

**ENTRY NO. 01201180**

02/27/2023 04:52:25 PM B: 2772 P: 1464

Restrictive Covenants PAGE 1/24  
RHONDA FRANCIS, SUMMIT COUNTY RECORDER  
FEE 40.00 BY PROMONTORY INVESTMENTS



WHEN RECORDED, RETURN TO:  
Helen E. Strachan  
Deputy Summit County Attorney  
Summit County Courthouse  
60 North Main Street,  
Coalville, Utah 84107

**DEED RESTRICTION  
CONCERNING TWO EMPLOYEE HOUSING UNITS INSIDE  
THE PROMONTORY EQUESTRIAN CENTER  
(6688 North Promontory Ranch Road)**

THIS DEED RESTRICTION CONCERNING EMPLOYEE HOUSING UNITS AT THE PROMONTORY EQUESTRIAN CENTER (hereinafter this "Deed Restriction") governs the two one-bedroom apartment units located at 6688 North Promontory Ranch Road (Units 1-2), Park City, Utah 84098 (the "Unit(s)"), as more particularly described in Exhibit A attached hereto, and is made and entered into as of the date of the last signature below (the "Effective Date") by Promontory Investments, LLC ("Developer" and "Owner" herein) and Summit County, a political subdivision of the State of Utah (the "County"). The County and Developer are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

**WITNESSETH:**

- A. On or about January 2, 2001, Developer's predecessor in interest entered into that certain Development Agreement for the Promontory Specially Planned Area (the "Development Agreement") which included certain Employee Housing obligations within the Promontory Specially Planned Area ("SPA"). The Development Agreement was recorded as Entry No.583272 (Book 1355 Pages 1154-1247) in the Office of the Summit County Recorder, and has been amended from time to time.
- B. On or about April 5, 2019, Developer and the County agreed to the Promontory Specially Planned Area Employee Housing Plan ("Employee Housing Plan") governing the construction and operation of employee housing units, and setting forth priorities with respect to those who may live in the units and that the housing be deed restricted in a manner approved by the County Attorney. The Employee Housing Plan has been amended several times, and a copy of the most recent amended Employee Housing Plan is attached hereto as Exhibit B.
- C. The Parties are recording this Deed Restriction to satisfy the terms of the Promontory Specially Planned Area Development Agreement and its Employee Housing Plan, intending that subsequent owners and operators of the Units be bound by the terms hereof. Upon its recording in the public records of the County Recorder of Summit County, Utah, this Deed Restriction shall govern the terms and conditions of ownership, operation, use, and occupancy of the Units by subsequent owners and their successors and assigns as addressed herein.

NOW THEREFORE in consideration of the terms and conditions set forth hereinafter it is agreed as follows:

1. Recitals: The recitals are incorporated herein.

2. Definitions:

- a. "AMI" means Area Median Income (AMI): AMI, calculated annually by the Department of Housing and Urban Development, is the "middle" number of all of the incomes in Summit County making more than that amount, and 50% making less than that amount.
- b. "Household" means all related and unrelated individuals occupying a Unit as a Tenant.
- c. "Net Worth" means the amount of total assets of the Tenant or Household that exceed total liabilities, as determined by the County. Total assets does not include funds in retirement accounts that have an early withdrawal penalty.
- d. "Reasonable Efforts" means good faith efforts to advertise a Unit through appropriate local means, including but not limited to advertising a Unit through all local newspaper publications. The County may establish standards for what constitutes Reasonable Efforts under this Deed Restriction.
- e. "Tenant" means an occupant of a Unit other than an owner or operator.

3. Tenant Qualifications:

- a. Income Qualifications: The Units shall at all times be rented to individuals and Households earning less than or equal to 80% of AMI based upon the table in Exhibit C (as amended annually by the Department of Housing and Urban Development and published by the Utah Housing Corporation). In addition, the Household shall not have a Net Worth in excess of four (4) times the AMI at the time of reference. Prior to entering into any lease agreement(s), the Household of each Unit shall be pre-qualified by Developer or its third-party designee (approved by the County) as meeting these income qualifications.
- b. Process for Qualifying Income: Income qualification shall adhere to the following process, which may be subject to additional policies or procedures adopted by the County.
  - i. Determine the number of adults and children (all Household members) to occupy the available Unit.
  - ii. Collect either 1040 Federal Tax Returns for the most recent year (or "transcript of tax returns" issued by the Internal Revenue Service) or current pay stub and/or projected income for all Household members generating income.

- iii. Add together the adjusted gross income for all Household members to determine the total Household income.
- iv. Review Exhibit C to determine whether total Household income is less than the income of a Household of the same size earning 80% AMI.

c. Rentals After “Reasonable Efforts” Made:

- i. Developer shall use Reasonable Efforts to initially advertise the Unit for rental to Households earning less than or equal to 80% of AMI based on Exhibit C. If after sixty (60) days of advertising Developer is unable to enter into a rental agreement with a Tenant earning less than or equal to 80% of AMI, Developer may offer the Unit to a Household earning less than or equal to 90% of AMI based upon the table in Exhibit C. If after thirty (30) additional days of advertising Developer is unable to enter into a rental agreement with a Tenant earning less than or equal to 90% of AMI, Developer may offer the Unit to a Household earning less than or equal to 100% of AMI based upon the table in Exhibit C. Developer may follow this pattern, offering the Unit at increased increments of ten percent (10%), using Reasonable Efforts for additional periods not less than thirty (30) days up to a maximum AMI of 140%.
  - ii. Rental Agreements with Tenants Earning Above 80% AMI: In no circumstances may a rental agreement with Tenants earning above 80% AMI extend beyond a period of one (1) year.
- d. “Over” Income: Developer shall follow the “next available Unit rule,” which means that if a Unit Household’s income increases to more than 140% of the applicable current income limit (80% AMI or less), the next available Unit must be rented to a Household within the appropriate income level for admission (80% AMI or less). The Household with the increased income is still eligible to remain in the Unit, however, under no circumstances may their lease agreement extend beyond a period of one (1) year.
- e. Annual Qualification: Except as otherwise provided for in this Deed Restriction, Households shall meet the above income qualifications annually by Developer or a third-party designee (approved by the County) and shall be required to submit to the income qualification process above prior to renewal of the lease.
- f. Workplace Qualifications: It is the public policy of the County to house employees as close to the workplace as possible, thereby reducing traffic and congestion. Because Developer is providing on-site employee housing, occupancy of such housing shall be on a priority basis as follows:
- i. First Priority: Individuals and Households meeting income limits with at least one person employed full time (30+ hours per week) within the Promontory SPA.
  - ii. Second Priority: Individuals and Households meeting income limits with at least one person employed part time (less than 30 hours per week) within the Promontory SPA.

- iii. Third Priority: Individuals and Households meeting income limits with at least one person employed full time (30+ hours per week) as a teacher, public safety officer, firefighter, or other public employee serving in unincorporated Summit County.
- iv. Fourth Priority: Individuals and Households meeting income limits with at least one person employed full time (30+ hours per week) within Eastern Summit County (as those boundaries are defined by the Eastern Summit County Planning District).
- v. Fifth Priority: Individuals and Households meeting income limits with at least one person employed full time (30+ hours per week) by a business located in Summit County.

At the time of initial occupancy, Developer shall use Reasonable Efforts to advertise a Unit for rent through appropriate local means for qualified Tenants for a period of not less than fifteen (15) days and shall thereafter fill the Units in accordance with the above priorities from the list of qualified Tenants then available. Upon the occurrence of a vacancy, Developer shall review its wait list of qualified Tenants (and may advertise for qualified Tenants if necessary to obtain a qualified Tenant). If a qualified Tenant for the First Priority is not located at the time of a vacancy, Developer shall accept the next highest priority potential Tenant available at that time.

If a qualified Tenant terminates employment, which gave them a priority, they may continue to occupy the Unit until the termination of their rental agreement. If there are no other potential qualified Tenants available in the First, Second, Third, Fourth or Fifth Priorities, Developer may renew the rental agreement for a term of not more than one (1) year. Upon a showing of undue hardship on an individual or Household formerly employed in the First, Second, Third, Fourth or Fifth Priority and upon consent of the County, Developer may choose to renew a rental agreement for a term not to exceed one (1) year. Developer shall annually report to the County current priority uses of the housing.

**The rental of the Unit to a Tenant who is not income qualified and/or who does not meet the workplace qualifications above does not limit the applicability of this Deed Restriction in any way with respect to such Tenant's use, occupancy and subsequent leases of the Unit.**

**4. Permitted Rents:**

- a. Monthly rents of the Units shall not exceed rents for a two-person Household earning 80% AMI for Summit County, calculated using the AMI figures set annually by HUD as initially set forth in Exhibit D. An applicant's income shall be rounded to the nearest AMI percentage in ten (10%) percent increments for purposes of determining the rental amount.
- b. The permitted rental amount includes the following:
  - i. Use and occupancy of the Unit and the associated land and facilities;
  - ii. Any separately charged fees and service charges assessed by Developer, which

- are required by all Tenants but is not to include security deposits;
- iii. Unless subject "Utility Allowance" below, utilities including garbage collection, sewer, water, electricity, gas and other heating, cooking, and refrigeration fuels but not to include telephone service, cable television, or high-speed internet; and
  - iv. Possessory interest taxes or other fees and charges assessed for use of the associated land and facilities by a public or private entity other than Developer.
- c. Utility Allowance: The permitted rental amount includes rent and utilities. If Developer pays all utilities then the full rent may be charged. If the Tenant pays all or some of the utilities a "utility allowance" shall be determined and rents shall be reduced by the amount of the utility allowance. The utility allowance shall initially be determined by a qualified third-party rater who shall estimate charges for gas, electric, sewer and water for each unit based upon a complete set of building plans presented to him or her by Developer. The County shall approve the third-party rater and the utility allowance. In subsequent years, commencing in the year following the first complete year of occupancy, Developer shall provide copies of actual billings for utility providers for at least five (5) occupied units to the County so that a new annual utility allowance can be determined and set.
  - d. Rental Period: Except under circumstances where there is an unanticipated short term need for temporary housing, leases shall be for a period of not less than ninety (90) days and up to one (1) year to avoid the occupancy of the Unit on an overnight stay.
5. Reporting and Compliance: Developer shall keep accurate and complete records of all Tenants. Developer provide approximately twice annually in April and November, a monthly rent roll showing each Tenant's name, Unit occupied, rent charged, household gross income, name and location of employment, and term of lease. If utilities are charged to the tenant, the utility allowance will be stated. The County shall have the right to audit Developer's Tenant files at least annually upon ten (10) days advance written notice to Developer.
  6. Minimum Maintenance Standards: Each Unit shall at all times be maintained in good, safe, and habitable condition in all respects, normal wear and tear excepted, and in full compliance with all applicable laws, ordinances, rules and regulations of any authority having jurisdiction over the Unit. Developer shall have the right to require Tenants to abide by cleanliness and basic maintenance standards in a lease agreement with the Tenants. Developer shall further have the right to inspect the Units at reasonable times, with notice to Tenants, to ensure the Tenants' compliance. Developer may assess cleaning and repair costs to Tenants whose use of the Unit exceeds normal wear and tear.
  7. Insurance. Developer or subsequent operator shall continuously insure the Unit against all risks of physical loss for the full replacement cost of the Unit.
  8. Parking: Each Unit shall be entitled to, at a minimum, one exclusive parking space.

9. Default and Remedies:

- a. Default. In the event of a breach of any of terms of this Deed Restriction by the Developer with respect to the Units, the County shall be entitled to injunctive relief, or to any other remedy available at law or in equity for such breach, including the specific remedies enumerated herein. The prevailing Party in any dispute hereunder shall be entitled to recover their reasonable attorneys' fees and costs incurred in connection with such dispute, regardless of whether litigation is pursued by either Party.
- b. Violation of Criminal Code. In addition to the remedies contained herein, Developer, Tenant(s) and other individuals dealing with the transfer and/or management of a Unit (including lenders, Realtors, attorneys and title professionals) may be subject to the provisions of Summit County Code §5-2-7: Affordable Housing Fraud (as may be amended or replaced).

10. Change in Use. In the event that Developer desires to change the use of the two Units encumbered by this Deed Restriction, Developer and the County Manager shall amend or release this Deed Restriction as long as the Developer has caused to be built at least 37 employee housing units with at least 82 bedrooms, pursuant to the terms of that Employee Housing Plan attached hereto as Exhibit B, as amended, as long as such new or changed use is an allowed use under the Development Agreement, as amended, or the underlying zoning code.

11. Term: This Deed Restriction shall continue in full force and effect for sixty (60) years after the date of the issuance of the Certificate of Occupancy for the Units (and automatically extended for five (5) year periods thereafter) unless terminated sooner by the mutual agreement of the Parties, or by a change in use of the Units pursuant to paragraph 10 herein.

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

13. Recordation of Agreement: The legal description of the Units is attached hereto as Exhibit A. Upon execution, this Deed Restriction shall be recorded in the office of the Recorder of Summit County as a deed restriction.

14. Covenants Run with the Land. The County intends, declares and covenants, on behalf of itself and all future Unit Owners, that this Deed Restriction and the covenants and restrictions set forth herein, regulating and restricting the rents, use, occupancy and transfer of a Unit shall be covenants running with the land and improvements constituting the Unit, for the benefit of the County, shall encumber the Unit, and shall be binding upon the County and all subsequent Owners of the Unit.

15. Notices: All notices required under this Deed Restriction shall be sent to:  
"Developer"  
Promontory Investments, LLC

ATTN: Legal Department  
8758 N Promontory Ranch Rd  
Park City, UT 84098

“County”  
Summit County Clerk  
PO Box 128  
Coalville, Utah 84017

With a copy to:  
Summit County Attorney  
PO. BOX 128  
Coalville, Utah 84017

or such addresses or entities as the Parties from time-to-time shall change by written notification to the other.

16. **Entire Agreement:** This Deed Restriction represents the entire agreement between the Parties and shall only be amended or modified by a written agreement signed by the Parties hereto.
17. **Exhibits:** The Parties understand and agree that Exhibit C and Exhibit D to this Deed Restriction are based upon the 2022 HUD AMI which is annually updated by the Department of Housing and Urban Development and as such Exhibit C and Exhibit D shall be amended annually to reflect changes in AMI.
18. **Binding Agreement:** This Deed Restriction shall be binding upon the successors and assigns of the Parties hereto. The County shall have the right to appoint a designee upon thirty (30) days advance written notice to Developer. Developer shall have the right to assign its rights, duties, and obligations hereunder to a separate entity, which entity shall assume all of Developer’s rights, duties, and obligations herein.

*(signatures appear on next page)*

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as of the last date below.

DEVELOPER: PROMONTORY INVESTMENTS, LLC

*Kelli S. Brown*

Kelli S. Brown, General Manager

*1/10/2023*

Date

STATE OF UTAH )

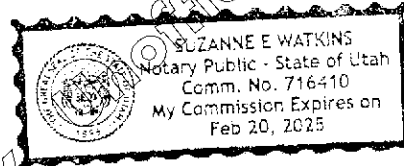
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COUNTY OF SUMMIT )

On this 10<sup>th</sup> day of January, 2023, personally appeared before me Kelli S. Brown, whose identity is personally known to me or proven on the basis of satisfactory evidence and who by me duly sworn, did say that she is the General Manager, of Promontory Investments, LLC, and that said document was signed by her in behalf of said Company by Authority of its Operating Agreement or Resolution, and said Kelli S. Brown acknowledged to me that Promontory Investments, LLC executed the same.

*Suzanne E. Watkins*

Notary Public



SUMMIT COUNTY:

*Shayne Scott*

Shayne Scott, County Manager

*2/16/2023*

Date

STATE OF UTAH )

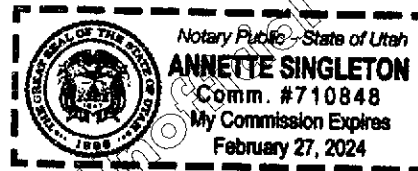
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COUNTY OF SUMMIT )

On this 16 day of January, 2023, this Agreement was acknowledged before me by Shayne Scott, County Manager of Summit County

*Annette Singleton*

Notary Public



APPROVED AS TO FORM:

*Helen Strachan*

Helen Strachan, Deputy County Attorney



Exhibit A

**Legal Description of Employee Housing Units inside Promontory Equestrian Center**

**WEST UNIT:**

A parcel of land lying in the Northwest Quarter of Section 23, Township 1 South, Range 4 East, Salt Lake Base & Meridian, Summit County, Utah, more particularly described as follows;

Beginning at a point which is South 89°36'59" East 1,789.88 feet along the northerly line of said Section 23 and South 00°23'01" West 1,241.97 feet from the Northwest Corner of Section 23, Township 1 South, Range 4 East, Salt Lake Base and Meridian, and also a point which is West 378.12 feet and South 437.86 feet from the Northwest boundary corner of The Palisades Subdivision Plat, on file and of record in the office of the Summit County Recorder Entry No. 745607, and running thence South 11°26'30" West 15.50 feet; thence South 78°33'30" East 8.50 feet; thence South 11°26'30" West 14.50 feet; thence North 78°33'30" West 25.00 feet; thence South 11°26'30" West 7.00 feet; thence North 78°33'30" West 10.00 feet; thence North 11°26'30" East 22.00 feet; thence South 78°33'30" East 10.50 feet; thence North 11°26'30" East 15.00 feet; thence South 78°33'30" East 16.00 feet to the Point of Beginning.

Containing 831 square feet or 0.02 acres, more or less.

**Basis of Bearing**

South 89°36'59" East 2,672.06 feet between the Northwest Corner of said Section 23 and North Quarter Corner of said Section 23, Township 1 South, Range 4 East, Salt Lake Base and Meridian.

**This parcel is contained within Parcel SS-51-C**

**EAST UNIT:**

A parcel of land lying in the Northwest Quarter of Section 23, Township 1 South, Range 4 East, Salt Lake Base & Meridian, Summit County, Utah, more particularly described as follows;

Beginning at a point which is South 89°36'59" East 1,891.94 feet along the northerly line of said Section 23 and South 00°23'01" West 1,261.92 feet from the Northwest Corner of Section 23, Township 1 South, Range 4 East, Salt Lake Base and Meridian, and also a point which is West 276.19 feet and South 458.49 feet from the Northwest boundary corner of The Palisades Subdivision Plat, on file and of record in the office of the Summit County Recorder Entry No. 745607, and running thence South 11°26'30" West 15.00 feet; thence South 78°33'30" East 10.50 feet; thence South 11°26'30" West 22.00 feet; thence North 78°33'30" West 10.00 feet; thence North 11°26'30" East 7.00 feet; thence North 78°33'30" West 25.00 feet; thence North 11°26'30" East 14.50 feet; thence South 78°33'30" East 8.50 feet; thence North 11°26'30" East 15.50 feet; thence South 78°33'30" East 16.00 feet to the Point of Beginning.

Containing 831 square feet or 0.02 acres, more or less.

**Basis of Bearing**

South 89°36'59" East 2,672.06 feet between the Northwest Corner of said Section 23 and North Quarter Corner of said Section 23, Township 1 South, Range 4 East, Salt Lake Base and Meridian.

**This parcel is contained within Parcel SS-51-C**

A Depiction of the Units inside the Equestrian Center is shown on the following page.

# EQUESTRIAN CENTER EMPLOYEE HOUSING UNITS EXHIBIT

SS-51-C

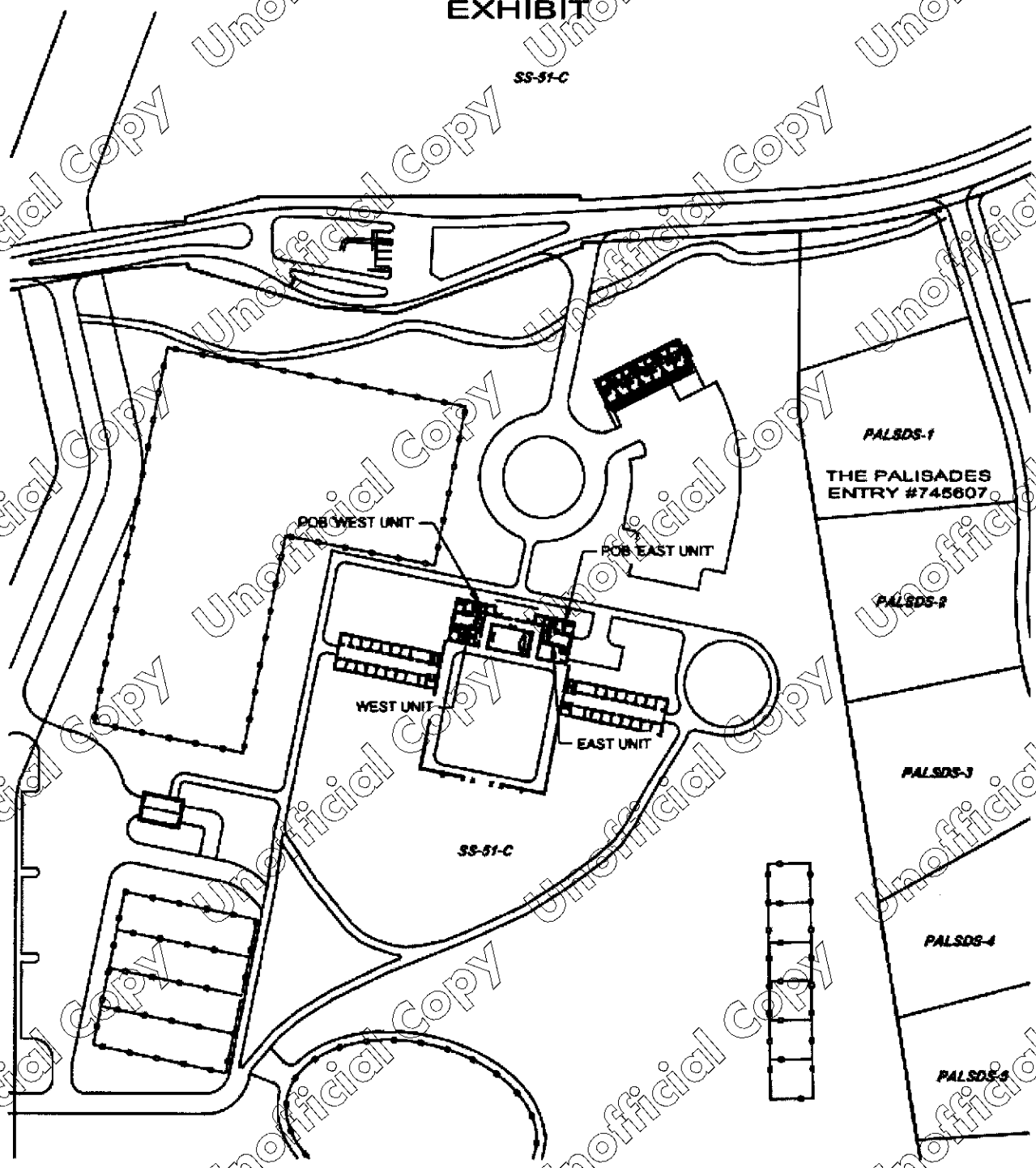


Exhibit B  
Employee Housing Plan

**Amended and Restated**

**Promontory Specially Planned Area ("SPA") Employee Housing Plan**

THIS AMENDED AND RESTATED PROMONTORY SPECIALLY PLANNED AREA EMPLOYEE HOUSING PLAN ("Plan") is made and entered into as of the date of the last signature below (the "Effective Date") by South Point Utah Development, LLC and Promontory Development, LLC (together "Developer") and Summit County, a political subdivision of the State of Utah (the "County"). Collectively, Developer and the County are referred to as the "Parties" and singularly may be referred to as a "Party."

A. On or about January 2, 2001, Developer's predecessor in interest entered into that certain Development Agreement for the Promontory Specially Planned Area which included certain Employee Housing obligations within the Promontory Specially Planned Area ("SPA"). The Development Agreement was recorded as Entry No.583272 (Book 1355 Pages 1154-1247) in the Office of the Summit County Recorder, and has been amended from time to time (the "Development Agreement" or "DA").

B. The DA, Section 4.8.4.1.1 requires the Developer to provide for thirty-seven (37) employee housing units ("Employee Housing Units") consisting of eighty-two (82) bedrooms.

C. On or about April 5, 2019, Developer and the County agreed to the Promontory SPA Employee Housing Plan ("Employee Housing Plan") governing the construction and operation of the required Employee Housing Units, which required, among other items, the construction of seven (7) Employee Housing Units by approximately April 5, 2021, and setting forth priorities with respect to those who may live in the Employee Housing Units and that the housing be deed restricted in a manner approved by the County Attorney. These restrictions and priorities were developed and executed by the parties and recorded against the property underlying the Employee Housing Units as Entry No.1138263 (Book 2588, starting at Page 1130) in the Office of the Summit County Recorder.

D. On or about November 23, 2020, Developer and the County entered into the First Amendment to Employee Housing Agreement (the "Amendment") to modify the timing for the completion of the seven (7) Employee Housing Units contemplated by the Employee Housing Plan.

E. As of the Effective Date, the Developer has completed nine (9) of the required thirty-seven (37) Employee Housing Units contemplated in the Development Agreement.

F. Developer has requested to modify the number of Employee Housing Units and associated bedrooms because, based on its understanding of the demand for employee housing, studios and one bedrooms are in greater need than larger apartments. In order to meet the minimum number of bedrooms, the maximum number of Employee Housing Units must increase.

Developer proposes establishing a minimum of thirty-seven (37) Employee Housing Units consisting of eighty-two (82) bedrooms and a maximum of forty-nine (49) Employee Housing Units consisting of up to eighty-five (85) bedrooms to allow Developer flexibility in design, ensure compliance with the Development Agreement, and limit residential density.

G. This Plan is meant to replace in its entirety the original Employee Housing Plan as well as its First Amendment

Approval of this Plan is deemed to be in compliance with all Development Agreement requirements and where there is a conflict between the provisions of this Plan and the Development Agreements, this Plan shall control and shall be deemed an administrative amendment to the Development Agreements. Where this Plan is silent as to a specific issue or is ambiguous as to its reading, the provisions of the Development Agreements shall control.

Developer proposes to construct the remaining Employee Housing Units as follows:

<b>Siting Standards (DA 4.8.4.1.1)</b>	
Location	Developer shall locate, plan, and commence construction of the Employee Housing Units at a location either within or outside of the Promontory SPA. If located outside the SPA, the Employee Housing Units must be new deed restricted workforce housing units and not the purchase of existing deed restricted workforce housing units already approved or built within Summit County. Developer will specify the location in an application for subdivision plat and final site plan approval. Approval of a subdivision plat and final site plan serves as location approval by Summit County under the Development Agreement.
Creation of high-quality sense of community	The Employee Housing Units in any phase within the SPA will be located in such a manner as to create a high-quality sense of community for those employee households. Employee Housing Units outside of the SPA, if any, will be located with other residential housing approved for the community where such employee housing will be located.
Access to employment generators and transit	If in the SPA, Employee Housing Units will be located near an entrance to the SPA and will provide reasonable access to any available public transit and to any available South Summit School District bus stops. If located outside the SPA, the Employee Housing Units will be located in a community as close to the SPA as can be achieved based upon Summit County's community development approvals and available building sites and will provide reasonable access to any available public transit serving that community.
<b>Schedule for Employee Housing Units (DA 4.8.4.1.2)</b>	
Employee Housing Units Requirements	a. Employee Housing Unit and Bedroom Mix. To meet the requirement of the Development Agreement and provide

<p>and Reasonable time schedule that correlates to construction of employment generators</p>	<p>flexibility in design and future modifications, Developer may provide up to forty-nine (49) Employee Housing Units consisting of up to eighty-five (85) bedrooms but must, at minimum, provide thirty-seven (37) Employee Housing Units consisting of eighty-two (82) bedrooms. The Developer's requests for any additional employee housing density beyond the maximum set forth herein may be approved as a substantial amendment to the Development Agreement.</p> <p>b. Timing. As of the Effective Date of this Plan, Developer has completed nine (9) Employee Housing Units. Developer must complete at least 37 Employee Housing Units consisting of at least 82 bedrooms by March 31, 2024.</p> <p>Force Majeure. Developer shall be deemed in compliance with the timing elements of this Plan as long as building permit applications have been submitted to the appropriate county offices within the above timeframes and the Developer proceeds with reasonable diligence to obtain a certificate of occupancy within 360 days of the issuance of the building permit.</p>
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**Specific Plan Elements (DA 4.8.4.1.3; 4.8.4.2)**

<p>Construction and ownership of the Employee Housing Units</p>	<p>Developer may self-perform or may enter into land sale agreements with others, including one or more not-for-profit entities (with the consent of the County, which consent shall not be unreasonably withheld), on mutually acceptable terms providing for the construction of Employee Housing Units and other housing units, which may include market rate units. Employee Housing Units may be owned by the not-for-profit or other entities and made available for rental or sale to qualified employees in accordance with the standards described below. Those units constituting Employee Housing Units shall be designated in writing by the Developer or other operator of such housing. Developer reserves the right to have some of the Employee Housing Units constructed, owned, and/or managed by owners or tenants of commercial properties in order to better align Developer's employee housing to the needs of Promontory SPA employment generators.</p>
<p>Deed restrictions on use; rules and regulations regarding occupancy</p>	<p>Deed restrictions shall be executed and recorded against all Employee Housing Units. The form of the deed restriction shall be approved by the County. Deed Restrictions have already been executed and recorded against seven (7) Employee Housing Units (Entry No.1138263, Book 2588 starting at Page 1130 in the Office of the Summit County Recorder). Deed restrictions will require occupancy by households meeting the employment and income</p>

	<p>qualifications and priorities described herein. Except under circumstances where there is an unanticipated short term need to temporary housing, leases shall be for a period of not less than ninety (90) days and up to one (1) year to avoid use of the Employee Housing Units as nightly rentals. Leases shall include an obligation to vacate the Employee Housing Units at the end of an annual lease if the occupant no longer meets employment qualifications or household income exceeds 100% AMI (based on a 4 person household regardless of actual family size). The deed restrictions shall be consistent with <u>Attachment B</u> as modified by the employment and income qualifications and priorities described herein.</p>
Maintenance obligations and maintenance funding	<p>Maintenance and maintenance funding obligations shall be retained by the owners of the Employee Housing Units, subject to such maintenance obligations as are customarily imposed on tenants in residential leases.</p>
Monitoring	<p>To the extent that some or all of the Employee Housing Units are rental units, the Developer or third-party operator shall provide to the County a digital file of its monthly rent roll in a format generally as depicted in <u>Attachment A</u>, approximately twice annually.</p>
Periodic Review	<p>The Parties shall review this Plan at least once every three (3) years.</p>
Affordable rent targets  (See Table 1)	<p>Employee Housing Units may consist of dormitory space, studio, one, two, and three bedroom units. Employee Housing Units will be deed-restricted to be priced for rental rates, including utilities, equal to 30% of the gross monthly income of a one-person household (studio units), two-person household (one bedroom units), three-person household (two-bedroom units) or four-person household (three-bedroom units) earning 50%, 60%, 70% or 80% of Summit County Area Median Income ("AMI"). A dormitory unit may be priced for rental rates under the preceding sentence as .8 of a one-person household under any of the AMI levels. The specific income percentage and rental target applicable to an Employee Housing Unit will be established in writing by its t owner or operator before occupancy of the Employee Housing Unit. Subject to complying with the employment and occupancy priorities specified herein, an Employee Housing Unit may be rented to any household, regardless of household size, with household gross annual income at or less than the percentage of Summit County AMI designated for such unit.</p> <p>Developer shall receive credit as follows: Credit for one (1) Employee Housing Unit and the number of each Employee Housing Units' associated bedrooms constructed for each</p>

	<p>studio, one- bedroom, two-bedroom or three-bedroom unit occupied and deed restricted as employee housing.</p> <p>Credit for one (1) Employee Housing Unit and one (1) bedroom for each two (2) dormitory units occupied and deed restricted as employee housing.</p>
Employee Housing Unit sizes	<p>Employee Housing Unit sizes will be determined by the Developer or housing owner according to the following minimum sizes:</p> <ul style="list-style-type: none"> <li>• Dormitory Unit: 275 square feet.</li> <li>• Studio Unit: 400 square feet.</li> <li>• One Bedroom Unit: 650 square feet.</li> <li>• Two Bedroom Unit: 900 square feet.</li> <li>• Three Bedroom Unit: 1,150 square feet.</li> </ul>
Quality of construction	<p>Employee Housing Units will be constructed to condominium, multifamily, townhome or dormitory construction standards as set forth in the International Building Code adopted by the State of Utah. The Developer or owner will comply with any exterior architectural guidelines, landscaping requirements, and requirements of any applicable design review process, as approved by the Parties.</p>
General layout	<p>The configuration, size and mix of the Employee Housing Units in condominium, multifamily, townhome or dormitory structures will be determined by the Developer or owner in accordance with the unit sizes set forth in this Plan and as approved by the County as part of the subdivision plat and final site plan approval process.</p>
<b>Occupancy Priorities (DA 4.8.4.1.4)</b>	
Priority for employees working within the Promontory SPA	<p>1) The first priority for occupancy of the Employee Housing Units will be for households meeting AMI gross income requirements that include at least one (1) person employed full time (30 or more hours) in the Promontory SPA. 2) The second priority will be for other households meeting AMI gross income requirements that include at least one (1) part-time worker (less than 30 hours) employed within the Promontory SPA.</p>
Lower priorities will be established to assure that Employee Housing Units are reserved for employees working full time in Summit County if not filled by households with higher priorities.	<p>Lower priorities after households with full-time or part-time employees within the Promontory SPA (priorities 1 and 2 are listed above) will include households meeting AMI gross income requirements with at least one full-time worker: 3) employed as a teacher, public safety officer, fire fighter or other public employee serving in unincorporated Summit County; 4) employed within the Eastern Summit County Planning District boundaries; 5) employed in unincorporated Snyderville Basin; and 6) employed elsewhere in Summit County.</p>



**Table 1: Calculations of Gross Income and Monthly Rental Targets by Unit Type (based on 2021 AMI percentages and as amended annually by HUD)**

Income Target	80% AMI	70% AMI	60% AMI	50% AMI
<b>Sample Unit Type</b>				
<b>Sample 3 Bedroom (4-person households, 100% AMI = \$120,800):</b>				
Monthly Rental Rate (incl. utilities)	\$ 2,390	\$ 2,091.25	\$ 1,792.50	\$ 1,493.75
Gross Household Income Limit	\$ 95,600	\$ 83,650	\$ 71,700	\$ 59,750
<b>Sample 2 Bedroom (3-person households, 100% AMI = \$108,771):</b>				
Monthly Rental Rate (incl. utilities)	\$ 2,152	\$ 1,883	\$ 1,614	\$ 1,345
Gross Household Income Limit	\$ 86,080	\$ 75,320	\$ 64,560	\$ 53,800
<b>Sample 1 Bedroom (2-person households, 100% AMI = \$96,640):</b>				
Monthly Rental Rate (incl. utilities)	\$ 1,912	\$ 1,673	\$ 1,434	\$ 1,195
Gross Household Income Limit	\$76,480	\$66,920	\$57,360	\$47,800
<b>Sample Studio* (1-person households, 100% AMI = \$84,611):</b>				
Monthly Rental Rate (incl. utilities)	\$ 1,674	\$ 1,464.75	\$ 1,255.50	\$ 1,046.25
Gross Household Income Limit	\$66,960	\$58,590	\$50,220	\$41,850

\*Dormitory rooms may be charged monthly rentals based on eight-tenths (.8) of a one-person household.

Signature Page to Follow

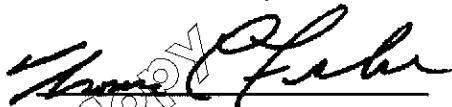
SOUTH POINT UTAH DEVELOPMENT, LLC

\_\_\_\_\_  
F. Francis Najafi, Managing Partner

DATED: \_\_\_\_\_

SUMMIT COUNTY, UTAH

Approved as to form:



Thomas C. Fisher  
County Manager



David L. Thomas  
Chief Civil Deputy

DATED: 6/13/2022

PROMONTORY DEVELOPMENT, LLC

\_\_\_\_\_  
Kelli S. Brown, General Manager

DATED: \_\_\_\_\_

Promontory Development, LLC, executes this Plan for purposes of consenting to the administrative amendment to the Promontory Specially Planned Area Development Agreement and solely to acknowledge that the Employee Housing Units identified above may be constructed on property owned or controlled by Promontory Development, LLC, that it will not unreasonably withhold its consent to construct the Employee Housing Units, and for no other purposes.

**DEVELOPER: Promontory Development, LLC**

Kelli S. Brown  
Kelli S. Brown, General Manager

6/20/2022  
Date

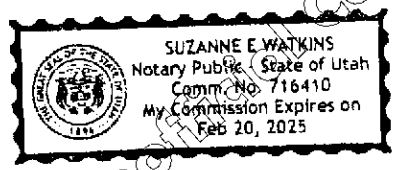
STATE OF UTAH )

)ss:

COUNTY OF SUMMIT )

On this 20th day of June, 2022, personally appeared before me Kelli S. Brown, whose identity is personally known to me or proven on the basis of satisfactory evidence and who by me duly sworn, did say that she is the General Manager, of Promontory Development, LLC, and that said document was signed by her in behalf of said Company by Authority of its Operating Agreement or Resolution, and said Kelli S. Brown acknowledged to me that Promontory Development, LLC executed the same.

Suzanne E. Watkins  
Notary Public



**DEVELOPER: South Point Utah Development, LLC**

F. Francis Najafi  
F. Francis Najafi, Managing Partner

6/16/2022  
Date

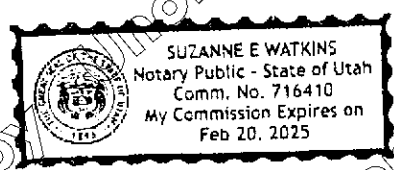
STATE OF UTAH )

)ss:

COUNTY OF SUMMIT )

On this 16th day of June, 2022, personally appeared before me F. Francis Najafi, whose identity is personally known to me or proven on the basis of satisfactory evidence and who by me duly sworn, did say that he is the Managing Partner, of South Point Utah Development, LLC, and that said document was signed by him in behalf of said Company by Authority of its Operating Agreement or Resolution, and said F. Francis Najafi acknowledged to me South Point Utah Development, LLC executed the same.

Suzanne E. Watkins  
Notary Public



**Attachment A**

**Ownership and Operation of Employee Housing:** Construction, ownership and operation arrangements may vary. Developer may self-perform or may enter into arrangements with one or more not-for-profit or for-profit operators providing for the construction and/or ownership and operation of employee housing. The operator in control of each employee housing unit (whether an outside entity or the Developer, the "Operator") will make the unit available for rental to qualified employees in accordance with the standards described below.

**Procedures for Implementing Occupancy Priorities:** Developer or the Operator designated by Developer to operate the following-described registration system, will create and administer a system for the registration, notification, and validation of the employment and household income of any person interested in leasing an employee housing unit. Not less than 30 days prior to the commencement of employee housing leasing, Developer or its designated Operator will advertise the availability of the employee housing and solicit registrations and employment and household income verifications from interested persons meeting the employment priorities and household income targets for occupancy; any person submitting employment and income documentation confirming qualifications to occupy an employee housing unit is a "Registered Employee." Evidence of employment may include, employer verification, written employment offers with work commencement dates within the following 90 days, evidence of part-time or seasonal positions, and evidence of bona fide self-employment or home occupations presently conducted in Summit County and appropriate documents to verify household income. From time to time thereafter and at any time Developer or its designated Operator does not have at least one Registered Employee in at least two of the occupancy priority categories, Developer or its designated Operator will re-advertise the availability of employee housing and solicit additional registrations. At the time of any offering of any employee housing units for lease, Developer or its designated Operator will provide a list of all Registered Employees to an Operator of an available unit; in turn, that Operator will give notice of a leasing opportunity to all Registered Employees by email, text message or other method preferred by the registrant and will provide not less than 10 days for Registered Employees to confirm their respective qualifications for occupancy and their respective interest in leasing the available unit (a Registered Employee who makes such confirmations is an "Interested Tenant"). Thereafter, the Operator of the unit shall lease the unit to an Interested Tenant in the first priority or, if there is no such Interested Tenant, to an Interested Tenant in the next highest level of priority where there is an Interested Tenant. In the event there is no Interested Tenant, the unit may be leased for not more than 6 months to a tenant that is not income or employment qualified and will be reoffered to Registered Employees at the end of that period of occupancy. Each Operator of a unit shall keep records of the evidence of compliance with the notification requirement, responses and Interested Tenants for each of the leasing opportunities and make that information available upon request to the Developer, its designated Operator of the registration system and the County.

**Change in Income or Employment Status.** If a qualified tenant terminates employment providing a priority opportunity to occupy an employee housing unit or is no longer qualified to occupy the unit based on household income, that tenant may continue to occupy the employee housing unit through the end of the current lease term. If there are no other Registered Employees after advertising for additional qualified employees at least 60 days before the end of the lease term or in the event that undue hardship would be imposed on the tenant, the lease may be extended for a term of not more than 6 months.

**Maintenance and Repair Responsibilities:** Each Operator will provide such maintenance, repair and replacement of common areas, and common features of multifamily or attached employee housing units, including foundation, roof and other structural features, as is typical in such projects in the Park City area. Each Operator will provide a plan for maintenance and maintenance funding upon the request of the County. Subject to the foregoing obligation of an Operator, each tenant will be obligated under each lease to maintain the employee housing unit in good, safe, and habitable condition in all respects, except for normal wear and tear, and in full compliance with all applicable laws, ordinances, rules and regulations of any governmental authority with jurisdiction over matters concerning the unit. Each tenant will be obligated to repair at tenant's expense all damage caused by tenant and remedy all conditions in violation of the standards in the preceding sentence.

**Restrictions, Rules and Regulations:** A summary of the provisions of the Employee Housing Plan including this Attachment A will be included in recordable deed restrictions or contract/lease restrictions enforceable by the County or its designated housing enforcement agent for a period of sixty (60) years. Rules and regulations for tenants consistent with the above employee housing standards will be established by the Operators of the employee housing units. To the extent that the Employee Housing Units are built within an existing home owners association, such additional or supplemental governing documents may be established to provide for appropriate ownership and rental regulation.



Exhibit C

**2022 INCOME QUALIFICATION TABLE  
(AS AMENDED ANNUALLY BY HUD)**

2022 Summit County AMI = \$107,800 for household of two		30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI
Unit Type	Max Occupancy						
1 BR	2	\$32,100	\$42,800	\$453,500	\$64,200	\$74,900	\$85,600

Exhibit D

<b>2022 Maximum Monthly Rent (Including Utilities unless a Utility Allowance has been approved by the County )</b>							
		30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI
2022 Summit County AMI = \$107,800 (household of two)							
Unit Type	Max. Occupancy						
1 BR	2	\$802.50	\$1070.00	\$1,337.50	\$1,605.00	\$1,872.50	\$2,140.00