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Date: 14-DEC-2011 11:09:47AM
Fee: None Filed By: JP
ELIZABETH PALMIER, Recorder
WASATCH COUNTY CORPORATION
For: PARK CITY MUNICIPAL CORPORATION

WHEN RECORDED, RETURN TO:
David J. Smith
P. O. Box 4349
Park City, UT 84060

AFFORDABLE HOUSING CONDITIONS REGARDING 17 UNITS AT BLACKROCK

This Affordable Housing Conditions Regarding 17 Units at Blackrock ("Agreement") is made and entered into as of the 14th day of August, 2010 (the "Effective Date"), by and between Talisker Black Rock, LLC, a Utah limited liability company ("Owner"), and Park City Municipal Corporation, a municipal corporation of the State of Utah ("City").

RECITALS

A. Owner owns seventeen vacant, partially finished units, more particularly described on EXHIBIT "A" attached hereto (the "Units"), in a subdivision known as Black Rock in Wasatch County, Utah.

B. Owner desires that the Units be subject to the requirements and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. OWNER-OCCUPIED UNITS; UNIT PURCHASERS. The Units will be owner occupied primary residences, the intent being that the initial and subsequent purchasers of the Units will use them for personal occupancy as their primary residence. The Units will be sold and re-sold to the following Qualified Individuals in the following order of preference: (i) employees of the Owner and its affiliates; (ii) persons employed on a regular, full-time basis (at least 30 hours per week) within the Flagstaff Mountain area; (iii) persons employed on a regular, full-time basis (at least 30 hours per week) within the boundaries of the City school district; (iv) persons employed on a regular, full-time basis (at least 30 hours per week) within the boundaries of the Wasatch County school district; and (v) to non-qualified individuals as provided in Section 6, below.
2. INITIAL SALES PRICE. The initial sales prices of the Units sold by the Owner during 2010 shall not exceed the following amounts: (i) one-bedroom Unit, \$220,500; (ii) two-bedroom Unit, \$248,850; (iii) three-bedroom Unit \$276,150. These sales prices may increase 3% per year for any Unit initially sold by the Owner in subsequent years (with the date of sale being the date the offer is received by Owner).
3. MARKETING AND SALE OF UNITS. The Owner shall conduct all of the activities related to the marketing and sale of the Units by the Owner.
4. RESALE OF UNITS. In the event any Unit owner (a "Seller") desires to sell their Unit, Seller will first offer the Unit to the Owner, and then to the City, as described below, by

delivering a written notice of such offer to the Owner and the City concurrently (the "Option"). The date the Seller delivers such notice will be the "Offer Date".

5. OPTION. The Owner will have fifteen (15) calendar days after the Offer Date ("Owner's Option Period") to exercise the Option by delivering to the Seller written notice of the Owner's exercise of the Option ("Owner's Exercise Notice"). If the Owner elects to exercise the Option, the Owner will complete the purchase of the Unit by paying to the Seller the sales price (subject to the Resale Formula described below) within thirty (30) days after delivering the Owner's Exercise Notice. If the Owner (i) notifies the Seller that it will not exercise the Option, (ii) fails to deliver the Owner's Exercise Notice within the Owner's Option Period, or (iii) exercises the Option but fails to complete the purchase within thirty (30) days after delivering the Owner's Exercise Notice, then the City will have fifteen (15) calendar days after any such event ("City's Option Period") to exercise the Option by delivering to the Seller written notice of the City's exercise of the Option ("City's Exercise Notice"). If the City elects to exercise the Option, the City will complete the purchase of the Unit by paying to the Seller the sales price (subject to the Resale Formula described below) within thirty (30) days after delivering the City's Exercise Notice. If the City (i) notifies the Seller that it will not exercise the Option, (ii) fails to deliver the City's Exercise Notice within the City's Option Period, or (iii) exercises the Option but fails to complete the purchase within thirty (30) days after delivering the City's Exercise Notice, then the Option shall automatically terminate with respect to such sale or offering for sale, without the need for further notice or documentation.
6. SALES TO QUALIFIED INDIVIDUALS. Upon expiration or other termination of an Option with respect to a particular Unit, the Seller may then offer the Unit for sale to Qualified Individuals (as described above). In the event the Seller uses reasonable efforts to sell the Unit to Qualified Individuals (as described above) and no Qualified Individual is available, the Seller may sell the Unit to a non-qualified individual.
7. RESALE FORMULA. Following the initial sale of the Units by the Owner, the subsequent re-sales of those Units will be subject to a "Maximum Sales Price", which will be the actual purchase price paid by the seller at the time they purchased their Unit, plus (i) an annual increase of three percent (3%) of such purchase price, computed from the date of purchase to the date of sale (prorated at the rate of .25 percent for each whole month for any part of a year, and (ii) the cost of Qualified Capital Improvements (less depreciation on a 10 year, straight-line basis from the date of installation of any such improvements). Qualified Capital Improvements are defined in Exhibit B. For purposes of the Maximum Sales Price, Qualified Capital Improvements will not exceed five percent (5 %) of the seller's purchase price. In calculating the cost of such improvements, only the seller's actual out-of pocket costs and expenses as evidenced by receipts shall be eligible for inclusion. Such amount shall not include an amount attributable to the seller's labor ("sweat equity") or any appreciation in the value of the improvements.
8. PERMITTED ADJUSTMENT TO MAXIMUM SALES PRICE. Notwithstanding anything to the contrary herein, all conditions and restrictions contained herein shall be subject to and subordinate to the first lien of a mortgage/deed of trust given by the owner of a Unit. In the event the holder of the first lien of a mortgage/deed of trust takes title to a Unit by way of

trustee's sale, foreclosure, deed-in-lieu of foreclosure or other legal means, within 30 days of the date the holder takes title to a Unit, the Owner shall have the right to purchase such Unit at a price equal to the amount of outstanding principal, interest, taxes, insurance, and any costs to recover the Unit through a trustee's sale, foreclosure, deed-in-lieu of foreclosure or other legal means, and any other amounts that may have been due and owing the holder, and in the event the Owner does not exercise such right, the City shall have the same right for 15 days thereafter. In the event of a lender foreclosure and neither the Owner nor the City elects to purchase the Unit from the lender for the price set forth above, all restrictions herein related to such Unit are removed.

9. SELLING UNIT OWNER'S RIGHTS. Nothing in this Agreement shall be interpreted to require a selling Unit owner to sell the Unit against that selling owner's will. The selling Unit owner will have the right to obtain backup purchase offers to purchase the Unit as long as those offers are conditioned upon satisfaction of the other rights and obligations hereunder.
10. TERM. The term hereof shall be for a period of forty (40) years, and upon expiration, shall be reviewed for additional consecutive ten (10) year terms, unless it is determined, based on an independent housing needs assessment, that the Units are no longer necessary to satisfy affordable/employee housing needs.
11. WAIVERS. Owner hereby waives any defenses, rights or remedies that it might otherwise assert in connection with: (i) the application of the rule against perpetuities; or (ii) any claim that the covenants herein recorded against the Units are not real covenants running with the land constituting the Units. This waiver shall be binding upon and inure to the benefit of the successor and assigns of Owner and the City.
12. COMPLIANCE AND NON-DISCRIMINATION. At all times, Owner shall comply with applicable federal and state housing laws, and shall not discriminate against any person on the basis of race, sex, creed, sexual orientation, or color.
13. DISCONTINUANCE OF LIABILITY AFTER CONVEYANCE. Following the recording of a deed conveying a Unit to a purchaser in compliance with the conditions and restrictions herein, the transferor of the Unit shall have no further liability under this Agreement with respect to the Unit, except to the extent caused by the negligence or intentional misconduct of the transferor.
14. SEVERABLE OBLIGATIONS AND LIABILITIES. It is acknowledged and understood that the Units may eventually be owned by different individuals or entities. The owner of any particular Unit, and that Unit itself, shall not be liable for, or encumbered by, the obligations hereunder associated with any other Unit or owner of any other Unit.
15. NON-RECOURSE. The various members, directors, officers, managers, employees, agents and contractors of Owner shall have no personal liability, deficiency or recourse liability hereunder. The Owner's liability hereunder is limited solely to Owner's interest in the Units and the proceeds therefrom.

16. NOTICES. Any and all notices and demands required or desired to be given hereunder shall be in writing and shall be validly given or made if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, sent by Federal Express or other similar courier service keeping records of deliveries and attempted deliveries, or served by facsimile transmission. Service by mail or courier shall be conclusively deemed made on the first business day delivery is attempted. Facsimile transmissions received during normal business hours on a business day shall be deemed made at the time of receipt. Facsimile transmissions not received during normal business hours on a business day shall be deemed made on the next business day. Any party may change its address for the purpose of receiving notices or demands as herein provided by written notice given in the manner aforesaid to the others, which notice of change of address shall not become effective until actual receipt thereof by the others.

Any notice or demand to Owner shall be addressed to:

Talisker Black Rock, LLC
P.O. Box 4349
Park City, Utah 84060
Attn: David J. Smith
Fax No.: (435) 487-0256

Any notice or demand to the City shall be addressed to:

Park City Municipal Corporation
P.O. Box 1480
445 Marsac Ave.
Park City, UT 84060
Attn: City Attorney
Fax: (435) 615-4903

17. SEVERABILITY: Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law; but if any provision of any of the foregoing shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provisions in this Agreement.
18. ATTORNEYS' FEES. If any party shall take or defend against any action for any relief against another party arising out of this Agreement, the prevailing party in such action or defense shall be entitled to be reimbursed by the other party for all costs including, but not limited to, reasonable attorneys' fees and court costs, incurred by the prevailing party in such action or defense and/or enforcing any judgment granted therein, all of which costs shall be deemed to have accrued upon the commencement of such action and/or defense and shall be paid whether or not such action or defense is prosecuted to judgment. Any judgment or order entered in such action or defense shall contain a specific provision providing for the recovery of attorneys' fees and costs incurred in enforcing such judgment.

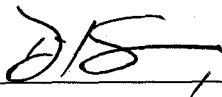
19. CHOICE OF LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Utah.
20. SUCCESSORS. Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of the parties.
21. THIRD PARTY BENEFICIARY. This Agreement is not intended to confer rights on third parties.
22. PARAGRAPH HEADINGS. Paragraph or section headings within this Agreement are inserted solely for convenience of reference, and are not intended to, and shall not govern, limit or aid in the construction of any terms or provisions contained herein.
23. GENDER AND NUMBER. Whenever the context so requires herein, the neuter and gender shall include any or all genders and vice versa and the use of the singular shall include the plural and vice versa.
24. MODIFICATIONS. The Parties agree that any modifications of this Agreement shall be effective only when made by writings signed by the parties hereto and recorded with the Clerk and Recorder of Wasatch County, Utah.
25. RECORDATION. Upon execution and delivery by Owner and City, Owner shall cause this Agreement to be recorded and filed in the official public records of Wasatch County, Utah, and shall pay all fees and charges incurred in connection therewith.
26. COVENANTS RUN WITH LAND. Owner intends, declares and covenants, on behalf of itself and all future owners of the Units, that this Agreement and the covenants and restrictions set forth herein shall be covenants running with the land and improvements constituting the Units, shall encumber the Units, and shall be binding upon Owner, and all subsequent owners of the Units.
27. INTEGRATION. This instrument constitutes the entire agreement between the parties with respect to the matters set forth herein.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of the Effective Date.

OWNER:

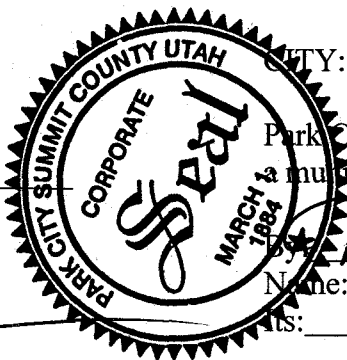
Talisker Black Rock, LLC,
a Utah Limited liability company

By: Talisker Management, Inc., its Manager

By: , *Principal/Signing Officer*

Attest:

[Signature]



Park City Municipal Corporation,
& municipal corporation of the State of Utah

Approved as to Form:

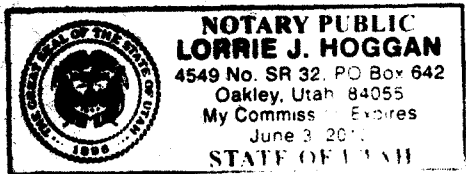
[Signature]

[Signature]
Name: DANA WILLIAMS
Title: MAYOR

ACKNOWLEDGEMENTS

STATE OF UTAH)
) :ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 6th day of August, 2010,
by David J. Smith on behalf of Talisker Management, Inc., the Manager of
Talisker Black Rock LLC, a Utah limited liability company.



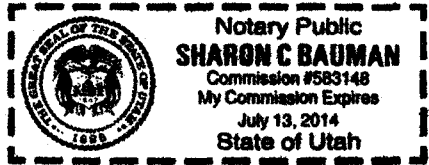
[Signature]
NOTARY PUBLIC
Residing at: Oakley, Utah

My Commission Expires:

6-3-12

STATE OF UTAH)
) :ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this 1 day of Dec. 2011 August, 2010,
by Dana Williams, the Mayor of Park City
Municipal Corporation.



[Signature]
NOTARY PUBLIC
Residing at: Park City Utah

My Commission Expires: 07-13-2014

EXHIBIT "A"

Units A through Q, inclusive, Building 38, contained within the Iroquois Phase 3 Amending Parcels L, M and O, a condominium project as the same is identified in the Record of Survey Map recorded April 18, 2007 in Wasatch County, as Entry No. 318914, in Book 937 at Page 2014 (as said Record of Survey Map may have heretofore been amended or supplemented) and in the Declaration recorded on September 25, 2006 in Wasatch County, as Entry No. 308173 in Book 894 at Page 37 (as said declaration may have heretofore been amended or supplemented.)

EXHIBIT "A"***Black Rock Ridge – Condominiums***

<u>Building</u>	<u>Unit No.</u>	<u>Bedrooms</u>	<u>Baths</u>
Larkspur	Q	1	1
Summit	C	2	2
Summit	H	2	2
Summit	M	2	2
Summit	P	2	2
Wasatch	B	2	2
Wasatch	D	2	2
Wasatch	G	2	2
Wasatch	I	2	2
Wasatch	L	2	2
Solace	A	3	2
Solace	E	3	2
Solace	F	3	2
Solace	J	3	2
Solace	K	3	2
Solace	O	3	2

EXHIBIT "B"
QUALIFIED CAPITAL IMPROVEMENTS

1. The term "Qualified Capital Improvements" shall only include the following:
 - a. Improvements or fixtures erected, installed or attached as permanent, functional non-decorative improvements to real property, excluding repair, replacement and/or maintenance improvements;
 - b. Improvements for energy and water conservation;
 - c. Improvements for the benefit of seniors and/or handicapped persons;
 - d. Improvements for health and safety protection devices (including radon);
 - e. Improvement to add and/or finish permanent/fixed storage space;
 - f. Improvements to finish unfinished space;
 - g. Landscaping;
 - h. The cost of adding decks and balconies, and any extension thereto; and/or
 - i. Improvements associated with health and safety, energy efficiency, water conservation, and green building products.

2. Permitted Capital Improvements as used in this Agreement shall NOT include the following:
 - a. Jacuzzis, saunas, steam showers and other similar items;
 - b. Upgrades or addition of decorative items, including lights, window coverings and other similar items.
 - c. Upgrades of appliances, plumbing and mechanical fixtures, carpets and other similar items included as part of the original construction of a unit and/or improvements required to repair and maintain existing fixtures, appliances, plumbing and mechanical fixtures, painting, and other similar items, unless replacement is energy efficient or for safety and health reasons.