Ground Lease"). If the Housing Authority and the Housing Trust are unable to reach agreement on the HA Ground Lease, this Agreement will automatically terminate and the Parties will have no further obligation hereunder. Contemporaneous with the conveyance of Lot 1 to the Housing Authority, the Housing Trust and the Housing Authority will execute the HA Ground Lease. The HA Ground Lease will contain terms and conditions mutually agreeable to the Housing Authority and the Housing Trust and will be substantially similar to the Town Ground Lease, which will ensure that Lot 1 may be used only for rental affordable housing for qualified applicants for the term of the HA Ground Lease as further described therein, and provide enforcement and recourse provisions to the Housing Authority. All tenants of the rental units within the Redmond Street Rental Project must qualify with the applicable guidelines and policies, regardless of whether the landlord is the Housing Trust or a sub-landlord housing its employees.

(ii) The HA Ground Lease will contain the following terms:

a. The HA Ground Lease will also provide that upon retirement of the Housing Trust's third party financing for the Redmond Street Rental Project, the Housing Authority, Town of Jackson and the Housing Trust will begin to receive an annual land lease payment from the Redmond Street Rental Project in an amount equal to each Party's "pro rata portion of net rents" generated from the Redmond Street Rental Project as described below.

1. The Housing Authority's "pro rata portion of net rents" will be calculated by multiplying the "net rents" (as defined below) by the Housing Authority's Project Percentage (as described below).

2. For purposes of this Agreement, "Project Percentage" shall mean the percentage that results from the following fraction: (a) the numerator will be the total amount that a party has contributed to the Redmond Street Rental Project subsequent to this Agreement, and (b) the denominator will be the total amount of all financial contributions made by the Housing Authority, the Town of Jackson and the Housing Trust to the Redmond Street Rental Project. For the purpose of calculating the numerator and the denominator, the \$1,650,000 paid by the Town of Jackson for purposes of purchasing Lots 3 and 4 and obtaining three rights of first purchase or rental, will be excluded. If additional monies are contributed to the Redmond Street Rental Project at any time by the Town of Jackson, the Housing Authority or the Housing Trust (for example, if additional monies are contributed for the purpose of paying down the loan on the project), the numerator and denominator in the above calculation will be adjusted accordingly, thereby adjusting each party's Project Percentage. For illustration purposes only, and not taking into account any potential adjustments due to additional contributions, if the total amount contributed by the Housing Authority totals \$1,950,000, the total amount contributed by the Town of Jackson totals \$2,100,000, and the total amount contributed by the Housing Trust totals \$3,000,000, then the Project Percentage of the Housing Authority will be 28%, the Project Percentage of the Town of Jackson will be 30% and the Project Percentage of the Housing Trust will be 42%.

3. The calculation of each party's Project Percentage and resulting "pro rata portion of net rents" will occur when the third-party financing for the Redmond Street Rental Project is retired.

4. "Net rents" will be determined on an annual basis by deducting all expenses (including taxes, insurance, maintenance, reserves, administrative expenses and management fees) of the Redmond Street Rental Project from the gross rents generated from the Redmond Street Rental Project. Capital expenses deemed necessary by the mutual agreement of the Housing Authority, the Town of Jackson and the Housing Trust that are not paid for out of the reserve fund for the Redmond Street Rental Project will also be deducted from gross rents.

b. The HA Ground Lease will also provide that the Parties will either retain the Housing Trust, the Town of Jackson/Teton County Housing Department or hire a Property Manager (such election to be made by mutual agreement of the Town of Jackson, the Housing Trust, and the Housing Authority) to manage the Redmond Street Rental Project when the debt is retired or in the event the Housing Trust is no longer the guarantor, whichever occurs first. The Parties will mutually agree to a management fee to cover the cost of the continued management of any and all rental units at the Redmond Street Rental Project, which management fee will be mutually agreeable to the Housing Authority, the Town of Jackson and the Housing Trust and will be comparable with management fees paid to property managers that provide similar services to comparable projects in Teton County at such time. The management fee will be deducted from gross rents generated from the Redmond Street Rental Project. The Property Manager must report on at least a quarterly basis to the Housing Trust, the Town of Jackson and the Housing Authority regarding the current financial and operational status of the development.

c. The affordable rental restrictions contained in the HA Ground Lease will provide that leases on individual units will not be renewed without the tenant

re-qualifying for such unit under the then applicable guidelines. In furtherance of the Housing Trust's commitment to keep the units occupied by qualified community members, the Housing Trust will provide an annual report on the Redmond Street Rental Project to the Housing Department that details household incomes served, demographics (i.e. number of adults, children and pets), and confirmation of employment, and any other information directly related to the Redmond Street Rental Project that the Housing Department reasonably requests. The HA Ground Lease will also provide that when the debt is retired or in the event the Housing Trust is no longer the guarantor, whichever occurs first, the Parties will assess the impact of the Redmond Street Rental Project on the housing needs facing the community and, if deemed necessary by the mutual agreement of the parties, the applicable guidelines and policies may be adjusted to better respond to the housing needs of Teton County residents.

d. The HA Ground Lease will be recorded immediately after the recording of the warranty deed described in subsection A above.

e. The HA Ground Lease will also provide that in the event of a conflict between the terms of the HA Ground Lease and this Agreement, the HA Ground Lease will apply.

C. *Building Permit; Verification of Sufficient Funds.* Prior to the issuance of the building permit for the Redmond Street Rental Project, the Housing Trust will provide written verification to the Housing Authority that the Housing Trust holds sufficient private funding and has secured sufficient third-party financing funds for the completion of the construction of the Redmond Street Rental Project. The third-party financing may not exceed \$4,000,000 without the consent of the Housing Authority. The building permit will not be issued until the foregoing requirement has been deemed satisfied by the Housing Authority in its reasonable discretion. The Housing Trust, at its expense, will obtain a "payment and performance bond" to ensure the completion of the Redmond Street Rental Project.

3. **Funding; Change Orders.** In exchange for the public purpose served in connection with the development of the Redmond Street Rental Project and the Housing Trust Consideration to be received by the Housing Authority as detailed in the Recitals above, contemporaneous with the conveyance of Lot 1 to the Housing Authority and the execution and delivery of the HA Ground Lease, the HA will deposit the SPET Funds into an interest bearing deposit account at Rocky Mountain Bank as the lender for the project. The deposit account will be subject to a standard form Assignment of Deposit Account between Rocky Mountain Bank and the Housing Authority, the form of which has been provided to the Housing Authority Attorney. If any change orders are not approved by the Housing Authority, the Housing Trust is solely liable for such overages.

4. **Reporting Requirements.** Upon commencement of construction, the Housing Trust will review, on a quarterly basis, the progress of the construction with the Housing Department for the Redmond Street Rental Project. This review would include budget and schedule tracking, as well as a discussion of any key project issues, to ensure the construction is on time and on budget. Upon project completion, the Housing Trust shall provide to the Housing Department, the County Clerk

and the Town Clerk, before the end of the first quarter of the calendar year, the year-end financials (which will indicate gross revenues, net revenues and expenses) for Redmond Street Rental Project of the previous year and a summary of the incomes being served at each unit, and any other information directly related to the Redmond Street Rental Project that the Housing Department reasonably requests.

A. *Review of Books and Records.* The Housing Trust agrees that the Housing Authority, upon reasonable notice to the Housing Trust, may review such of its books and records at the Housing Trust's business office, during normal business hours and on a non-disruptive basis, as is reasonably necessary to ensure compliance with the terms hereof. Such records shall include, but shall not be limited to: (i) any books and records required to be kept by the Housing Trust pursuant to the management of the Redmond Street Rental Project and/or financial statements prepared by an accountant; and/or (ii) any annual or other periodic report compiled from data available from the Housing Trust's records showing any forecast of profits or losses for the Redmond Street Rental Project.

5. *Default/Termination.* The Parties acknowledge that because the Housing Trust cannot commence construction of the Redmond Street Rental Project until such time that the SPET Funds are deposited, Lot 1 is conveyed to the Housing Authority, and the HA Ground Lease is fully executed, upon a Party's default or failure to otherwise perform under this Agreement (a "Default"), Lot 1 will still be owned by the Housing Trust and the SPET Funds will still be held by the Housing Authority. Thus, if the Housing Trust Defaults under this Agreement, and if such Default is not cured by the Housing Trust within thirty (30) days after the Housing Trust has received written notice of such Default from the Housing Authority, the Housing Authority may terminate this Agreement by written notice to the Housing Trust and will have no further obligations under this Agreement. Further, if a Default of the Housing Authority occurs under the terms of this Agreement and if such Default is not cured by the Housing Authority within thirty (30) days after the Housing Authority has received written notice of such Default from the Housing Trust, the Housing Trust may terminate this Agreement by written notice to the Housing Authority and will have no further obligations under this Agreement. In the event of a Default that is not cured within the 30-day periods described above, each Party will have available to it all legal and equitable remedies allowed by law. The Parties agree that a Default under the Town Agreement will constitute a Default under this Agreement.

6. *Indemnification.* The Housing Trust agrees to forever indemnify and hold the Housing Authority, its officers, agents, contractors, and employees harmless from any and all claims, damages, costs, liability, or expenses (including reasonable attorney's fees) incurred by the Housing Authority and arising wholly or in part, out of the Housing Trust's management of the development and construction of the Redmond Street Rental Project or the Housing Trust's management of the rental and maintenance operations of the Redmond Street Rental Project.

7. *Miscellaneous*

A. *Dispute Resolution.* Any dispute arising out of or relating to this Agreement that cannot be resolved pursuant to the provisions of this Agreement or between the Parties in a timely manner shall first be attempted to be resolved with non-binding mediation, with a mediator selected by both parties. If the parties are unable to agree on the selection of a mediator, each shall

select a mediator and then the two so selected shall agree on a third person to mediate the disagreement. The parties shall attempt to complete mediation within thirty (30) days of any disagreement. If mediation is not successful at resolving the disagreement or if the parties are unable to complete the mediation within thirty (30) days of the first written notice of a disagreement, then either party retains the right to pursue resolution of the dispute through final and binding arbitration in Jackson, Wyoming in accordance with the following procedure and applicable state law. The Housing Trust or the Housing Authority, as the case may be, shall give written notice to the other party of its desire for arbitration, and shall state the name of one (1) disinterested arbitrator. Within fifteen (15) days of receipt, such other party shall give written notice of the name of one (1) disinterested arbitrator. These two (2) arbitrators shall then meet within fifteen (15) days and select a third (3rd) disinterested arbitrator. If either party fails to deliver notice of its arbitrator selection, then the Parties shall arbitrate with just the one (1) arbitrator selected in accordance with this paragraph. All arbitrators so chosen shall be a licensed attorney or arbitrator. Within thirty (30) days thereafter, the parties shall meet and present evidence and witnesses, if any, to the arbitrator(s), who shall then make a decision within fifteen (15) days. The arbitrator(s), by majority opinion, shall deliver a written opinion for their decision, and judgment upon the decision may be entered in any court having competent jurisdiction. The Parties shall split the arbitrators' costs evenly.

B. Governing Law, Venue. This Agreement will be construed, performed and enforced in accordance with, and governed by, the laws of the State of Wyoming. The Parties hereto irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with this Agreement, and consent to the jurisdiction of, the courts of the Ninth Judicial District, County of Teton, State of Wyoming.

C. Amendments; Waivers. This Agreement may be amended or modified only by a written instrument executed by the Parties, or in the case of a waiver, by the Party waiving compliance.

D. Entire Agreement. This Agreement and the HA Ground Lease contain the entire understanding between the Parties with respect to these matters and supersedes and replaces all prior and contemporaneous agreements and understandings, oral or written, with regard to these matters.

E. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which when taken together will constitute the same instrument.

F. Severability. In case any one or more of the provisions contained in this Agreement will for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision hereof, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

G. Notices. Any notice or communication required or permitted herein will be given in writing and will be personally delivered or sent by United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

To Housing Authority at:

Jackson Teton County Housing Authority
Attn: Chair
P.O. Box 1727
Jackson, WY 83001

To Housing Trust at:

Jackson Hole Community Housing Trust
Attn: Executive Director
P.O. Box 4498
Jackson, WY 83001

H. Attorney Fees. If any party hereto fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, will pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, all court costs and all reasonable attorneys' fees (including the costs of in-house counsel) regardless of whether litigation is commenced.

I. Governmental Immunity. The Housing Authority does not waive its sovereign or governmental immunity by entering into this Agreement with the Housing Trust, and fully retains all immunities and defenses provided by law with respect to any action based on or arising out of this Agreement.

J. Successors and Assigns. This Agreement is binding upon the successors and permitted assigns of the Parties hereto. The Housing Trust may not, without the prior written consent of the Housing Authority, which shall not be unreasonably withheld, conditioned or delayed, assign the Housing Trust's interest in this Agreement. Any attempt by the Housing Trust to assign its interest in this Agreement without the Housing Authority's prior written consent will be null and void, and any such assignee will acquire no right or interest by reason of such attempted assignment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first above written.

JACKSON HOLE COMMUNITY HOUSING TRUST,
a Wyoming nonprofit corporation

By: [Signature]
Its: President

WITNESS:

[Signature]

JACKSON TETON COUNTY HOUSING AUTHORITY

[Signature]
Matt Faugel, Chairman

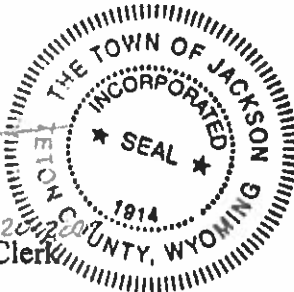
Attest: [Signature]
Danielle Goldyn-Halgh, Clerk

Approved and Affirmed By:

JACKSON TOWN COUNCIL

[Signature]
Pete Muldoon, Mayor

Attest: [Signature] 3-28-2020
Sandy Birdyshaw, Jackson Teton Clerk



Approved and Affirmed By:

TETON COUNTY BOARD OF COUNTY COMMISSIONERS

[Signature]
Mark Newcomb, Chairman

Attest: [Signature]
Sherry Dagle, Teton County Clerk



Exhibit A Redmond Street Rentals Site Plan

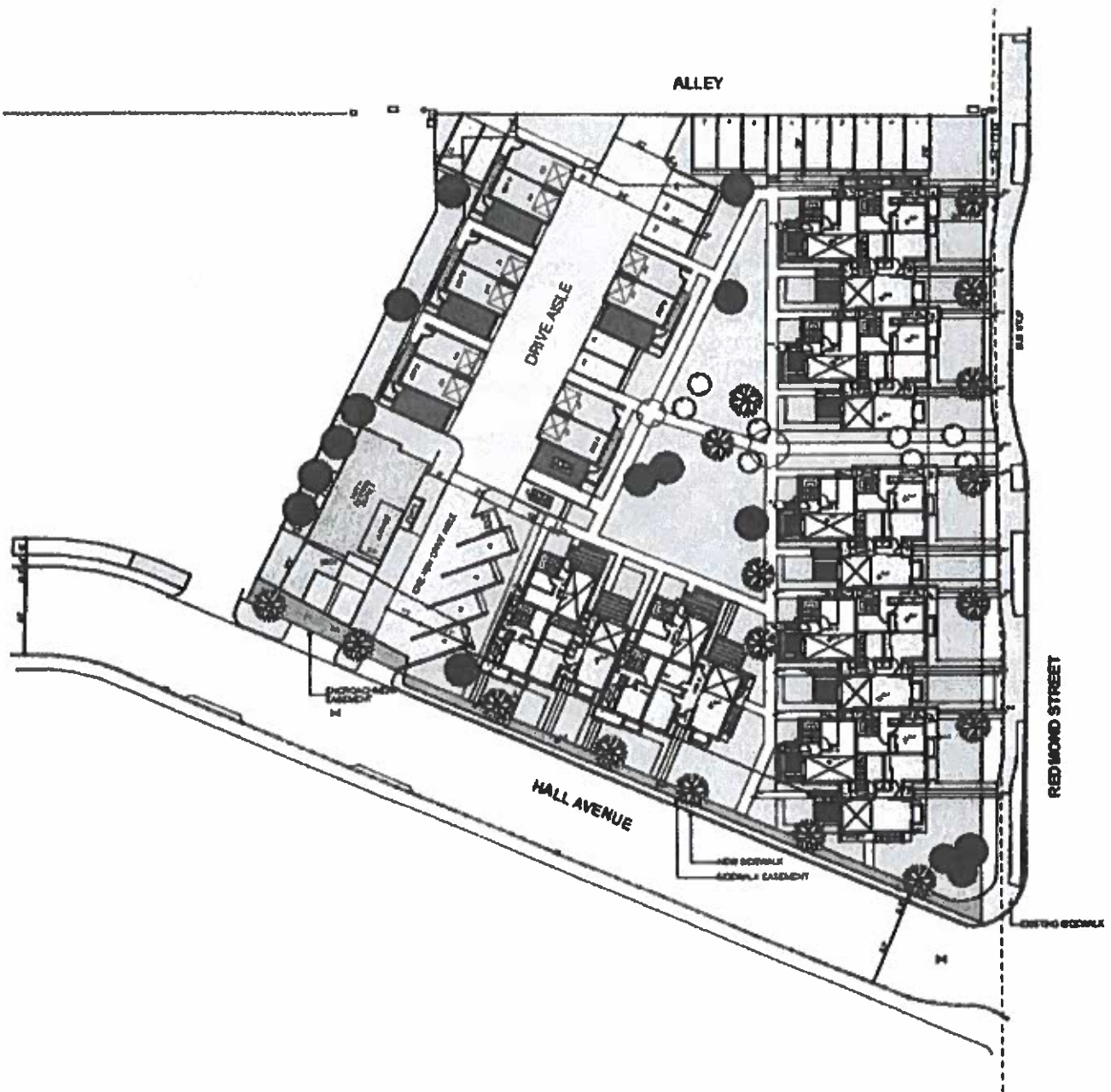
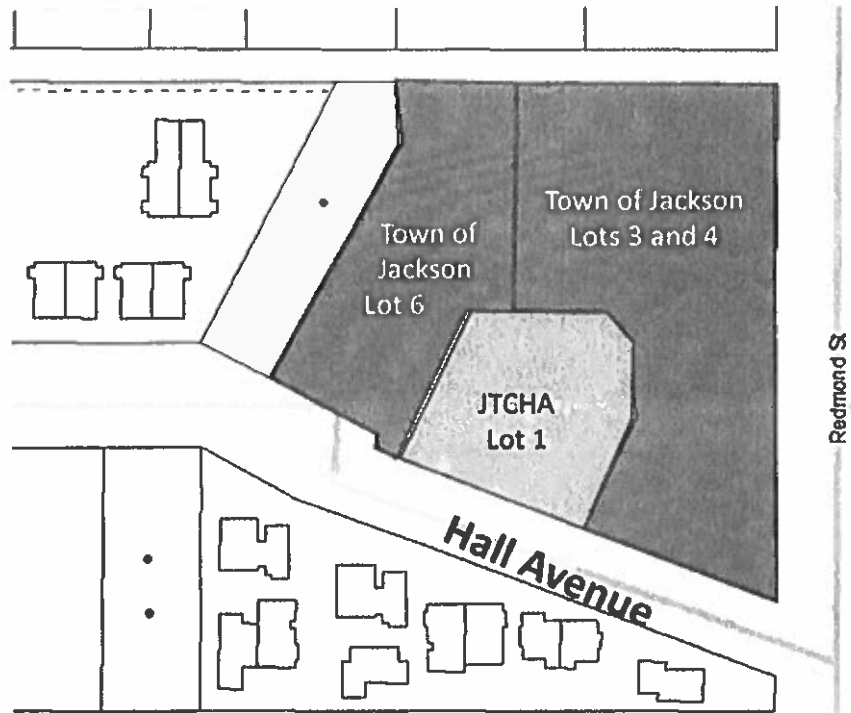


Exhibit B
Redmond Street Rentals
Proposed Land Conveyance



Redmond Street Rentals
Final Construction Report
November 8, 2018

We are pleased to present this final report summarizing the construction of Redmond Street Rentals. We will begin reporting on our operations to the Housing Department in the first quarter of 2019.

Project Overview:

Redmond Street Rentals consists of 28 affordable rental units (19 one-bedroom and nine two-bedrooms) with 10 garages and five carports. The gross project square footage totals 35,073 square feet. This project was made possible with financial support from the Town of Jackson, the Jackson/Teton County Housing Authority, and the Jackson Hole Community Housing Trust.

Project Schedule:

Construction began April 15, 2017. Certificates of occupancy were issued for all 28 units by the end of August 2018. By September 1st, all units were occupied.

Final Project Costs:

Land	\$3,645,958
Hard	\$8,043,322
Soft	<u>\$1,140,298</u>
Total Project Cost	\$12,829,578

Carefully managed construction allowed us to utilize our contingency for durability upgrades. Over time, these materials will allow us to save money on project maintenance. In this competitive construction environment, we are thrilled to have completed construction for \$229/square foot.

Outcomes:

Redmond Street Rentals came to life this September when 50 people in our community moved into their new homes. The numbers at Redmond Street Rentals tell a success story of cultivating a vibrant community through housing:

50 Tenants – 44 Adults, 6 Children
4106 Volunteer Hours
9 Educators
2 Fire Fighters
2 Teton County Sheriff's Department Officers
5 First Responders
23% Professional Services
14% Town/County Government
7% Not-for-Profit
20% Construction/Service
13% Tourism/Hospitality

Thank you for your support of Redmond Street Rentals and the tenants that now have stable, affordable housing.

Redmond Street Rentals Photos



Clockwise from upper left: dining area in a one-bedroom unit; street frontage looking south on Redmond Street; tenant Laura Langberg – Teton County Library Youth Services; central courtyard, tenants Venedicto and Eliska Garcia – grocery store manager and educator; kitchen in a one-bedroom unit; tenants Briana Spence and Jorge Olivares – dual immersion teacher and painter; and living room in a one-bedroom unit.

JHCHT - Redmond Street Rentals					
Development Activity - Final Project Costs					
			Total Project Expenses by Budget Category		% of Total Project Cost
Cost Code	Description		as of 11/8/18		
	Hard Costs (Shaw Construction Contract)	a)	5,741,305		
	Hard Costs (JHCHT Direct Purchases)	b.1)	2,302,018		
	TOTAL Hard Costs		8,043,322		63%
	Soft Costs	c.1)	1,140,298		9%
	Land Costs	d)	3,645,958		28%
	Total Project Cost Σ Lines f-h	h)	12,829,579		-

JHCHT - Redmond Street Rentals

Development Activity - Final Project Costs

		Total Project Expenses by Budget Category	
Cost Code	Description	as of 11/8/18	
Hard Costs (Shaw Construction Contract)		a)	5,741,305
Hard Costs (JHCHT Direct Purchases)		b.1)	2,302,018
TOTAL Hard Costs			8,043,322
Soft Costs		c.1)	1,140,298
8035-0200-0080;			
8035-0200-0090	Architectural Fees + Design Team		481,105
8035-0200-0080	Survey (site and easements) + Geotech		7,707
8035-0200-0080	Preconstruction Services		10,000
8035-0100-0020	Property Taxes		13,356
8035-0100-0040	Interest		96,670
8035-0100-0060	Appraisal, Loan Fees, Closing Costs and Title Insurance		25,260
8035-0100-0120	Insurance		30,621
8035-0100-0160	Temporary Utilities		1,426
8035-0200-0030	Legal		99,843
8035-0200-0065	Construction Materials Testing		11,309
8035-0200-0070	Accounting		30,000
8035-0310-0040	Tap Fees, Water Meters, and LVE infrastructure		104,224
8035-0100-0060	Land Acquisition		8,576
TBD	Fundraising and Marketing		99,000
TBD	Housing Trust Fee		121,200
Land Costs		d)	3,645,958
Total Project Cost Σ Lines f-h		h)	<u>12,829,579</u>

Project Narrative

Project Name		
Total Project Cost	\$	
Land	<i>Purchase Price</i>	<i>Year Purchased</i>
Year Complete		
# of Units		
# of Bedrooms		
# of Parking Spaces		
Total Livable Square Footage	Finished interior, unfinished basements	
Total Gross Square Footage	all interior space (finished, unfinished), decks. Do not inc	
Site Infrastructure	Describe	
Project Partners	Developer, GC, Architext, Engineers	

Please highlight a specific success or tenant profile from this past year.

Please summarize lessons learned from this past year.

Please describe the impact of the public contribution to this project.

Please describe the impact of the private contribution to this project.

Project Demographic Information

Since project completion:	
# of households served	
# of adults served	
# of children served	
Vacancy Rate	
Turnover Rate	

	Annual	Total
Vacancy Rate		
Turnover Rate		

Please complete for each household

[illegible]

HH w/ Dependents						
Adults	0	1	2	3	4	5+
1						
2						
3						
4						
Total	0					

Total Adults	
Total Dependents 0-18	
Total Dependents 18-64	
Total Dependents 65+	

Employment	
Years employed locally	# HH
Less than one year	
1 to 3 years	
4 to 6 years	
7 to 10 years	
More than 10 years	
Total	0

Avg # of Jobs/Adult	
---------------------	--

[illegible]

Employment Sector			
Industry	# Adults	>30 hrs/wk	<30 hrs/wk
Agriculture			
Construction			
Retail			
Transportation			
Information			
Financial Services			
Professional Services			
Education			
Local Government			
State and Federal Government			
Outdoor Recreation			
Restaurant/Bar			
Lodging			
Other Hospitality			
Other			

Project Financial Information
Please provide the following as an attachment to this report: Most recent INSERT LLC NAME tax filing Most recent INSERT ORG NAME 990 Proposed Operating Budget for Next Fiscal Year

Year End Financials

What	Amount	Explanation
------	--------	-------------

Vacancy		
---------	--	--

Gross Annual Rental Income		
----------------------------	--	--

Operating Expenses	\$0.00	
JHCHT Management		
Other Management		
Bank Charges		
Property Taxes		
Insurance		
Water		
Electricity		
Trash Removal and Recycling		
Snow Plowing and Removal		
Landscaping		
Please include all items not listed		

Reserve for Replacement - Balance		
Annual Contribution		
Spent		

Net Operating Income	\$0.00	
----------------------	--------	--

Debt Service		
--------------	--	--

Loan Balance				
--------------	--	--	--	--

Project Percentage Accounting			
Who	Amount	Explanation	Year
Town of Jackson	\$1,650,000.00	Does not count	2014
Town of Jackson	\$1,557,880.00	General Fund	2017
Town of Jackson	\$543,475.00	Employee Exactions	2017
Jackson/Teton County Housing Authority	\$1,950,000.00	2006 SPET	2017
Housing Trust	TBD	Leases	2018
Housing Trust	\$2,389,284.00	Philanthropy	
Total Contributions	\$8,090,639.00		
Total Contributions - Project Percentage Accounting	\$6,440,639.00		

Initial Project Percentage - 2018	
Town of Jackson	32.63%
Jackson/Teton County Housing Authority	30.28%
Housing Trust	#VALUE!

Current Project Percentage	
Town of Jackson	
Jackson/Teton County Housing Authority	
Housing Trust	