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Alan Spriggs, Summit County Utah Recorder

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By COALITION TITLE AGENCY, INC.

Electronically Recorded by Simplifile

WHEN RECORDED, RETURN TO:

Thomas G. Bennett
Ballard Spahr, LLC
201 So. Main St., Suite 800
Salt Lake City, Utah 84111

**RESTRICTIONS CONCERNING THE
RENTAL OF EMPLOYEE/AFFORDABLE HOUSING
UNITS IN DEER CREST ROOSEVELT GAP RESORT**

This Restrictions Concerning the Rental of Employee/Affordable Housing Units in Deer Crest Roosevelt Gap Resort ("Agreement") is made and entered into as of the 13 day of AUGUST, 2010 (the "Effective Date"), by and between Deer Crest Janna, LLC, a Delaware limited liability company ("Owner"), and Park City Municipal Corporation, a municipal corporation of the State of Utah ("City").

RECITALS

A. Owner owns the "Commercial Areas" of the Deer Crest Roosevelt Gap Resort ("Project"), as more particularly described on attached Exhibit "A", including the areas designated as 2A Affordable Unit and 2B Affordable Unit ("Units") on the First Amended and Restated Deer Crest Roosevelt Gap Resort, Deer Crest Roosevelt Gap Residences Condominium Project, Deer Crest Roosevelt Gap Condo Suites Condominium Project Condominium Plat recorded on November 20, 2009 in the official records of Summit County, Utah as Entry No. 886961 and in the official records of Wasatch County, Utah as Entry No. 354433 ("Plat"), which Units are located in the Snow Park Building of the Project, in Park City, Summit County, Utah.

B. The Project is subject to the conditions set forth in the Conditional Use Permit approval granted by the Park City Planning Commission on February 28, 2001, as amended on July 25, 2001, March 24, 2004, May 11, 2005, and April 22, 2009, and as may be further amended from time to time (as amended, the "CUP").

C. In accordance with the requirements of the CUP, and as a condition to the development of the Project, the City has required that the Units be restricted to use as employee and affordable housing, and that the transfer, occupancy and rental of the Units be restricted in the manner set forth in this Agreement.

AGREEMENT

IN WITNESS WHEREOF, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree that Owner (and any subsequent owner(s) of the Commercial Areas of the Project) shall rent the Units pursuant to the following restrictions:

1. Definitions.

(a) Consumer Price Index means the Department of Labor and Commerce, Bureau of Labor Statistics Consumer Price Index, All Urban for the Western Region.

(b) Maximum Rent means (i) Nine Hundred Forty Dollars (\$940) per month, with Owner paying for any utility charges; or (ii) Eight Hundred Eighty-Six Dollars (\$886) per month, with renter being responsible for paying all utility charges.

(c) Qualified Individual means a full-time regular employee (with a minimum of 30 hours of employment per week) working at a Qualified Work Location, including without limitation, any employee of the Project, any employee of a management company engaged in on-site management of property within a Qualified Work Location, and employees of other businesses operating within a Qualified Work Location. Employees of other businesses within the Park City School District may be considered Qualified Individuals when reasonable efforts to rent to those employed in a Qualified Work Location are not successful.

(d) Qualified Work Location means a Qualified Individual whose principal place of work is within the Project, the Deer Valley Master Plan Development, the area commonly known as "Empire Pass", or the area commonly known as "Deer Crest".

2. Renting the Units.

(a) Renting Restricted to Qualified Individuals. Owner shall, in accordance with the provisions of this Section 2, for so long as this Agreement shall continue in effect with respect to the Units, have the right to rent the Units at any time to: (i) Qualified Individuals who intend to occupy the Unit(s); or (ii) any person or entity who agrees at all times to sub-lease, or otherwise hold the Unit(s) available for rent, to Qualified Individuals.

(b) When Renting Not Restricted to Qualified Individuals. Owner shall utilize reasonable efforts to give preference to Qualified Individuals in renting the Units, so long as: (i) the Qualified Individuals meet all the standard income, credit, background, employment and other tenant checks, as uniformly and fairly applied to all prospective or renewal tenants; and (ii) giving such priority does not violate any applicable laws. Owner will not knowingly allow any tenant to sublease, assign or otherwise convey any interest in a lease to a person that is not a Qualified Individual. In the event that Owner uses commercially reasonable efforts to rent to a Qualified Individual for at least sixty (60) days, including notification of unit availability in one or more local media outlets, and no Qualified Individual is available, Owner shall have the right to rent to any other tenant. Owner shall notify the City whenever any Unit is rented to a person who is not a Qualified Individual.

(c) Limitation on Rental Rates and Terms. The rate at which the Owner shall rent the Units shall not exceed the Maximum Rent. The Maximum Rent shall be adjusted on March 1 of each year by the annual percentage increase in the Consumer Price Index using a base year of 2010. In the event that there are multiple tenants in a unit, the aggregate rent paid by all tenants in such Unit shall not exceed the Maximum Rent.

(d) Rent as Part of Employee Compensation Package. Rent for any Unit may be included as part of an overall employee compensation package. The stated value of this benefit shall not exceed the Maximum Rent.

(e) Minimum Lease Term for a Unit. The minimum lease term for a Unit shall be six months, except that the minimum lease term for tenants employed at the Project shall be thirty (30) days. In no event shall the Units be offered for rent on a nightly basis to the general public. It is the intent of the Owner to exercise commercially reasonable efforts to keep the Units continually occupied.

(f) Vacancy of Unit. Except for times when a Unit is being held vacant to meet upcoming seasonal housing needs, if a Unit is vacant for a period of more than sixty (60) consecutive days, Owner shall utilize reasonable efforts to rent the Unit, including without limitation marketing the Unit through local media, and giving the City written notice of such a vacancy, in which case the Unit shall become available for rent by a Qualified Individual identified by the City, subject to the provisions of Section 2(b), above. If a Unit is held vacant for more than sixty (60) days to meet upcoming seasonal housing needs, Owner shall provide City with written notification of the seasonal occupancy plan for such Unit.

(g) Maximum Occupancy. The maximum overnight occupancy for each Unit shall be two adults and their children. Any lease of the Units shall include this maximum occupancy as a covenant of the lease.

3. Selling the Units. The Units are within the Commercial Area of the Project. The Units may not be sold separately from the rest of the Commercial Area. In the event of any sale, the Commercial Area and the Units shall continue to be subject to the terms and provisions of this Agreement.

4. Term of this Agreement. The term of this Agreement shall commence as of the date first set forth above and continue in full force and effect for a period not less than forty (40) years. At the expiration of the initial forty (40) year term, this Agreement shall continue in effect for additional consecutive ten (10) year terms, unless the City shall determine, based an independent housing needs assessment, that the Units are no longer necessary to satisfy the affordable/employee housing needs in Park City. The Park City Housing Authority or its successor shall make the final determination of the continuing need for the Units.

5. Waivers. Owner hereby waives any defenses, rights or remedies that it might otherwise assert against the City in connection with: (i) the application of the rule against perpetuities to this Agreement; or (ii) any claim that the covenants in this Agreement 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.

6. Repair and Maintenance. Owner covenants, agrees and warrants that each Unit is and will remain in good condition, suitable for occupancy. Owner shall cause each Unit to be maintained and operated in at all times in strict compliance with the terms of this Agreement, the

declaration of covenants, conditions and restrictions ("CC&Rs") associated with the Units, and other applicable laws, including City building and zoning codes. Subject to the terms and conditions of the CC&Rs for the Units, if any Unit, or part thereof, shall be damaged or destroyed, Owner will use reasonable efforts to promptly repair and restore such Unit to substantially the same condition as existed prior to the event causing such damage or destruction and thereafter to operate such Unit in accordance with the terms of this Agreement.

7. Compliance and Non-Discrimination. At all times, Owner shall comply with all applicable federal, state and local housing laws, shall not discriminate against any tenant on the basis of race, sex, creed, sexual orientation, or color, and shall operate and manage the Units in a consistent and uniform manner.

8. Discontinuance of Liability after Conveyance. Following the recording of a deed conveying the Commercial Area to a purchaser, the transferor of the Commercial Area shall have no further liability under this Agreement respecting the Units, except to the extent caused by the negligence or intentional misconduct of the transferor.

9. Severable Obligations and Liabilities. The parties understand that the Units are part of the Commercial Area of the Project, which may eventually be owned by different individuals and entities. In the event that individual Units are owned by separate owners, the owner of any particular Unit shall not be liable for, or encumbered by, the obligations or liabilities under this Agreement associated with any other Unit or the owner of any other Unit.

10. Non-recourse. The various owners, members, directors, officers, managers, employees, agents and contractors of Owner shall have no personal liability, deficiency or recourse liability under this Agreement. Owner's liability under this Agreement shall be limited solely to Owner's interest in the Units and the proceeds therefrom.

11. Notices. Any and all notices and demands by any party to any other party 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, or sent by Federal Express or other similar courier service keeping records of deliveries and attempted deliveries. Service by mail or courier shall be conclusively deemed made on the first business day delivery is attempted. The parties may change their respective addresses for the purpose of receiving notices or demands as herein provided by a written notice given in the manner aforesaid to the others, which notice of change of address shall not become effective, however, until the actual receipt thereof by the others. The City must be notified within 5 calendar days of closing of any change of ownership and a contact name, phone number and address of the new owner.

Any notice or demand to Owner shall be addressed to Owner at the following address:

Deer Crest Janna, LLC
500 Mamaroneck Avenue
Suit 406
Harrison, New York 10528

Any notice or demand to the City shall be addressed to the City at the following address:

Park City Municipal Corporation
P.O. Box 1480
445 Marsac Ave.
Park City, UT 84060
Attn: City Attorney

12. 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.

13. 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.

14. Choice of Law. This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

15. 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.

16. Third Party Beneficiary. This Agreement is not intended to confer rights on third parties.

17. 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.

18. 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.

19. 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 Summit County, Utah.

20. Recordation. Upon execution and delivery by Owner and City, Owner shall cause this Agreement to be recorded and filed in the official public land deed records of Summit County, Utah, and shall pay all fees and charges incurred in connection therewith.

21. 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, regulating and restricting the rents, use, occupancy and transfer of the Units shall be covenants running with the land and improvements constituting the Units, for the benefit of the City, shall encumber the Units, and shall be binding upon Owner, and all subsequent owners of the Units.

22. Integration. This Agreement constitutes the entire agreement between the parties with respect to the matters set forth herein.

23. Annual Compliance Report. Owner agrees to provide an annual compliance report to the City by October 1 of each year during the term of this Agreement. The annual compliance report will include the current rent levels and occupancy status for the Units and any Unit sale that occurred during the year including the sales price. The annual compliance report shall include a signed statement by Owner certifying that the Units are in compliance with the terms of this Agreement, and a completed and signed Affordable Housing Compliance Form provided by the City.

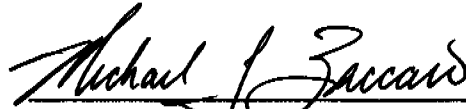
[Signatures on following page.]

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

OWNER:

DEER CREST JANNA, LLC,
a Delaware limited liability company

By: Janna DC Holdings, LLC, its Managing
Member



By: Michael Zaccaro, Manager

CITY:


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

By: 

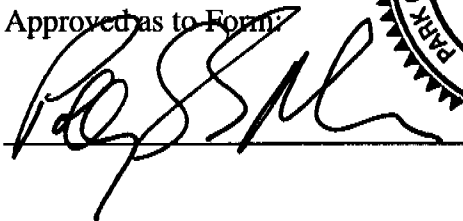
Name: DANA WILLIAMS

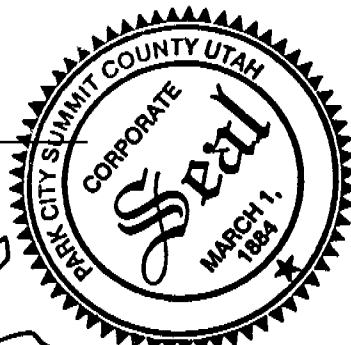
Title: MANOR

Attest:


City Recorder

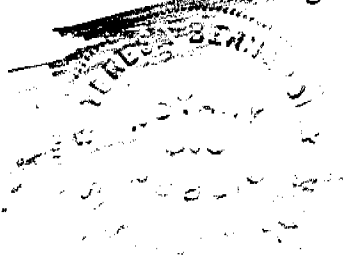
Approved as to Form:





STATE OF New York)
):ss.
COUNTY OF Westchester)

The foregoing instrument was acknowledged before me this 10th day of August, 2010, by Michael Zaccaro, the Manager of Janna DC Holdings, LLC, Managing Member of Deer Crest Janna, LLC, a Delaware limited liability company.



T. Bernardi

NOTARY PUBLIC
Residing at: Eastchester, NY

My Commission Expires:
May 19, 2012

TERESA BERNARDI
Notary Public, State of New York
No. 01BE6187450
Qualified in Westchester County
Commission Expires May 19, 2012

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

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, the _____ of Park City Municipal Corporation.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

EXHIBIT A

Description of the Property

THE COMMERCIAL AREAS DESIGNATED AS "AFFORDABLE UNIT 2A" AND "AFFORDABLE UNIT 2B" ON THE FIRST AMENDED AND RESTATED DEER CREST ROOSEVELT GAP RESORT, DEER CREST ROOSEVELT GAP RESIDENCES CONDOMINIUM PROJECT, DEER CREST ROOSEVELT GAP CONDO SUITES CONDOMINIUM PROJECT CONDOMINIUM PLAT RECORDED IN THE OFFICE OF THE SUMMIT COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 886961.

TAX SERIAL NOS. DCRGR-2A-1AM AND DCRGR-2B-1AM