

WHEN RECORDED, RETURN TO:
City Recorder
Park City Municipal Corporation
PO Box 1480, 445 Marsac Avenue
Park City, UT 84068

ENTRY NO. 01012050
02/02/2015 11:27:16 AM B: 2277 P: 1536
Restrictive Covenants PAGE 1/18
MARY ANN TRUSSELL, SUMMIT COUNTY RECORDER
FEE 0.00 BY PARK CITY MUNICIPAL CORPORATION

**DEED RESTRICTIONS PROTECTING THE
AFFORDABILITY AND SUSTAINABILITY OF
AFFORDABLE HOMES AT
PARK CITY HEIGHTS**

This Deed Restrictions Concerning the Affordability and Sustainability of the affordable units at Park City Heights (“Agreement”) is made and entered into as of this 29 day of January, 2015 (the “Effective Date”), by and between Ivory Development LLC, a Utah corporation (“Owner/Developer”), and Park City Municipal Corporation, a political subdivision of the State of Utah (“City”).

RECITALS

A. Ivory Development LLC owns that certain property situated in Park City, Utah, as more particularly described in Exhibit A, which is attached hereto and incorporated herein by this reference.

B. The Owner/Developer submitted an affordable housing development plan (the “Plan”) to the City that was approved by the City on July 17, 2014. The Plan includes the construction of 79 affordable housing units to be built in four phases (collectively, the “Units”; each individually, a “Unit”). These Units include 28 townhomes on lots T1 through T28, 35 homes located on lots 1 through 35, and 5 cottage homes. The initial cottage homes identified in phase I shall be located on lots 36, 39, 42, 54, and 75. The remaining 11 cottage home lots in future phases shall be identified in a separate deed restriction.

C. The Units identified herein are subject to the terms of this Agreement. The sole purpose of the Units governed by this Agreement is to provide owner-occupied affordable housing for use by qualified applicants as their primary residence.

AGREEMENT

IN WITNESS WHEREOF, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **DEFINITIONS:**

- 1.1. **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 and his family voluntarily reside, not for a special or temporary purpose, but with the intention of making a permanent home for a minimum of nine months out of each calendar year.
- 1.2. **Event of Default.** Noncompliance with any part of this Agreement.
- 1.3. **Maximum Re-Sale Price.** The price above which no deed restricted unit may be sold as calculated by the Park City Finance Office based on the formula set forth in Section 3.9, below.
- 1.4. **Non-Qualified Buyer.** A buyer of a Unit that is not a Qualified Buyer.
- 1.5. **Owner-Occupied.** A Unit that is occupied by the title owner of record of the Unit as his primary residence.
- 1.6. **Primary Residence.** The place where a domicile has been established.
- 1.7. **Qualified Buyer.** A Qualified Buyer must meet the following criteria:
 - 1.7.1. Person(s) who does not own other real property; and
 - 1.7.2. A household with a minimum of one adult who meets one of the following criteria:
 - a) Full time (30 hours of employment per week) employees of entities located within the boundaries of the Park City School District; or
 - b) An owner or owner's representative of a business within the boundaries of the Park City School District.
- 1.8. **Sale.** The term "sale," or any derivative thereof (e.g., "sales," "sold," and "sell"), shall include any transfer of title of a Unit, 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.
- 1.9. **Units.** The 68 units to be built in phase I: 28 townhomes on lots T1 through T28, 35 homes located on lots 1 through 35, and 5 cottage homes including those located on lots 36, 39, 42, 54, and 75. The remaining 11 Units will be built in future phases.

2. **COVENANT TO RESTRICT SALES TO QUALIFIED BUYERS.** Except as otherwise agreed by the City and the Owner/Developer by amendment to this Agreement, Units shall only be sold to (1) Qualified Buyers who agree to use the Unit as their owner-occupied primary residence or (2) the City. If any Unit is sold to the City, the City shall also be bound by restrictions set forth in this Agreement. A Unit may be sold to a Non-Qualified Buyer only under the circumstances set forth in Section 3, below.

3. SALES.

- 3.1. INITIAL SALES. The initial sales by the Owner/Developer shall be subject to the restrictions set forth in Section 2, above and shall be priced in accordance with the Housing Mitigation Plan approved by Park City Housing Authority on July 17, 2014.
- 3.2. PRICING OF INDIVIDUAL UNITS. The final sales price for each unit will be established at the time of sale of individual units in accordance with the Housing Mitigation Plan approved by Park City Housing Authority on July 17, 2014 and documented in a separate and amended Deed Restriction to be recorded prior to the sale of individual units.
- 3.3. RESALE OF UNIT. Following the initial sale by the Owner/Developer the Unit Owner shall notify the City's housing staff by delivering to the City a written notice of such intent. The Unit Owner shall not sell his interest in the Unit unless such notice has been provided to the City and the City has had an opportunity to exercise its option pursuant to Section 3.3, below. The date the Unit Owner delivers such notice to City shall be the "Offer Date".
- 3.4. OPTION TO THE CITY. The City shall have forty-five (45) days after the Offer Date ("Option Period") to either purchase the Unit ("Option"), assign the Option to a Qualified Buyer, or decline to purchase the Unit. The City shall deliver to the Unit Owner written notice of whether or not it will exercise its Option to buy ("Exercise Notice"). City shall use its best efforts to deliver the Exercise Notice to the Unit Owner regarding the City's plans to exercise the Option as early as possible within the Option Period.
 - 3.4.1. If the City elects to exercise its Option to buy the Unit or assigns the option to a Qualified Buyer, the City or the Qualified Buyer shall complete the acquisition of the Unit within sixty (60) days after delivering the Exercise Notice.
 - 3.4.2. If the City (i) notifies the Unit Owner in writing that it will not exercise the Option, (ii) fails to deliver the Exercise Notice to the Unit Owner within the Option Period, or (iii) exercises the Option or assigns the Option to a Qualified Buyer but the transaction fails to close within sixty (60) days after delivering the Exercise Notice, the Option shall automatically terminate with respect to such sale or offering for sale, without the need for further notice or documentation.
- 3.5. SALE TO A QUALIFIED BUYER. Upon expiration or other termination of an Option with respect to a particular Unit, the selling Unit Owner shall then offer the Unit for sale to Qualified Buyers through efforts such as: (i) advertising the sale through local media outlets such as the local newspaper and radio station; (ii) providing notice of the sale to the City Housing Office; (iii) listing the Unit for sale on the Mountainlands Community Housing Trust resale list; and (iv) listing the Unit for sale on other web-based outlets.
- 3.6. SALE TO A NON-QUALIFIED BUYER. If, after using reasonable efforts to sell the Unit to a Qualified Buyer, a Unit Owner is unable to sell the Unit, the Unit Owner shall

request that (i) the City purchase the Unit at a mutually agreed price or (ii) that the City permit a Non-Qualified Buyer purchase the Unit subject to the terms of these restrictions. "Reasonable efforts" shall mean conducting a minimum of the following for no less than 120 days: (i) advertising the sale through local media outlets such as the local newspaper and radio station; (ii) providing notice of the sale to the City Housing Office; (iii) listing the Unit for sale on the Mountainlands Community Housing Trust resale list; and (iv) listing the Unit for sale on other web-based outlets.

3.7. RESALE FORMULA. Following the initial sale of the Unit by the Owner/Developer, subsequent sales of Units shall be governed by a resale formula that establishes the maximum permitted resale price of the unit ("Maximum Sales Price"). In no event shall a Unit be sold by the initial buyer and subsequent buyers for an amount in excess of the Maximum Sales Price, which is equal to the actual purchase price (i) plus an increase of three percent (3%) per year from the date of purchase to the date of Unit Owner's notice of intent to sell, (ii) plus Permitted Capital Improvements, as defined in Exhibit B (iii) minus any reductions in price pursuant to Section 3.7.1, (iv) plus the sum of \$250.00 to the City or its designee upon each transfer of ownership of a Unit. The purchaser shall pay no more than the Maximum Sales Price. Real estate commissions, seller's closing costs and capital improvements that are not Permitted Capital Improvements as defined in Exhibit B shall not be added to the Maximum Sales Price.

3.7.1. ADDING TO MAXIMUM SALES PRICE. With the prior written approval of the City, as required pursuant to Exhibit B, a Unit Owner may add Permitted Capital Improvements, as defined in Exhibit B, which add up to a maximum of seven percent (7%) of the purchase price to the resale value. Each new owner can submit an application to the City for this seven percent (7%) capital improvement maximum to the resale value. In calculating such amount, only those Permitted Capital Improvements identified in Exhibit B hereto shall qualify for inclusion.

3.7.2. OUT OF POCKET COSTS. In calculating the costs under Sections 3.7.1, only the Unit Owner's actual out-of-pocket costs and expenses as evidenced by receipts shall be used to calculate sale price. Such amount shall not include an amount attributable to the Unit Owner's profit, labor ("sweat equity") or to any appreciation in the value of the improvements.

3.8. Nothing in this Agreement shall be construed to constitute a representation or a guarantee by the Owner/Developer or the City that any sale of a Unit by a Unit Owner shall obtain the Maximum Sales Price.

4. PHYSICAL CONDITION OF UNITS

4.1. CHANGES AND/OR CAPITAL IMPROVEMENTS. No substantial or non-cosmetic changes or capital improvements whatsoever may be made to any individual Unit without the prior approval of the City.

4.2. MINIMUM STANDARDS OF PHYSICAL CONDITION. A Unit Owner will be required to maintain a minimum standard of physical conditions, as set forth in

Exhibit C – Minimum Standards, for the Unit in order to receive full resale value. Prior to any sale of a Unit, the City or a designee will conduct an inspection and provide a list to the Unit Owner as to the items that need to be remedied prior to closing to bring the Unit to minimum standards and to get full resale value. If said inspection reflects items that do not meet the minimum standards for Unit Owner to receive full resale value pursuant to Exhibit C, the Unit Owner shall be required to either bring the Unit to minimum standards or an equal cost will be deducted from the Maximum Resale Price. If the Unit meets the minimum standards for Unit Owner to receive full resale value, the Unit shall be sold for the Maximum Resale Price. The City will determine the Maximum Sales Price according to the formula set forth in Section 3.7, above.

5. EVENTS OF DEFAULT

- 5.1. IT IS A CRIMINAL OFFENSE TO DISREGARD THE RESTRICTIONS HEREIN. Ordinance 14-47 and Park City Municipal Code section 8-3-6 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 any Unit is an Event of Default, and the responsible party is subject to criminal prosecution. The Ordinance is attached as Exhibit D.
- 5.2. OWNER OCCUPANCY. All Units shall be owner-occupied. Unit Owners shall occupy their Unit as their primary residence. Any exceptions to this requirement must be granted in writing by the City Housing office.
- 5.3. RENTAL OF UNITS. No Unit Owner may rent or lease their Unit unless the City at its sole discretion has provided prior written approval. Renting the Unit constitutes an Event of Default of the Unit Owner. If approval is granted in extenuating circumstances, it shall not total more than 12 months and the option shall not be exercised more than once. In no circumstances are nightly rentals allowed. If an owner is unable to sell after “reasonable effort” and more than 120 days of advertising, the City at its sole discretion may approve renting the unit. Reasonable effort shall constitute at minimum: advertising through the City’s Housing Office, Mountainlands Community Housing Trust, local media and other online resources.
- 5.4. LIMITATIONS ON REFINANCING. The Unit Owner shall not, under any circumstances, obtain any Financing or a combination of multiple rounds of Financing that, in the aggregate, exceeds the Maximum Resale Price at the time such Financing is completed. Doing so constitutes an event of default.
- 5.5. DEFAULT. As defined above, noncompliance with any part of this Agreement constitutes an Event of Default. Events of Default shall include but not be limited to: rental of the Unit without prior written approval of the City, obtaining Financing or a combination of multiple rounds of Financing that, in the aggregate, exceeds the Maximum Resale Price, not utilizing the Unit as an owner-occupied primary residence,

and noncompliance with any other part of this Agreement. Upon the occurrence of any Event of Default, a Unit Owner shall have 30 days to remedy the default, after which the City shall have the right to require that the Unit Owner sell the Unit in accordance with and subject to limitations of this Agreement.

- 5.6. PENALTIES. Upon the occurrence of any Event of Default, if the Unit Owner remains out of compliance and does not cure the default, monetary penalties shall be assessed against the Unit Owner at \$100 per day beginning on the 31st day after the Unit Owner is notified in writing of the Event of Default. The City reserves the right to seek judicial enforcement of these penalties, including seeking a judgment lien and foreclosure.
- 5.7. CITY'S RIGHT TO PURCHASE UNIT IN DEFAULT. If a Unit Owner is in default of or has failed to make timely payments with respect to any mortgage, deed of trust, or other financial arrangement secured by a Unit, the creditor secured by the Unit (the "Secured Creditor") shall provide the City with a written notice at least 30 days prior to initiating a trustee's sale, foreclosure proceeding, or remedy affecting title to the Unit. After receiving the notice from the Secured Creditor, the City or a designee shall have the right to purchase such Unit at a price equal to the amount of outstanding principal, accrued interest, and any other reasonable costs incurred by the Secured Creditor in connection with the Unit. The City may exercise its right to purchase the Unit by providing written notice of its intent to purchase to the Secured Creditor within 30 days after receipt of the Secured Creditor's notice. If the City or a designee does not provide the Secured Creditor notice of its intent to exercise its right to purchase within 30 days after receipt of the notice from the Secured Creditor, the City's right to purchase shall lapse. If the City's right to purchase lapses, the Secured Creditor may initiate a trustee's sale, foreclosure proceeding, or other remedy affecting the title to the Unit. If the ownership of the Unit is transferred as the result of a trustee's sale, foreclosure proceeding, or other remedy affecting the title to the Unit, all deed restrictions in this Agreement are removed with respect to that Unit.

6. OTHER MISCELLANEOUS ISSUES

- 6.1. TERM OF 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. Upon the expiration of the initial forty (40) year term, this Agreement shall be renewed for additional consecutive ten (10) year terms, unless the City shall determine, based on an independent market study, that the Unit is no longer necessary to satisfy the affordable or employee housing needs in of the City. The City Council of the City or its successor shall make the final determination of such continuing need.
- 6.2. ANNUAL COMPLIANCE REPORT. Each Unit Owner shall provide the City with an annual compliance report in a form specified by the City by November 30 of each year during the term of this Agreement. The annual compliance report shall include a signed

statement by the Unit Owner certifying that the Unit is in compliance with the terms of this Agreement.

- 6.3. WAIVERS. The Owner/Developer 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 Unit are not real covenants running with the land constituting the Unit. This waiver shall be binding upon and inure to the benefit of the successor and assigns of the Owner/Developer and the City.
- 6.4. DISCONTINUANCE OF LIABILITY AFTER CONVEYANCE. Following the recording of a deed conveying the Unit to a purchaser, the transferor of the Unit shall have no further liability under this Agreement respecting the Unit, except to the extent caused by the negligence or intentional misconduct of the transferor.
- 6.5. SALE AGAINST OWNER'S WILL. Nothing in this Agreement shall be interpreted to require a Unit Owner to sell the Unit against that Unit Owner's will unless the Unit Owner is in default pursuant to Section 5.4.
- 6.6. SEVERABLE OBLIGATIONS AND LIABILITIES. The parties understand that the Units may eventually be owned by different individuals and entities. The Unit Owner of any particular Unit, and that Unit itself, shall not be liable for, or encumbered by, the obligations or liabilities under this Agreement associated with any other Unit or Unit Owner.
- 6.7. NON-RECOURSE. The various owners, members, directors, officers, managers, employees, agents and contractors of the Owner/Developer shall have no personal liability, deficiency, or recourse liability under this Agreement. The Owner/Developer's liability under this Agreement shall be limited solely to the Owner/Developer's interest in each Unit and the proceeds therefrom.
- 6.8. 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, 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. 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.

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

Ivory Development LLC
978 Woodoak Lane
Salt Lake City, UT 84117
Attn: President
Fax: (801) 747-7091

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 Recorder and Housing Office
Fax: (435) 615-4903

- 6.9. SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law. If any provision of any of the foregoing Agreement shall be invalid or prohibited under applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provisions in this Agreement.
- 6.10. 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 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.
- 6.11. CHOICE OF LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Utah.
- 6.12. 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.
- 6.13. THIRD PARTY BENEFICIARY. This Agreement is not intended to confer rights on third parties.

- 6.14. 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.
- 6.15. 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.
- 6.16. MODIFICATIONS. The Parties agree that any modifications of this Agreement shall be effective only when made by writings signed by the parties, or their successors, hereto and recorded with the Clerk and Recorder of Summit County, Utah.
- 6.17. RECORDATION. Upon execution and delivery of this Agreement by the Owner/Developer and the City, the Owner/Developer 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.
- 6.18. COVENANTS RUN WITH LAND. The Owner/Developer intends, declares and covenants, on behalf of itself, all future owners of the Units, and all parties that obtain any interest in any Unit 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 the Owner/Developer, all subsequent Unit Owners of the Units, and any other party with an interest in any Unit.
- 6.19. INTEGRATION. This Agreement constitutes the entire agreement between the parties with respect to the matters set forth herein.

[SIGNATURE PAGE FOLLOWS]

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

CITY:

Park City Municipal Corporation,
A political subdivision of the State of Utah

By: Jack Thomas

Name: Jack Thomas

Its: Mayor

Attest:

M. Stetson
City Recorder

Approved as to Form:

[Signature]
City Attorney



OWNER/DEVELOPER:

Ivory Development LLC

By: Christopher P. Gamvroulas

Name: Christopher P. Gamvroulas

Its: President

ACKNOWLEDGEMENT

STATE OF UTAH)
):ss.
COUNTY OF SOUTH SALT LAKE)

The foregoing instrument was acknowledged before me this 22nd day of Jan, 2015,
by Christopher P Gamvroulas, in his/her capacity as President
Ivory Development, a corporation of the State of UT.

Brooke Siddoway
NOTARY PUBLIC
Residing at: S.S. County

My Commission Expires:

12-20-17

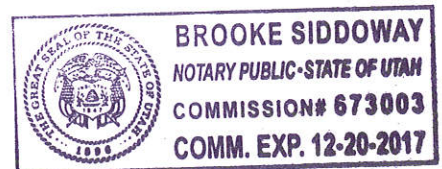


EXHIBIT A

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

Lots T-1 through T-28, inclusive, 1 through 35, inclusive, 36, 39, 42, 54 and 75, PARK CITY HEIGHTS PHASE 1 SUBDIVISION, according to the official plat, on file and of record in the Summit County Recorder's office.

Parcel Numbers PCH-1-T1, PCH-1-T2, PCH-1-T3, PCH-1-T4, PCH-1-T5, PCH-1-T6, PCH-1-T7, PCH-1-T8, PCH-1-T9, PCH-1-T10, PCH-1-T11, PCH-1-T12, PCH-1-T13, PCH-1-T14, PCH-1-T15, PCH-1-T16, PCH-1-T17, PCH-1-T18, PCH-1-T19, PCH-1-T20, PCH-1-T21, PCH-1-T22, PCH-1-T23, PCH-1-T24, PCH-1-T25, PCH-1-T26, PCH-1-T27, PCH-1-T28, PCH-1-1, PCH-1-2, PCH-1-3, PCH-1-4, PCH-1-5, PCH-1-6, PCH-1-7, PCH-1-8, PCH-1-9, PCH-1-10, PCH-1-11, PCH-1-12, PCH-1-13, PCH-1-14, PCH-1-15, PCH-1-16, PCH-1-17, PCH-1-18, PCH-1-19, PCH-1-20, PCH-1-21, PCH-1-22, PCH-1-23, PCH-1-24, PCH-1-25, PCH-1-26, PCH-1-27, PCH-1-28, PCH-1-29, PCH-1-30, PCH-1-31, PCH-1-32, PCH-1-33, PCH-1-34, PCH-1-35, PCH-1-36, PCH-1-39, PCH-1-42, PCH-1-54, PCH-1-75

EXHIBIT B
PERMITTED CAPITAL IMPROVEMENTS

1. The term "Permitted Capital Improvement" as used in the Agreement 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 protection devices (including radon);
 - e. Improvements to add and/or finish permanent/finished storage space; and/or
 - f. Improvements to finish unfinished space.

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.

3. All Permitted Capital Improvement items and costs shall be approved by the City in writing in order to be added to the Maximum Resale Price (up to 7% of the Maximum Resale Price, not including Permitted Capital Improvements) as defined in this Agreement. In order to get credit for Permitted Capital Improvement where a building permit is required, the improvement will not be counted unless it received a final inspection and is considered completed by the City Building Department.

EXHIBIT C
MINIMUM STANDARDS FOR
SELLER TO RECEIVE FULL RESALE VALUE

- Clean unit
- 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 Unit, remain and are in good working order and good condition

DEFINITIONS:

Clean Unit: 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 D
ORDINANCE 14-47

Ordinance No. 14-47

**AN ORDINANCE AMENDING TITLE 8, CHAPTER 3 OF
THE MUNICIPAL CODE OF PARK CITY, UTAH TO INCLUDE
THE PROHIBITION OF AFFORDABLE HOUSING FRAUD**

WHEREAS, there exists, homes, deed restricted for affordability within the city limits of Park City; and

WHEREAS, Park City Municipal Corporation wishes to ensure that the deed restricted affordable housing units are meeting the needs of the target population, the homes remain viable and in good condition and remain affordable for the long term; and

WHEREAS, there have been acts in the past by owners, developers, buyers, sellers, real estate brokers and agents, appraisers, title companies, mortgage brokers and mortgage lenders, seeking to disregard the recorded deed restrictions and to sell, lease or finance said units at market value or rent a unit or not occupy a unit when owner-occupation and/or occupation as a primary residence is required; and

WHEREAS, Park City Municipal Corporation wants to ensure that any fraud and unjust enrichment in the process is stopped and that buyers, sellers, renters and other intended beneficiaries of deed restricted affordable housing are protected from any fraudulent acts or statements;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF PARK CITY, UTAH THAT:

Section I. Amendment. Title 8 Criminal Code of the Municipal Code of Park City is hereby amended to include Section 8-3-6, as follows:

8-3-6 AFFORDABLE HOUSING FRAUD

1. Definitions:

- a. **AFFIDAVIT OF COMPLIANCE.** Form sent annually to owners of property that is deed restricted for affordability requiring signature and notarization establishing compliance with the deed restrictions recorded against said property.
- b. **DEED RESTRICTED AFFORDABLE HOUSING UNIT.** Any housing unit that has deed restrictions recorded against the unit preserving affordability.
- c. **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 and his or her family voluntarily reside, not for a special or temporary purpose, but with the intention of making a permanent home for a minimum of nine months out of each calendar year.
- d. **MAXIMUM RESALE VALUE.** Maximum Resale Value is based on the resale formula established in the applicable deed restriction.

- e. PRIMARY RESIDENCE. The place where a domicile has been established.
2. Affordable Housing Fraud. A person commits the offense of Affordable Housing Fraud if the person does any of the following with the intent to defraud, mislead, receive unjust enrichment, or otherwise circumvent the proper application of recorded deed restrictions for affordable housing:
- a. Knowingly makes any material misstatement, misrepresentation, or omission during the purchase, sale, mortgage lending process, leasing, or other process involving a deed restricted affordable housing unit, intending that it be relied upon by a buyer, seller, mortgage lender, borrower, renter or any other party;
 - b. When dealing with a deed restricted affordable housing unit, knowingly:
 - i. Participates in or facilitates any contract or other agreement other than a standard Real Estate Purchase Agreement or other formal real estate contract or agreement for the real property, to sell or purchase improvements to the real property or personal property for a value in excess of the deed restricted maximum resale value;
 - ii. Obtains or facilitates financing of a deed restricted affordable housing unit at an amount greater than the deed restricted maximum resale value;
 - iii. Closes an escrow or facilitates a transfer of the property without fully complying with all requirements related to a transfer of the property;
 - iv. Leases an affordable unit without fully complying with the requirements set forth in the deed restrictions;
 - v. Fails to occupy his or her deed restricted affordable housing unit as his or her primary residence; or
 - vi. Fails to file or cause to be filed annually a signed and notarized affidavit of compliance, or provides false information on the affidavit of compliance;
 - c. Knowingly files or causes to be filed with any county recorder in Utah any document that the person knows contains a material misstatement, misrepresentation, or omission; or
 - d. Receives any proceeds or any compensation in connection with a sale, lease or financing of a deed restricted affordable housing unit that the person knows resulted from a violation of this section.
3. Penalty. Any person violating the provisions of this ordinance shall be guilty of a class B misdemeanor. Any person convicted of violating this section is disqualified from further participation in affordable housing programs within the city limits for a period of five (5) years following the date of such conviction; provided, however, this provision shall not be construed or interpreted to impair any existing contract to which the convicted person is a party.
4. Enforcement. The Park City Police Department shall have authority to investigate violations of this section and issue citations.

Section II. Severability. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent

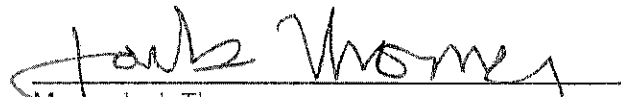
jurisdiction, such provision shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this ordinance.

Section III. Conflict with Existing Ordinances, Resolutions, or Policies. To the extent that any ordinances, resolutions, or policies of Park City Municipal Corporation conflict with the provisions of this ordinance, this ordinance shall prevail.

Section IV. Effective Date. This ordinance shall become effective upon publication.

PASSED AND ADOPTED BY THE Park CITY COUNCIL this 25 day of September, 2014.


PARK CITY MUNICIPAL CORPORATION


Mayor Jack Thomas

Attest:

Marci Heil, City Recorder

Approved as to form:


Tricia S. Lake, Assistant City Attorney