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Restrictive Covenants PAGE 1/26

RHONDA FRANCIS, SUMMIT COUNTY RECORDER

FEE 40.00 BY COALITION TITLE CO



WHEN RECORDED, RETURN TO:

City Recorder
Park City Municipal Corporation
PO Box 1480, 445 Marsac Avenue
Park City, UT 84060

**RESTRICTIVE COVENANT PROTECTING THE
AFFORDABILITY AND SUSTAINABILITY OF
AFFORDABLE HOUSING SPACE IN PHASE 2 OF THE
ST. REGIS DEER VALLEY
(SNOW PARK RESIDENCES)**

This Restrictive Covenant Protecting the Affordability and Sustainability of affordable housing space in Phase 2 of the St. Regis Deer Valley (also known as the "Snow Park Residences") (the "Covenant") is made and entered into as of the 7th day of DECEMBER, 2020 (the "Effective Date"), by and between SRDV PARTNERS, LLC, Delaware limited liability company (the "Developer"), and PARK CITY MUNICIPAL CORPORATION, a political subdivision of the State of Utah (the "City") with respect to certain real property and improvements that have been or are to be constructed on a portion of the property described in **Exhibit "A"**, situated in Park City, Summit County, State of Utah (the "Property"). The Developer and the City are referred to in this Covenant collectively as the "Parties" and, individually, as a "Party".

RECITALS

- A. Whereas, the Developer, as current owner of the Property, is subject to certain development requirements regarding the Property ("Development Requirements"), including as contained in that Settlement Agreement by and between Park City Consolidated Mines Company, Trans-Wasatch Company, L.L.C, and the City dated December 29, 1995; the Deer Crest Hotel Conditional Use Permit (formerly known as the Rosewood CUP), approved by the City on February 28, 2001, as amended ("Deer Crest CUP"), and Park City Ordinance No. 2020-23, approving the Snow Park Residences Condominium Project at 2290 Deer Valley Drive East (the "Project"), which require, among other things, that certain employee and affordable housing be constructed in connection with the development of the Property;
- B. Whereas, pursuant to fulfilling certain Development Requirements, the Project and the Developer are subject to that First Amended Affordable Housing Mitigation Plan for the St. Regis Hotel Deer Valley Findings of Fact, Conclusions of Law and Conditions of Approval adopted by the Park City Housing Authority on August 29, 2019 ("Housing Mitigation Plan");

- C. Whereas, the Developer has caused, or will cause, to be recorded on around the date hereof, in the Summit County Recorder's Office ("Office of the County Recorder"), the Snow Park Residences Condominium Plat (the "Plat"), and the Declaration of Covenants, Conditions and Restrictions for Snow Park Residences (the "Condo Declaration"), which Plat and Condo Declaration, designate the AHU as depicted on **Exhibit "B"** (the "AHU");
- D. Whereas, as current fee owner of the Property, Developer is the "Commercial Owner," as defined in that Amended and Restated Resort Declaration of Covenants, Conditions and Restrictions for Deer Crest Roosevelt Gap Resort recorded with the Office of the County Recorder as Entry No. 00886962, at Book No. 2010 and Page No. 1517, on November 20, 2009 ("Resort Declaration");
- E. Whereas, pursuant to the Plat, the AHU is designated as "Commercial Space", as described in the Resort Declaration.
- F. Whereas, the AHU shall be subject to the Resolution Adopting Affordable Housing Guidelines and Standards for Park City, Utah, Resolution 17-99 ("Housing Resolution"), as administered by the City;
- G. Whereas in conjunction with recording the Plat and the Condo Declaration, the Parties are entering into this Covenant, intending that it be a covenant running with the land; and
- H. Whereas this Covenant, upon its execution and recording in the public records of the County Recorder of Summit County, Utah, shall govern the terms and conditions of ownership, use, and occupancy of the Property by the Project Owner, Developer, Developer's Affiliates, and each of their successors and assigns and shall run with the land, enforceable by the City against any person or entity claiming an interest in the Property, and each of their successors in interest, assignees, heirs, devisees, mortgagees, lenders, trustees, beneficiaries, executors, administrators, and personal representatives.

AGREEMENT AND COVENANTS

IN WITNESS WHEREOF, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS.

When used in this Covenant, the capitalized terms identified in this Article 1 shall have the following assigned meanings:

- 1.1. AFFILIATE. The following shall be considered an Affiliate of the Developer:
 - 1.1.1 successor by dissolution, merger, consolidation, distribution, or reorganization;
 - 1.1.2 successor to Developer by reason of its conversion to another kind of legal entity;

1.1.3 a grantee of Developer under a deed delivered without payment of actual valuable consideration conveying title to the portion of the Property which includes the AHU

- (a) if the stock, shares, memberships, or other equity interests of the grantee are wholly owned by the Developer,
- (b) if the grantee wholly owns the Developer, or
- (c) if the grantee is wholly owned by an affiliated entity of the Developer, provided the affiliated entity and the Developer are both wholly owned by the same person or entity.

1.1.4 With regard to 1.1.1, 1.1.2, and 1.1.3 reserving, however, all rights and defenses as to any successor that the City would have had against the predecessor Developer under this Covenant or any other agreement.

- 1.2. AFFORDABLE UNIT EQUIVALENT (AUE). As defined in the Housing Resolution, a residential unit with at least 800 square feet of net livable space shall be considered one Affordable Unit Equivalent, or AUE.
- 1.3. ANNUAL COMPLIANCE REPORT. The reports attached to this Covenant as **Exhibit "E"**, *Park City Affordable Housing Affidavit for Rented AHUs*, as may be amended from time to time by the City or its designee, required to be provided to the City by the Project Owner, in accordance with Sections 2.8.
- 1.4. AREA MEDIAN INCOME or AMI. As of any date, the definition given "area median income" by the latest Park City Affordable Housing Resolution, or, should the City cease releasing periodic affordable housing resolutions and replace such resolutions with superseding provisions in the City Code governing the authority and implementation of affordable housing in the City, the definition given in such provisions of the City Code, and if "area median income" is not defined in such provisions of the City Code, as defined by the City Council of Park City, Utah.
- 1.5. AHU. The space designated on the Plat as AHU-1 which is part of the "Commercial Area" and "Non-Condominium Property" established by the Plat, the Condo Declaration, and the Resort Declaration, and which provides independent living facilities for a Household, including permanent provisions for living, sleeping, eating, cooking and sanitation. The AHU is not a condominium unit, and is not included in the "Owner Access Areas" or in the appurtenant easements granted the condominium unit owners pursuant to the Resort Declaration, Plat, or Condo Declaration.
- 1.6. CAPITAL IMPROVEMENTS. Material improvements or structural changes to the AHU that are more than repairs or cosmetic changes, including changes that would adapt the AHU to a new or different use or materially affect the value or use of the AHU and including, but not limited to all Permitted Capital Improvements.
- 1.7. CITY CODE. The Municipal Code of Park City, Utah, as amended.

- 1.8. DEER VALLEY AREA. All of the property and improvements in the area covered by the Deer Valley Resort Twelfth Amended and Restated Large-Scale Master Planned Development Permit dated November 30, 2016, and the area commonly known as “Deer Crest.”
- 1.9. DISABILITY. Physical or mental impairment that substantially limits one or more of a person’s major life activities, including a person having a record of such an impairment or being regarded as having such an impairment, or as may otherwise be defined in the Utah Fair Housing Act or as “Handicap” as defined 24 C.F.R. § 100.201.
- 1.10. DOMICILE. The place where an individual has a fixed permanent home and principal establishment, to which the individual, if absent, intends to return, and in which the individual voluntarily resides, not for a special or temporary purpose, but with the intention of making a permanent home for a minimum of nine (9) months out of each calendar year.
- 1.11. EVENT OF DEFAULT. Noncompliance with any part of this Covenant.
- 1.12. HOUSEHOLD. A single individual, doing his/her own cooking and living upon the premises as a separate housekeeping unit, or a collective body of persons doing their own cooking and living together upon the premises as a separate housekeeping unit in a domestic relationship based upon birth, marriage or other domestic bond as distinguished from a group occupying a boarding house, lodging house, club, fraternity or hotel.
- 1.13. MAXIMUM RENT. The Maximum Rent the Project Owner may charge the Qualified Renter of the AHU as established according to Section 2.3.
- 1.14. NOTICE. Correspondence complying with the provisions of Section 6.8.
- 1.15. PARK CITY SCHOOL DISTRICT BOUNDARIES. The latest school district boundaries as duly adopted and as reflected on the most current mapping issued by the Utah State Automated Geographic Reference Center school district map.
- 1.16. PERMITTED CAPITAL IMPROVEMENTS. Capital Improvements made by a Project Owner to the AHU with the prior written consent of the City that are designated on **Exhibit “C”**; are completed with all necessary building permits, including final inspections required by such permits, and deemed completed by the City building department.
- 1.17. PRIMARY RESIDENCE. The place where a Domicile has been established.
- 1.18. PROJECT OWNER. the Developer, as the owner of the Property and initial owner of the Project, and any successor, transferee or Affiliate of Developer who gains title to the AHU.

1.19. QUALIFIED RENTER. Qualified Renter shall be a person or persons who are determined by the City to meet one or more of the following criteria:

1.19.1. A person with a minimum of one adult in his or her Household who is a full-time (aggregate of 30 hours of employment per week) employee of an entity or entities performing services within any portion of the St. Regis Deer Valley Hotel or related facilities; or

1.19.2. Persons with a minimum of one adult in his or her Household who is a full-time (aggregate of 30 hours of employment per week) employee of a business or enterprise operating within the Deer Valley Area; or

1.19.3. An entity performing services for the St. Regis Deer Valley Hotel and/or related facilities or another enterprise within the Deer Valley Area that sublets to, or includes the use of the AHU as part of the compensation of, its employees; or

1.19.4. Households with an income that is 45% or less of AMI.

In the event that two or more Qualified Renters are identified at any time that occupancy of the AHU is changing, then, if requested by the Project Owner, preference shall be given to a Qualified Renter who has a person in their household who is employed by an entity or entities performing services within any portion of the St. Regis Deer Valley Hotel or related facilities.

1.20. REASONABLE EFFORT. Good faith effort for a minimum of 90 days to rent, at not more than the Maximum Rent, the AHU through the City's affordable housing program or the Mountainlands Community Housing Trust; advertising through local media, including a paper with state or local circulation and such other widely distributed printing or flyer; and advertising through online resources specially designed to market and sell or rent real estate.

1.21. SALE. The term "sale," or any derivative thereof (e.g., "sales," "sold," and "sell"), shall include any transfer of title of the AHU, regardless of whether or not any consideration is provided to the transferor in exchange. This shall include, but is not limited to, any gift, assignment, or other transfer.

1.22. SECURED CREDITOR. A person or entity who is the beneficiary of any obligation secured by a lien on the AHU, including under any mortgage, deed of trust, or other security instrument.

1.23. SENIOR SECURED CREDITOR. A Secured Creditor who is the named beneficiary, mortgage insurer, or mortgage guarantor of a mortgage, deed of trust, or other security instrument which takes priority or precedence over any other liens or encumbrances securing any other Secured Creditor so that the liens or encumbrance of the Senior Secured Creditor must be satisfied before any such other Secured Creditor is entitled to participate in the proceeds of any sale or other disposition of the AHU.

2. **COVENANT RESTRICTING THE PROJECT OWNER'S RENTAL OF THE AHU TO QUALIFIED RENTERS.**

2.1. **RENTING RESTRICTED TO QUALIFIED RENTERS.** The AHU is required by the Development Requirements, and the use and occupancy of the AHU shall be governed by this Covenant. At all times, the AHU shall be used as residence for a Qualified Renter and may only be occupied by Qualified Renters with rents no higher than the Maximum Rent. The foregoing requirements of this Section 2.1 may only be waived on a case-by-case basis by the City.

2.2. **WHEN RENTING NOT RESTRICTED TO QUALIFIED RENTERS.** Project Owner shall utilize Reasonable Efforts to give preference to Qualified Renters in renting the AHU so long as: (i) the Qualified Renter meets all the standard income, 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. Except as provided below, Project Owner will not knowingly allow any tenant to sublease, assign, or otherwise convey any interest in the lease. In the event that Project Owner uses Reasonable Effort to rent to a Qualified Renter for at least ninety (90) days and is unable to rent to a Qualified Renter, the Project Owner shall give the City written notice of such a vacancy, in which case the AHU shall become available for rent to a Qualified Renter identified by the City for a period of ninety (90) days following City's receipt of such written notice, and if no Qualified Renter is identified during this ninety day period, the Project Owner may rent to any tenant for up to six (6) months. Nightly rentals (rentals for less than 30 days) of the AHU is prohibited.

2.3. **LIMITATION ON RENTAL RATES AND TERMS.** The rate at which the Project Owner shall rent the AHU shall not exceed the Maximum Rent. The Maximum Rent for the year June 1, 2020 to May 31, 2021 for the AHU shall be \$880 per month if the Project Owner covers utility charges of water, sewer, electricity and gas, and \$805 per month if the lessee is separately responsible for any such utility costs. The Maximum Rent shall be updated on June 1, 2021 and June of each year thereafter as calculated by using the inflation adjustment factors used by the Department of Housing and Urban Development in determining fair market rents and annual adjustment factors, subject to the City's affordable-housing administrative policies. In the event the City ceases publication or administrative calculation of maximum rents for affordable housing units, the Maximum Rent shall be adjusted annually upon publication of the annual percentage increase in the Consumer Price Index for May of that year (the Department of Labor and Commerce Bureau of Labor Statistics Consumer Price Index, All Urban Consumers for the Western Region, using the expenditure category Housing – Shelter – Rent of Primary Residence, unless data for such category is unavailable, and in that case All Items). Notwithstanding the foregoing, at no time shall the Maximum Rent plus the cost of basic utilities paid by an occupying tenant of the AHU exceed 30% of that tenant's Household income. In the event the Project Owner or any other person rents or leases the AHU in excess of the Maximum Rent, any amounts charged to the occupying tenant in excess of the Maximum Rent shall be due and payable to the City immediately upon receipt, and such amounts shall be remitted to the City. Any such excess rents collected by the City

shall be used to further the City's affordable housing plan. Any assessments or fees charged to the fee title owner of the AHU pursuant to any declaration or covenants governing the Property shall not be charged to the tenant occupying the AHU, and the Project Owner shall pay all such assessments or fees timely when due.

2.4. RENT AS PART OF EMPLOYEE COMPENSATION PACKAGE. Rent for the AHU may be included as part of an overall employee compensation package. The value of this benefit shall not exceed the Maximum Rent.

2.5. MINIMUM LEASE TERM FOR THE AHU. The minimum lease term for the AHU shall be six (6) months. In no event shall the AHU be offered for rent on a nightly basis to the general public.

2.6. VACANCY OF AHU. The Project Owner shall use Reasonable Effort to rent the AHU to a Qualified Renter, and, should the AHU remain vacant for a period of more than ninety (90) consecutive days, the Project Owner shall give the City written notice of such vacancy, in which case the AHU shall become available for rent by a Qualified Renter identified by the City, subject to the provisions of Section 2.2 and 2.3 above.

2.7 CONDITION OF RENTAL AHU. The Project Owner and the Qualified Renter shall keep and maintain the AHU in a safe, sound, habitable, good, sanitary condition and in a good state of repair. The Project Owner shall maintain the AHU according to the standards outlined in **Exhibit "D"**, *Minimum Standards*. The Project Owner shall repair damage or replace or restore any destroyed parts of the AHU within six (6) months. In conjunction with the Annual Compliance Report, the AHU shall be subject to an annual inspection by the City.

2.8 ANNUAL COMPLIANCE REPORTS. The Project Owner shall submit an *Annual Compliance Report for Rented AHUs (Exhibit "E")* to the City by June 30 of each year. The Annual Compliance Report shall be accompanied by a signed affidavit by the Project Owner certifying that such Project Owner is in compliance with the terms of this Covenant. Failure of the City to mail or otherwise provide the Annual Compliance Report form to a Project Owner does not discharge the obligations of such Project Owner to make the Annual Compliance Report. The City may request additional documentation to demonstrate that the AHU is rented to a Qualified Renter as outlined in this Covenant. The Project Owner shall provide such additional documentation as may be requested by the City. In conjunction with the Annual Compliance Report, the City may conduct a yearly physical inspection of the AHU.

2.9 DETERMINATION THAT AHU IS NO LONGER NEEDED AS A RENTAL AHU. Should the City determine, based on an independent housing needs assessment, that the AHU is no longer necessary as a rental AHU to satisfy the affordable/employee housing needs in Park City, the Project Owner may use the AHU for personal use. The Park City Housing Authority or its successor shall make the final determination of whether the affordable and housing needs of Park City will be best met by the AHU's continuance as an affordable rental.

2.10 PROPERTY OWNERS SUBJECT TO THIS COVENANT. Each person taking an interest in the Project shall take such interest subject to this covenant, and any owner of any interest in the Project shall have no ability to remove or alter this Covenant during the term hereof, as provided in Section 6.1. without the written consent of the City.

3. COVENANT RESTRICTING SALE OF AHU.

3.1 AHU NOT FOR SALE. The AHU shall not be sold separate from the Project Owner's other rights in the Property and shall remain the property of the Project Owner, or its successor, with the continued designation of "Commercial Areas/Non-Condominium Property."

3.2 SALE OF PROJECT. Besides sales or transfers by Developer to its Affiliate, the Project Owner shall give the City prior notice of any sale or transfer of the portion of the Property which includes the AHU, and prior to such sale, the Project Owner shall provide to the City a duly executed written assignment and assumption agreement substantially in the form attached hereto as **Exhibit "F"**.

4. PHYSICAL CONDITION OF AHUS

4.1. CHANGES AND/OR CAPITAL IMPROVEMENTS. No substantial or non-cosmetic changes or capital improvements valued at more than \$1,000 may be made to the AHU without the prior written approval of the City.

4.2. MINIMUM STANDARDS OF PHYSICAL CONDITION. The Project Owner is required to maintain a minimum standard of physical conditions, as set forth in **Exhibit "D"**— *Minimum Standards*, for the AHU.

5. EVENTS OF DEFAULT

5.1. IT IS A CRIMINAL OFFENSE TO DISREGARD THE RESTRICTIONS HEREIN. Project Owner, is deemed to acknowledge Ordinance 14-47 and Park City Municipal Code section 8-3-6, each as amended, which establish that it is a crime to commit affordable housing fraud. Ordinance 14-47 was ratified to "ensure that any fraud and unjust enrichment in the process is stopped and that buyers, sellers . . . and other intended beneficiaries of deed restricted affordable housing are protected from any fraudulent acts or statements." Any violation of Ordinance 14-47 and Park City Municipal Code section 8-3-6 as amended in connection with the AHU is an Event of Default, and the responsible party is subject to criminal prosecution.

5.2. EVENT OF DEFAULT. Noncompliance with any part of this Covenant constitutes an Event of Default. Events of Default shall include but are not limited to: (a) rental of all or a portion of the AHU that violates the provisions of Article 2 without prior written consent of the City; (b) failure to pay the monetary penalties of Section 5.3; (c) failure to submit the Annual Compliance Report required by Sections 2.8; (d) failure to make timely payments or otherwise defaulting on a lien or mortgage on the AHU; or (e) using

the AHU for purposes other than as an affordable unit for a Qualified Renter, unless approved by the City.

5.2.1. Rental of the AHU on a nightly or weekly basis shall constitute an automatic Event of Default. Notwithstanding the cure period under Section 5.3, following a Notice from the City to a Project Owner of an Event of Default, the City may charge any Project Owner that rents the AHU on a nightly or weekly basis, automatic fines of up to the greater of \$500 per day or the rate charged for rental of the AHU per night.

5.2.2. Upon receipt of any notice of default from the City, the Project Owner shall provide documentation to the City which, in the City's reasonable discretion, provides evidence that no default hereunder exists or that any default has been timely cured, and timely cure of any default hereunder may not be considered complete until the City's receipt of such documentation.

5.3. MONETARY PENALTIES. Upon written Notice from the City to the Project Owner of an Event of Default ("*Notice of Default*"), the Project Owner shall have thirty (30) days to either cure such Event of Default or provide the City with a written-plan of cure, acceptable to the City. If the Project Owner does not cure the Event of Default within thirty (30) days or such longer period approved by the City ("Cure Period"), the City may exercise any remedy given hereunder or now or hereafter existing at law or in equity by statute or otherwise, including but not limited to, (i) assessing monetary penalties against the Project Owner of up to two-hundred and fifty dollars (\$250.00) per day beginning on the first day after the end of the Cure Period, and (ii) exercising of the Lease Option described herein, subject to the requirements of Sections 5.4 and 5.5, below.

5.4. LEASE OPTION. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and upon a finding of an Event of Default in accordance with the terms of Section 5.5 below, the City is hereby granted an option to lease the AHU ("*Lease Option*") upon the following terms and conditions: (i) the monthly rent to the City under the lease hereby granted pursuant to the Lease Option ("*AHU Lease*") shall be the Maximum Rent calculated in accordance with Section 2.3 less 30%; (ii) the AHU Lease shall begin on the date of Written Exercise Notice and shall extend for a period determined by the City, but not longer than two (2) years; (iii) the AHU Lease shall be memorialized by a written lease agreement which shall provide that the cost of all basic utilities (water, sewer, electricity and natural gas) to the AHU, structural repairs and maintenance necessary to maintain the habitability of the AHU, property taxes and insurance on the real property and improvements constituting the AHU (but not covering any of the tenant's personal property in the AHU) during the term of the AHU Lease shall be paid by the Project Owner; (iv) the AHU Lease shall provide that each of the Project Owner and the City indemnify and hold harmless the other Party for all costs, expenses, damages, or legal proceedings directly resulting from the acts or omissions of the indemnifying Party in the operation of the Project or the AHU, provided that any indemnification obligation of the City shall be limited in accordance with any applicable

laws related to indemnification by the City; (v) the written AHU Lease agreement shall allow the City to enter into one or more sublease agreements, including for residential use of the AHU for affordable housing purposes; and (vi) at the end of the AHU Lease term the AHU Lease shall automatically terminate, and possession of the AHU shall be returned to the Project Owner subject to all of the terms and conditions of this Covenant, which shall continue in full force and effect with respect to the AHU and the Project Owner.

5.5. EXERCISE OF LEASE OPTION. If the Project Owner fails to cure the Event(s) of Default detailed in the Notice of Default by the end of the Cure Period, then the City shall have the right, but not the obligation, to exercise its Lease Option as of the Option Date, as further described in this Section 5.5. In such event the City shall, after the end of the Cure Period, send Notice to the Project Owner: (i) of the commencement of the monetary penalties described in Section 5.3, (ii) that contains a description of the remaining uncured Event(s) of Default, the dates of such noncompliance, a record of other Notices sent regarding such Event(s) of Default, and (iii) that grants to the Project Owner a 30-day period ("Hearing Request Period") in which to request a hearing to determine if Project Owner is in default hereunder. If requested by the Project Owner the City shall schedule an informal hearing before the City Council or, upon agreement by the City Council and the Project Owner, the City's board of adjustment or land-use appeal authority (the applicable body shall be referred to in this Section 5.5 as the "Appeal Authority"), to take place within thirty (30) days following the Project Owner's written request for a hearing, at which the Project Owner may present evidence or call witnesses. The Project Owner may cure the noticed Event(s) of Default at any time prior to the hearing before the Appeal Authority. If an informal hearing is scheduled and held the Appeal Authority shall issue a final ruling within thirty (30) days of the hearing which shall make a finding as to whether the Project Owner is in default hereunder. The Project Owner shall have thirty (30) days following the ruling of the Appeal Authority to cure such default(s). The failure by the Project Owner to cure such defaults by the end of such thirty (30) day period ("Option Date") shall trigger the City's right to exercise the Lease Option. If the Project Owner does not request a hearing before the Appeal Authority as provided herein the Option Date shall be the first day following the end of the Hearing Request Period. Beginning upon the Option Date and extending for a period of one (1) year thereafter ("Option Exercise Period"), the City may exercise its Lease Option at any time, so long as the noticed Event(s) of Default giving rise to the Lease Option have not been cured, by providing written notice to the Project Owner ("Written Exercise Notice"). If the Event(s) of Default have been cured prior to the delivery of the Written Exercise Notice to the Project Owner the Option Exercise Period shall terminate with respect to such defaults. Absent a timely cure by the Project Owner of its duly noticed defaults the City shall have the option, in its sole discretion, to exercise the Lease Option and to seek any other remedy provided to it at law or in equity. Any subleasing of the AHU by the City after its exercise of the Lease Option shall be for the purposes expressed in the then applicable City resolution or ordinance governing affordable housing, in order to preserve and continue the use of the AHU as affordable housing for Qualified Renters. In the event that the Project Owner becomes liable for the payment of monetary penalties, as provided in Section 5.3, such monetary penalties

shall cease on the day that the Project Owner cures its default(s) or the City provides its Written Exercise Notice if the City elects to exercise the Lease Option.

5.6. REMEDIES NOT EXCLUSIVE. Except that the commencement of an AHU Lease will terminate the accrual of monetary penalties under Section 5.3, no remedy conferred by any of the specific provisions of this Covenant is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other remedies.

6. GENERAL PROVISIONS

6.1. TERM OF COVENANT. The term of this Covenant shall commence as of the Effective Date set forth above and shall continue in full force and effect for a period not less than forty (40) years. Upon the expiration of the initial forty (40) year term, or any subsequent term, the City shall have six (6) months in which to determine, based on an independent market study, that the AHU is no longer necessary to satisfy the affordable or employee housing needs of the City. The City Council or its successor shall make the final determination of such continuing need, and if the City makes no such determination, the Covenant shall automatically renew for one or more additional consecutive ten (10) year terms.

6.2. AMENDMENTS. Any amendments or modification to this Covenant in whole or in part must be made in writing and agreed to by the then current holder of fee title and the City and must be recorded with the Recorder of Summit County, Utah. Amendments or modifications to this Covenant may be made to affect the AHU only, and such amendments or modifications shall be effective only when made by writings signed by the then current holder of fee title to the AHU at the time of the amendment or modification and the City and recorded with the Recorder of Summit County, Utah. The City may unilaterally modify the Covenant to provide clarification to any provisions that may be subject to differing interpretations, to correct any errors identified, or where the City deems such modification or amendment necessary to effectuate the purposes and intent of the Covenant or bring this Covenant in compliance with applicable City Code or State of Utah or federal law and where such modification does not in the City's reasonable discretion materially impair the rights of the then current fee title owner or any Secured Creditor.

6.3. NO WAIVER. No waiver of any Event of Default or breach of this Covenant shall be implied from any omission by the City to take action on account of such Event of Default, and no express waiver shall affect any Event of Default other than the Event of Default specified in the waiver, and then the waiver shall be operative only for the time and to the extent therein stated. Waivers by the City of any covenant, term or condition contained in this Covenant shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by either Party to or of any act by either Party requiring further consent or approval shall not be deemed to

waive or render unnecessary their consent or approval to or of any subsequent similar acts.

- 6.4. WAIVERS. The Project Owner hereby waives any defenses, rights, or remedies that each might otherwise assert against the City in connection with: (a) the application of the rule against perpetuities to this Covenant; or (b) any claim that the Covenants recorded against the AHU are not real covenants running with the land. This waiver shall be binding upon the successors and assigns of the Project Owner and inure to the benefit of the successor and assigns of the City.
- 6.5. SALE AGAINST OWNER'S WILL. Nothing in this Covenant shall be interpreted to require the Project Owner to sell the AHU against such Project Owner's will.
- 6.6. 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, 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. Each Party to this Covenant may change their respective addresses for the purpose of receiving Notice by a written Notice to the other Parties.

Notice to the Project Owner shall be addressed to the following address or to the address on file with the Office of the Recorder of Summit County, Utah:

SRDV Partners, LLC
500 Mamaroneck Ave. Suite 406
Park City, Utah 84060

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

Park City Municipal Corporation
PO Box 1480; 445 Marsac Avenue
Park City, Utah 84060-1480
ATTN: City Recorder and Housing Office
Fax: (435) 615-4901

- 6.7. SEVERABILITY. If any term, provision, covenant or condition of this Covenant is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Covenant shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of such remaining provisions. In the event that all or any portion of this Covenant is found to be unenforceable, this Covenant or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all

steps necessary to comply with such procedures or requirements as may be necessary in order to make valid this Covenant or that portion which is found to be unenforceable.

- 6.8. ATTORNEYS' FEES. If any Party, shall take or defend against any action for any relief against another party arising out of this Covenant, the prevailing Party in such action or defense shall be entitled to reimbursement 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.
- 6.9. CHOICE OF LAW. This Covenant shall be governed and construed in accordance with the laws of the State of Utah.
- 6.10. SUCCESSORS. Except as otherwise provided herein, the provisions and covenants contained herein shall inure to the benefit of, and be binding upon, the heirs, successors, and assigns of the Parties.
- 6.11. THIRD PARTY BENEFICIARY. The benefit of this Covenant shall run to the City personally and is not intended to, and does not, confer enforcement rights on any third parties.
- 6.12. PARAGRAPH HEADINGS. Paragraph or section headings within this Covenant 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.
- 6.13. 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.
- 6.14. COVENANTS RUN WITH LAND. The City intends, declares, and covenants on behalf of itself, all future owners of the AHU, and all parties that obtain any interest in the AHU that this Covenant and the restrictions set forth herein regulating and restricting the rent, use, occupancy and transfer of the AHU shall be covenants running with the Property and improvements constituting the AHU for the benefit of the City and shall encumber the AHU and shall be binding upon all subsequent assigns of the Project Owner of the AHU and any other party with an interest in the AHU.
- 6.15. INTEGRATION. This Covenant constitutes the entire Covenant between the Parties with respect to the matters set forth herein.
- 6.16. INTERPRETATION. The terms of this Covenant shall be interpreted so as to avoid speculation on the AHU and to ensure to the extent possible that the Maximum Rent remains affordable.

- 6.17. SUPERIORITY OF COVENANT. The Project Owner acknowledges that it has not and will not execute any other covenants or agreements with provisions contradictory to or in opposition to the provisions of this Covenant and that this Covenant is controlling as to rights and obligations between and among the Project Owner, the Developer, and the City, related to the AHU.
- 6.18. NO CITY LIABILITY. Nothing herein requires or shall be construed to require the City or any officer, director, employee, agent, designee, assignee, or successor thereof to protect or indemnify the Project Owner against any loss.
- 6.19. COUNTERPARTS. This Covenant may be executed in several counterparts, all of which together shall constitute one binding Covenant on all parties hereto, notwithstanding that all the parties have not signed the same counterpart.
- 6.20. RECORDATION. Upon execution of this Covenant, the City shall cause this Covenant to be recorded in the public records of the County Recorder of Summit County, Utah, and shall pay all fees and charges incurred in connection therewith.
- 6.21. FORECLOSURE OR BANKRUPTCY. If, prior to the date which is forty (40) years from the Effective Date, these Covenants are terminated or removed from the Property due to foreclosure or bankruptcy, the Project Owner shall otherwise provide to the City the 0.561 AUEs intended to be fulfilled at the Project as provided herein, which AUEs shall be provided in accordance with Housing Resolution 17-99, or as amended.
- 6.22. DEVELOPER'S CERTIFICATION. By execution of this Covenant the Developer certifies as to the following:
- 6.22.1 SRDV Partners, LLC is duly and validly organized under the laws of the State of Delaware, and validly existing in good standing under the laws of the State of Utah.
- 6.22.2 Developer has the requisite power and authority and has received any necessary lender or internal consents to own the AHU, to enter into this Covenant, and to operate the AHU according to the terms of this Covenant.
- 6.22.3 The person named below and signing on behalf of SRDV Partners, LLC has received all necessary approvals and is duly authorized to bind SRDV Partners, LLC to all of the terms and conditions found in this Covenant.
- 6.22.4 To the best of its knowledge and belief, the execution and delivery by the Developer of this Covenant, and the consummation of the transactions described herein, do not conflict with or result in a breach of any of the terms, provisions or condition of any agreement or instrument to which SRDV Partners, LLC may be bound, or of any order, law, rule or regulation of any court or governmental body or administrative agency having jurisdiction over the Developer or the Project.

- 6.22.5 This Covenant is intended to a legal, valid and binding obligation of Developer, enforceable in accordance with the terms herein.
- 6.22.6 The execution of this Covenant and its enforceability as a covenant running with the land, when recorded in the public land records of Summit County, Utah, does not require any additional notice or filing or the consent or approval of any partner, officer, or any other party, except those notices and filings which have heretofore been made and delivered to the City.
- 6.22.7 There is no litigation, action, or suit pending against or affecting or involving the Developer or the Project which would materially and adversely affect the ability of the Developer to operate the AHU in accordance with this Covenant.
- 6.22.8 To the best of Developer's knowledge, there is no default existing, or any condition existing which, with the passage of time, or the giving of notice, or both, would result in a default of the due performance or observance of any material obligation, agreement, covenant, or condition contained in any contract, indenture, mortgage, loan agreement, lease or other document binding upon the Developer or the AHU which would materially and adversely affect the ability of the Developer to operate the AHU in accordance with this Covenant.
- 6.23. AUE REQUIREMENT. The Developer recognizes and agrees that the fulfillment of any AUE requirement related to the Property is conditional on the construction and operation of the AHU in accordance with this Covenant, including its rental to a Qualified Renter for not more than the Maximum Rent.
- 6.24. INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER AND ITS AFFILIATES, FOR SO LONG AS IT OWNS THE AHU AND, THEREAFTER, EACH SUBSEQUENT PROJECT OWNER OTHER THAN DEVELOPER OR ITS AFFILIATES, SHALL INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS AGENTS, MEMBERS, SERVANTS, EMPLOYEES, AFFILIATES, SUCCESSORS, REPRESENTATIVES, OFFICERS AND DIRECTORS (COLLECTIVELY "INDEMNIFIED ENTITIES"), FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, EXPENSES, ATTORNEYS' FEES, AND CAUSES OF ACTION ARISING OUT OF OR RESULTING FROM THE AHU, THE AHU EASEMENT, THIS COVENANT, THE PROJECT, OR THE CITY'S ENFORCEMENT OF THE TERMS HEREIN AGAINST ANY OF THE PROJECT OWNER OR THE DEVELOPER OR THE DEVELOPER'S AFFILIATES. SHOULD ANY PROJECT OWNER FAIL TO OPERATE THE PROJECT AS AN AUE IN FULFILLMENT OF THE DEVELOPER'S AUE REQUIREMENTS SPECIFIED HEREIN, SUCH PROJECT OWNER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY FROM ALL COSTS, EXPENSES, AND ATTORNEYS FEES INCURRED IN ENFORCING THE AUE REQUIREMENTS OF DEVELOPER INTENDED TO BE FULFILLED BY THE OPERATION OF THE PROJECT IN ACCORDANCE WITH THIS COVENANT. THE OBLIGATIONS OF DEVELOPER AND DEVELOPERS

AFFILIATES (SO LONG AS DEVELOPER OR ITS AFFILIATE OWNS THE AHU) PURSUANT TO THIS SECTION 6.25 SHALL BE JOINT AND SEVERAL.

7. EASEMENT

7.1 AHU EASEMENT. Developer hereby grants and conveys to City, its successors and assigns with respect to this Covenant, an easement over and across the land, all entrances, lobbies, hallways, stairways and elevators of the property constituting the Project according to the condominium plat for Snow Park Residences recorded in the Office of the Summit County Recorder on the same date as this Covenant, for the purpose of providing access by the City to the AHU in order to facilitate the City's efforts and activities to inspect the AHU, verifying compliance by Developer with this Covenant, possession and operation of the AHU under the AHU Lease, and to facilitate the City's efforts to oversee and manage its governmental responsibilities and functions with respect to the AHU and, under any AHU Lease, act as landlord to any subtenant (the "*AHU Easement*"). The AHU Easement is solely for the purpose of providing the City access to the AHU and shall not grant to City the right to enter any condominium units, meeting space, commercial space or any other portion or facilities in the Project other than as necessary to access the AHU as provided herein, carry out its duties under this Covenant, and possess the AHU as provided under any AHU Lease. Except in the case of emergency, and except for any period during which the City has possession of the AHU under any AHU Lease, the City shall provide Developer with at least 24 hours advance written notice of its desire to utilize this easement and access the AHU, and a representative of Developer shall be available to escort representatives of the City utilizing this easement for access to the AHU. The term of the AHU Easement shall extend until the expiration or other termination of the Covenant.

DEVELOPER:

SRDV PARTNERS, LLC
a Delaware limited liability company

Falcon SRDV Investors, LLC,
its managing member

By: Michael J. Zaccaro
Name: Michael Zaccaro
Title: Manager

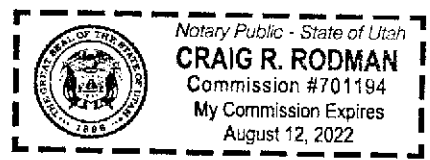
ACKNOWLEDGEMENT

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

The foregoing instrument was acknowledged before me this 7 day of DEC., 2020 by MICHAEL J. ZACCARO as the MANAGER of SRDV Investors, LLC, which is the manager of SRDV Partners, LLC, and, being personally known to me or proved to me through identification document allowed by law, and being by me duly sworn, did say that he is authorized to sign and acknowledge the foregoing instrument on behalf of such entities.

[Signature]
NOTARY PUBLIC
Residing at: PAUL CITY, UT

My Commission Expires: 8/12/2022



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

CITY:

Park City Municipal Corporation,
a Utah municipal corporation

By: Andy Beerman
Name: Andy Beerman
Its: Mayor



Attest:

Michelle Kellogg
City Recorder

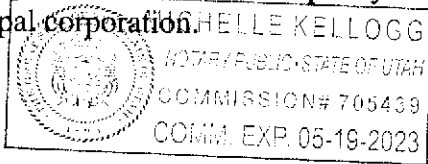
Approved as to Form:

MDH
City Attorney

ACKNOWLEDGEMENT

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

The foregoing instrument was acknowledged before me this 20th day of January 2021, by Andy Beerman, in his capacity as Mayor of Park City Municipal Corporation, a Utah municipal corporation.



Michelle Kellogg
NOTARY PUBLIC
Residing at: Park City, Utah

My Commission Expires:
5-19-2023

EXHIBIT "A"

The following described real property is located in Summit County, Utah:

LOT 4, DEER CREST HOTEL SUBDIVISION PLAT (AMENDING THE ROOSEVELT GAP SUBDIVISION PLAT), ACCORDING TO THAT PLAT RECORDED MAY 16, 2005, AS ENTRY NO. 283176, IN BOOK 754, AT PAGE 717, IN THE OFFICE OF THE WASATCH COUNTY RECORDER AND RECORDED MAY 16, 2005, AS ENTRY NO. 736261, IN BOOK 1700, AT PAGE 492, IN THE OFFICE OF THE SUMMIT COUNTY RECORDER.

AND

THE OWNER ACCESS AREAS, RESTRICTED ACCESS AREAS, BALCONY AREAS AND COMMERCIAL AREAS AS SHOWN ON THE DEER CREST ROOSEVELT GAP RESORT, DEER CREST ROOSEVELT GAP RESIDENCES CONDOMINIUM PROJECT, DEER CREST ROOSEVELT GAP CONDO SUITES CONDOMINIUM PROJECT, CONDOMINIUM PLAT.

LESS AND EXCEPTING THE FOLLOWING THREE DESCRIPTIONS:

(EXCEPTION 1)

ALL THE RESIDENCE UNITS (THE "RESIDENCE UNITS") OF THE AMENDED AND RESTATED DEER CREST ROOSEVELT GAP RESIDENCES, ACCORDING TO THAT PLAT RECORDED IN THE OFFICE OF THE WASATCH COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 354433 AND IN THE OFFICE OF THE SUMMIT COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 886961 ("RESIDENCE PLAT") AND THE AMENDED AND RESTATED RESIDENCE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DEER CREST ROOSEVELT GAP RESIDENCES RECORDED IN THE OFFICE OF THE WASATCH COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 354436 IN BOOK 1004 AT PAGE 1734 AND THE OFFICE OF THE SUMMIT COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 886964 IN BOOK 2010 AT PAGE 1707 (THE "RESIDENCE DECLARATION") AND AS FURTHER PROVIDED IN THAT CERTAIN AMENDED AND RESTATED RESORT DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DEER CREST ROOSEVELT GAP RESORT RECORDED IN THE OFFICE OF THE WASATCH COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 354434 IN BOOK 1004 AT PAGE 1544 AND THE OFFICE OF THE SUMMIT COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 886962 IN BOOK 2010 AT PAGE 1517, AS AMENDED ("RESORT DECLARATION"), AND (II) AN UNDIVIDED INTEREST IN THE NON-EXCLUSIVE PERPETUAL EASEMENT RIGHTS OVER THE OWNER ACCESS AREA AND THE BALCONY AREA APPURTENANT TO SUCH RESIDENCE UNITS, AS DESIGNATED ON THE RESIDENCE PLAT AND DESCRIBED IN THE RESORT DECLARATION.

AND

(EXCEPTION 2)

ALL THE CONDO SUITES UNITS (THE "CONDO SUITES UNITS") OF THE AMENDED AND RESTATED DEER CREST ROOSEVELT GAP CONDO SUITES, ACCORDING TO THAT PLAT RECORDED IN THE OFFICE OF WASATCH COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 354433, AND IN THE OFFICE OF THE SUMMIT COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 886961 ("CONDO SUITES PLAT") AND THE AMENDED AND RESTATED CONDO SUITES DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DEER CREST ROOSEVELT GAP CONDO SUITES RECORDED IN THE OFFICE OF THE WASATCH COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 354435, IN BOOK 1004, AT PAGE 1640, AND IN THE OFFICE OF THE SUMMIT COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 886963, IN BOOK 2010, AT PAGE 1613 ("CONDO SUITES DECLARATION") AND AS FURTHER PROVIDED IN THAT CERTAIN AMENDED AND RESTATED RESORT DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DEER CREST ROOSEVELT GAP RESORT RECORDED IN THE OFFICE OF THE WASATCH COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 354434, IN BOOK 1004, AT PAGE 1544, AND IN THE OFFICE OF THE SUMMIT COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 886962, IN BOOK 2010, AT PAGE 1517, AS AMENDED ("RESORT DECLARATION"), AND (II) AN UNDIVIDED INTEREST IN THE NON-EXCLUSIVE PERPETUAL EASEMENT RIGHTS OVER THE OWNER ACCESS AREA AND THE BALCONY AREA APPURTENANT TO SUCH CONDO SUITES UNITS, AS DESIGNATED ON THE CONDO SUITES PLAT AND DESCRIBED IN THE RESORT DECLARATION.

AND

(EXCEPTION 3)

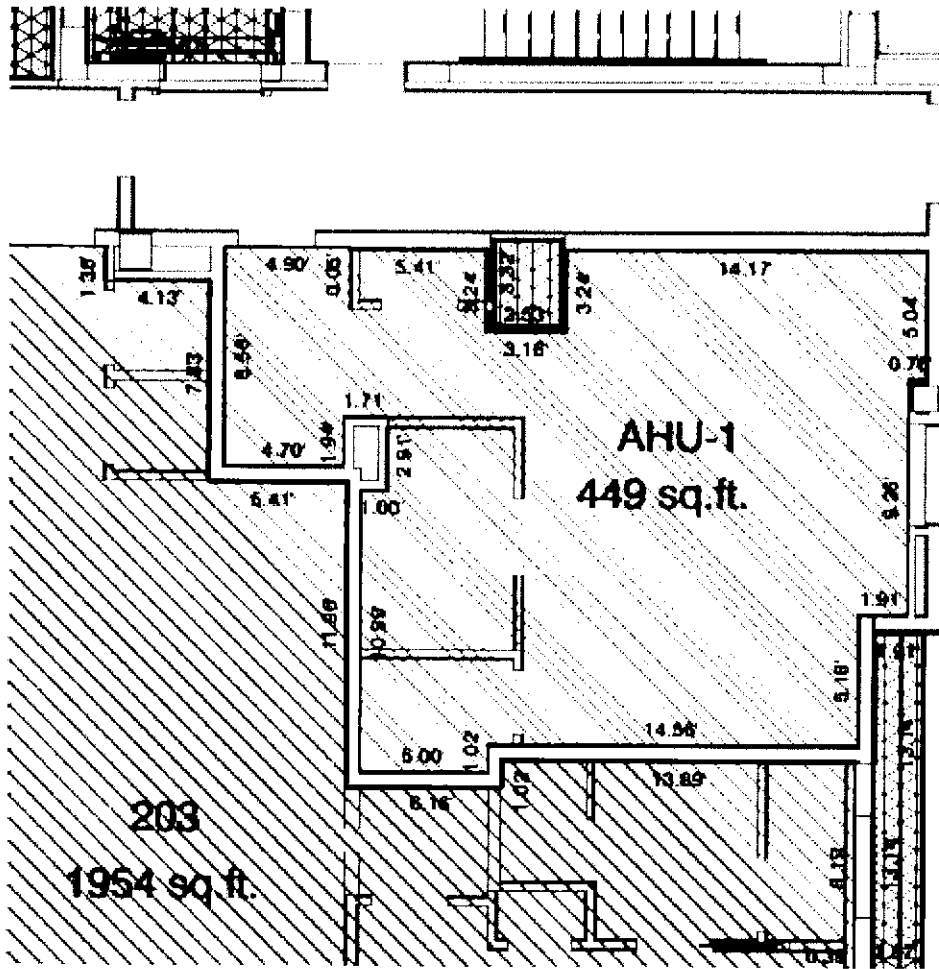
ALL THE SNOW PARK UNITS (THE "SNOW PARK UNITS") OF THE SNOW PARK RESIDENCES, ACCORDING TO THAT PLAT RECORDED IN THE OFFICE OF THE SUMMIT COUNTY RECORDER ON JAN 25 2021, AS ENTRY NO. 1153666 ("SNOW PARK PLAT") AND DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SNOW PARK RESIDENCES RECORDED IN THE OFFICE OF THE SUMMIT COUNTY RECORDER ON THE SAME DATE AS THE SNOW PARK PLAT (THE "SNOW PARK DECLARATION") AND AS FURTHER DEFINED AND MADE SUBJECT TO THAT CERTAIN AMENDED AND RESTATED RESORT DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DEER CREST ROOSEVELT GAP RESORT RECORDED IN THE OFFICE OF THE WASATCH COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 354434, IN BOOK 1004, AT PAGE 1544, AND IN THE OFFICE OF THE SUMMIT COUNTY RECORDER ON NOVEMBER 20, 2009, AS ENTRY NO. 886962, IN BOOK 2010, AT PAGE 1517, AS AMENDED ("RESORT DECLARATION"), AND (II) AN UNDIVIDED INTEREST IN THE NON-EXCLUSIVE PERPETUAL EASEMENT RIGHTS OVER THE OWNER ACCESS AREA AND THE BALCONY AREA APPURTENANT TO SUCH SNOW PARK

UNITS, AS DESIGNATED ON THE SNOW PARK PLAT AND DESCRIBED IN THE
RESORT DECLARATION.

Summit County Serial No. DCHS-4

EXHIBIT "B"

Depiction of the AHU



PHASE 2 BUILDING — AFFORDABLE UNIT AHU-1

EXHIBIT "C"

PERMITTED CAPITAL IMPROVEMENTS

1. The term "Permitted Capital Improvement" as used in the Covenant shall only be allowed as they are consistent with the CCRs and design guidelines and 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;
 - e. Addition of health protection devices (such as an exhaust system for the demonstrated existence of radon gas);
 - f. Improvements to add and/or finish permanent/finished storage space; and/or
 - g. Improvements to finish unfinished space.

2. Permitted Capital Improvements as used in this Covenant 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 the AHU 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.

EXHIBIT "D"
MINIMUM STANDARDS

- Clean AHU
- Carpets steam-cleaned two or three days prior to closing
- All scratches, holes, burned marks repaired in hardwood floors, linoleum, tile, counter tops etc.
- No broken or foggy windows
- All screens in windows (if screens were originally provided)
- All doors will be in working order with no holes
- All locks on doors will work
- All keys will be provided; e.g., door, mail box, garage
- All mechanical systems shall be in working order
- Walls paint ready
- Normal wear and tear on carpet; if carpet has holes, stains, etc., the carpet and padding shall be replaced or escrow funds at current market value per square foot for a comparable product shall be held at the time of closing to be used by the new buyer
- No leaks from plumbing fixtures
- Any safety hazard remedied prior to closing
- Satisfaction of radon issue if found at time of inspection
- All light fixtures shall be in working order
 - All appliances that existed in the original AHU, remain and are in good working order and good condition

DEFINITIONS:

Clean AHU: All rooms will be cleaned as stated below:

Kitchen:

- Range – Inner and outer services will be cleaned.
- Range hood and Exhaust Fan
- Refrigerator and Freezer – Inner and outer surfaces of refrigerator and freezer will be clean. Freezer will be defrosted.
- Cabinets and Countertops – Exterior and interior surfaces of cabinets and drawers will be clean. Door and drawer handles, if provided, shall be clean and in place.
- Sink and Garbage Disposal – Sink and plumbing fixtures will be clean. Garbage disposal must be in working order.
- Dishwasher – Must be in working order and inner and outer surfaces shall be clean.

Blinds, Windows, Screens:

- Mini-blinds, Venetian Blinds, Vertical Blinds, and Pull Shades – Will be clean.
- Windows – All window surfaces, inside and outside of the window glass, shall be clean.
- Screens – Screens will be clean and in place with no holes or tears.

Closets: Closets, including floors, walls, hanger rod, shelves and doors, shall be clean.

Light Fixtures: Light fixtures will be clean and shall have functioning bulbs/florescent tubes.

Bathrooms:

- Bathtub, Shower Walls, Sinks – Bathtubs, shower walls and sinks shall be clean.
- Toilet and Water Closet – Water closets, toilet bowls and toilet seats will be clean. If the toilet seat is broken or peeling, the seat shall be replaced.
- Tile – All tile and grout will be clean.
- Mirrors and Medicine Cabinets – Mirrors and medicine cabinets shall be cleaned inside and out.
- Shelves and/or Other Cabinetry – All other shelving or cabinetry shall be cleaned inside and out.

Walls, Ceilings, Painted Doors and Baseboards: Painted surfaces must be cleaned with care to ensure the surface is clean without damaging the paint.

Floors: Floor cleaning includes sweeping and mopping and could include stripping, waxing and buffing. Types of floor surfaces include bamboo and marmoleum.

Interior Storage/Utility Rooms: Storage/utility rooms shall be cleaned. Properly cleaned storage/utility rooms will be free from odors, removable stains, grease marks or accumulations. Washer/Dryer- Must be in working order and inner and outer surfaces shall be clean

Safety Hazard: Any item that provides a safety hazard shall be fixed. This would include, but is not limited to, exposed electrical wiring, satisfaction of any radon issue found, ventilation for gas hot water system, etc.

Walls Paint-Ready: All holes shall be patched; all posters, pictures, etc., shall be removed from all walls; all nails, tacks, tape, etc., shall be removed from all walls; and all walls shall be clean and ready for the new buyer to paint. If wallpaper has been placed on the wall and in good condition, the wallpaper can remain; if the wallpaper is peeling off, the wallpaper must be removed.

Windows: If a window is broken, including the locking mechanism, the window shall be replaced. If the window has a fog residue in the inside, it shall be replaced.

EXHIBIT "E"

Park City Affordable Housing Affidavit
For Rented Units



State of Utah
County of Summit

BEFORE ME, the undersigned Notary, _____ [name of
Notary before whom affidavit is sworn], on this _____ [day of month] day of
_____ [month], 20____, personally appeared

_____, [name of affiant], known to me
to be a credible person and of lawful age, who being by me first duly sworn, on _____ [his
or her] oath, deposes and says:

I currently own the property at _____ (street address)
which is a deed restricted home for affordability. I am fully aware of the restrictions and am to
the best of my knowledge in compliance. I verify that I am currently renting it to a qualified
individual for \$ _____ per month.

[signature of affiant]

[printed name of affiant]

[phone]

[mailing address of affiant, line 1]

[mailing address of affiant, line 2]

Subscribed and sworn to before me, this _____ [day of month] day of _____ [month],
20____.

[Notary Seal]

[signature of Notary]

[typed name of Notary]

NOTARY PUBLIC

My commission expires: _____, 20____.

Please return completed form to the attention of Rhoda J. Stauffer, PCMIC, PO Box 1488, Park City, Utah 84060 by no
later than November 28, 2013. rhoda.stauffer@parkcity.org or Fax 435-858-0010

I.