

WHEN RECORDED MAIL TO:

Helen E. Strachan
Summit County Attorney's Office
PO Box 128
60 North Main
Coalville, UT 84017

File No.: 169715-CAP

01213430 B: 2803 P: 1482

Page 1 of 16

Rhonda Francis Summit County Recorder

12/12/2023 03:37:57 PM Fee \$82.00

By COTTONWOOD TITLE INSURANCE AGENCY, INC.
Electronically Recorded

**Cover Page to Workforce Housing Agreement (Amended)
Section 1 Property**

In Reference to Tax ID Number(s):

ESSCVC-1 through ESSCVC-11, ESSCVC-13 through ESSCVC-16 and ESSCVC-109 through
ESSCVC-124

WHEN RECORDED RETURN TO:

Helen E. Strachan
Summit County Attorney's Office
PO Box 128
60 North Main
Coalville, Utah 84017
CT-1109715-CAP
Tax IDs: See Schedule 1

WORKFORCE HOUSING AGREEMENT (AMENDED)
(Silver Creek Village: Elk Springs Subdivision: Section 1 Property)

This Workforce Housing Agreement (Silver Creek Village: Elk Springs Subdivision: Section 1 Property) ("**Agreement**") dated DEC 1 2023 is made by and between SUMMIT COUNTY, a Utah political subdivision (the "**County**") and HILLWOOD HOMES AT SILVER CREEK, LLC, a Utah limited liability company ("**Hillwood Homes**"). The County and Hillwood Homes are referred to herein singly as a "**Party**" and collectively as the "**Parties**."

Recitals

A. The Silver Creek Village Specially Planned Area (the "**Project**") was approved subject to terms of a development agreement, dated August 4, 2015, among County and Liberty Capital Lending, LLC ("**Liberty**") and Gayle Larsen (as amended, the "**Development Agreement**").

B. American Homes 4 Rent TRS, LLC, a Delaware limited liability company ("**AMH**") acquired a portion of the Project from Village Development Group, Inc., a Utah corporation ("**VDG**"), as the owner of Lots 1 through 125, inclusive, of Elk Springs at Silver Creek Village Center Subdivision, according to the final plat thereof (the "**Plat**") on file as Entry No. 1172565 in Book 2690 of Plats, page 1667, Official Records of Summit County, Utah (the "**Elk Springs Community**"). AMH has divided the Elk Springs Community into three (3) distinct sections, which consists of the following: Lots 1 through 11, inclusive, Lots 13 through 16, inclusive, and Lots 109 through 124, inclusive, of the Elk Springs Community constitute the "**Section 1 Property**"; Lots 12, 17 through 41, inclusive, Lots 49 through 51, inclusive, Lots 79 through 99, inclusive, and Lots 101 through 108, inclusive, constitute the "**Section 2 Property**"; and Lots 42 through 48, inclusive, and Lots 52 through 78, inclusive, constitute the "**Section 3 Property**". Lots 100 and 125 are designated as open area and shall not be developed for residential units.

C. AMH's interest in the Section 1 Property has been subsequently transferred to Hillwood Homes, such that Hillwood Homes is the current owner of the Section 1 Property. AMH is the current owner of the Section 2 Property. In addition, AMH is the current owner of the Section 3 Property and intends to transfer its interest in the Section 3 Property to Hillwood Homes at a future date if certain contingencies between AMH and Hillwood Homes are met, such that Hillwood Homes may be the future owner of the Section 3 Property.

D. The Development Agreement requires (at Section 5.2.2.1) that not less than 330 of a total of 1290 approved residential units within the Project must be affordable/workforce housing units (the "**Workforce Units**"). More specifically, the Development Agreement requires 330 actual units and at least 330 Workforce Unit Equivalents ("**WUE**") as defined therein.

E. Among other provisions concerning the development of Workforce Units within the Project, the Development Agreement requires that such Workforce Units be developed at a certain (minimum) rate in proportion to the development of market rate units. Section 5.2.2.2 provides in part:

"35% of the first 271 units (95 Units) within the Project shall be workforce units [the "Initial Requirement"]. Thereafter any future development shall have a proportionate number of workforce units of not less than 25% of the total units as workforce units until the total obligation of workforce units is satisfied." [the "Secondary Requirement"]

F. The Initial Requirement has previously been satisfied but to partially meet the Secondary Requirement, the County has required that thirty-two (32) Workforce Units must be developed within the Elk Springs Community in order to develop ninety-three (93) market rate units within the Elk Springs Community (the "**Elk Springs Affordable Housing Ratio**"). The thirty-two (32) Workforce Units are designated as follows: (i) twenty-five (25) Workforce Units within ADUs (as defined in the Development Agreement) on Lots 12, 16, 20, 26, 29, 34, 38, 41, 43, 44, 46, 47, 49, 50, 51, 57, 58, 60, 70, 71, 79, 85, 90, 91 and 108 (collectively, the "**ADU Lots**"); and (ii) seven (7) Workforce Units on Lots 2, 3, 110, 113, 114, 120 and 121 (collectively, the "**SF Lots**"), each as referenced on the Plat.

G. The ADU Lots and the SF Lots, and the Workforce Units to be constructed thereon, for (i) the entire Elk Springs Community are depicted on Exhibit A-1 attached hereto, and (ii) the Section 1 Property are specifically listed on Exhibit A-2 attached hereto. For the avoidance of doubt, (a) with respect to the Section 1 Property, there are eight (8) Lots designated as Workforce Units on the Section 1 Property, which are as follows: the Workforce Unit on Lot 16 of the Section 1 Property shall be an ADU Lot and the Workforce Units on Lots 2, 3, 110, 113, 114, 120 and 121 of the Section 1 Property shall be SF Lots (collectively, the "**Section 1 Workforce Units**"); (b) with respect to the Section 2 Property, there are fifteen (15) Lots designated as Workforce Units on the Section 2 Property, which the Workforce Units on Lots 12, 20, 26, 29, 34, 38, 41, 49, 50, 51, 79, 85, 90, 91 and 108 shall be ADU Lots; and (c) with respect to the Section 3 Property, there are nine (9) Lots designated as Workforce Units on the Section 3 Property, which the Workforce Units on Lots 43, 44, 46, 47, 57, 58, 60, 70 and 71 shall be ADU Lots.

H. On or about August 25, 2021, VDG and the County executed and recorded a Workforce Housing Agreement (the "**Original Agreement**") for the Elk Springs Community, which Original Agreement is recorded in the Office of the Summit County Recorder as Entry No. 1172567, Book 2690, starting at Page 1681. This purpose of this Agreement is to replace the Original Agreement specifically with respect to the Section 1 Property and the Section 1 Workforce Units. Separately executed and recorded Workforce Housing Agreements will serve to replace the Original Agreement as it relates to the Section 2 Property and the Section 3 Property. In addition, this Agreement shall (1) provide the County with adequate assurances that the Section 1 Workforce Units can be completed within the timeframes proposed herein and in compliance with the Development Agreement; and (2) provide Hillwood Homes with an assurance that upon substantial completion of the Section 1 Workforce Units contemplated under this Agreement, as set forth in Section 5.2 of the Development Agreement, the County shall deem that the Section 1 Property's portion of the Elk Springs Affordable Housing Ratio has been satisfied.

Agreement

In consideration of the foregoing recitals and the terms and conditions herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Qualification, Marketing, Reporting and Compliance: All prospective owners or renters of the Section 1 Workforce Units shall be pre-qualified by the County or its third party designee pursuant to the terms of the Development Agreement and deed restriction. Reasonable efforts shall be used to market the Section 1 Workforce Units to targeted populations as per the deed restriction. In the event any of the Section 1 Workforce Units are offered for rent, Hillwood Homes or the subsequent owner shall provide a quarterly rent roll showing each tenant's name, unit occupied, rent charged, household gross income, name and location of employment, term of lease and other information related to eligibility requested by the County or its third-party designee from time-to-time. All lease terms shall be for a minimum of six (6) months. The County or its third-party designee shall have the right to audit Hillwood Homes' or the subsequent owner's tenant files at least annually upon ten (10) days advanced written notice to Hillwood Homes or the owner.

2. Effect of Agreement on Hillwood Homes' Obligation to Provide Workforce Units. Subject to the terms of this Paragraph 2, Hillwood Homes' obligation to provide eight (8) Workforce Units and/or eight (8) WUEs as part of the Secondary Requirement under the Development Agreement shall be deemed fully and finally satisfied upon issuance of a **"County Approval"** document in the form of Exhibit B attached hereto, stating that (i) the Plat has been recorded; (ii) Hillwood Homes has demonstrated evidence of financing and construction documents and is prepared to commence development of the Section 1 Workforce Units indicated on the Plat; (iii) the County has approved the form of deed restriction pertaining to the Section 1 Workforce Units indicated on the Plat; (iv) the County Manager has completed and executed the **"Approved Project Summary"** (Exhibit C) pertaining to the Section 1 Workforce Units on the Plat; (v) the Project Timeline (as defined below) for completion of the Section 1 Workforce Units is contained in the Approved Project Summary; (vi) upon the substantial completion of construction of the Section 1 Workforce Units, the Hillwood Homes' obligation to provide eight (8) Workforce Units under the Development Agreement will be satisfied; and (vii) the remaining twenty-three (23) market rate units located on the Section 1 Property may be developed within the Elk Springs Community without the risk of having building permits or certificates of occupancy withheld for any reason related to the affordable housing obligations under the Development Agreement. Until such time as the County Manager has issued the County Approval, the obligation for providing the Section 1 Workforce Units remains with Hillwood Homes.

3. Timing of Workforce Unit Development. Notwithstanding anything to the contrary herein, Hillwood Homes shall cause completion of construction of the Section 1 Workforce Units on the ADU Lots and the Section 1 Workforce Units on the SF Lots in accordance with the timing requirements set forth in the Approved Project Summary attached as Exhibit C (**"Project Timeline"**).

4. Failure to Develop on Timely Basis. Hillwood Homes shall use its best efforts to develop the Section 1 Workforce Units in accordance with the Approved Project Summary and shall report

quarterly to the County Manager on its progress until such time as the eight (8) Section 1 Workforce Units described herein are completed and have received certificates of occupancy. The quarterly report shall include the mix and types of units, incomes targeted, maximum for-sale prices, maximum rents (including utilities), occupancy and such other information requested by the County Manager. The quarterly report satisfies the annual report, as to the Section 1 Workforce Units, required by Section 5.2.1 of the Development Agreement. Based upon good cause for delays or other unforeseen circumstances, the County Manager shall have the authority to extend the Project Timeline as shown in the Approved Project Summary. If Hillwood Homes fails to demonstrate good cause to extend the Project Timeline or otherwise fails to develop the Section 1 Workforce Units in accordance with the Project Timeline (the “**Defaulting Section 1 Workforce Units**”), then the County Manager shall have the right to declare Hillwood Homes in default of this Agreement and, if Hillwood Homes thereafter fails to demonstrate significant progress toward the development of the Defaulting Section 1 Workforce Units within twelve (12) months thereafter, the County Manager may withhold the certificate of occupancy for those market rate units located solely on the Section 1 Property; provided, however, any withholding of the certificate of occupancy for a market rate unit on the Section 1 Property shall not exceed the Elk Springs Affordable Housing Ratio (i.e. the County may only withhold three (3) certificates of occupancy for market rate units located on the Section 1 Property for one (1) Defaulting Section 1 Workforce Unit). Notwithstanding the foregoing or anything to the contrary herein, a default by Hillwood (or its successors and/or assigns) under this Agreement shall not constitute a default by AMH (or its successors and/or assigns) under the Workforce Housing Agreements for the Section 2 Property and Section 3 Property.

5. Hillwood Homes Proposal Subject to Development Agreement. Hillwood Homes acknowledges and agrees that the design and development of the Section 1 Workforce Units shall be subject to the applicable terms of the Development Agreement (including review and recommendation by the Design Review and Architectural Review Committees for the Project), the Snyderville Basin Development Code, and local, state and federal law. As required under the Development Agreement, Hillwood Homes will construct Section 1 Workforce Units to energy efficient standards (Sections 5.2.2.18 and 5.3) and shall offer homes for sale or rent with a priority to residents employed in Summit County (Section 5.2.2.7).

6. Deed Restrictions. Hillwood Homes shall record against each Section 1 Workforce Unit a deed restriction that comports with Section 5.2.2 of the Development Agreement. The form of the deed restriction shall be approved by the County Manager and shall be recorded against the Section 1 Workforce Units prior to the issuance of a certificate of occupancy. Alternatively, the County Manager may approve a combination of deed restriction or restrictions required by the Utah Housing Corporation and other financing agencies that satisfies Section 5.2.2. of the Development Agreement. The deed restriction will call out the Workforce Housing Equivalent associated with each lot.

7. Parking: Each Section 1 Workforce Unit shall be entitled to two (2) off street stalls. Parking stall requirements shall meet the Snyderville Basin Development Code requirements except for those modified standards as identified in the site specific standards for each parcel as outlined in the Development Agreement.

8. Conflicts. As provided in Section 5.2.1 of the Development Agreement, in the event of any conflict between this Agreement and the Development Agreement, the Development Agreement shall take precedent.

9. Recording. This Agreement or a memorandum of this Agreement shall be recorded in the official records of the Summit County Recorder.

10. Amendment. This Agreement may only be amended by written instrument signed by the County and Hillwood Homes and/or their respective successors or assigns. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter addressed herein. Except as for the Development Agreement, there are no other agreements, oral or written, pertaining to the matters herein between the Parties.

11. Binding Effect. This Agreement and the covenants contained herein shall run with the land and shall be binding upon and shall inure to the benefit of the Parties hereto and their successors, heirs and assigns.

12. Enforcement. All of the terms, provisions and restrictions of this Agreement may be enforced by any of the Parties hereto and in the event of a breach of this Agreement, each Party shall have such remedies as may be available in law or in equity.

13. Notices. All notices to be given pursuant to this Agreement shall be as provided under Section 8.11 of the Development Agreement to the Parties at the addresses set forth below:

To County: Summit County
Attn: Summit County Attorney
60 N. Main St.
P.O. Box 128
Coalville, Utah 84017

To Hillwood Homes: Hillwood Homes at Silver Creek, LLC
4931 N. Hillwood Drive
Heber City, UT 84032
Attn: Sidney Allsop

14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, and where applicable, the laws of the United States of America.

15. Exhibits and Recitals. All exhibits and attachments attached hereto are incorporated herein by this reference. The Recitals are hereby incorporated into this Agreement.

16. Waiver. No action or failure to act by the Parties shall constitute a waiver of any right or duty afforded any Party under this Agreement, nor shall any such action or failure to act constitute approval of or acquiescence in any breach hereunder, except as may be specifically agreed to in writing. A waiver by a Party of a breach hereunder by the other Party shall not be construed as a waiver of any succeeding breach of the same or other provisions.

17. Counterparts. This Agreement may be executed by the different Parties hereto in separate counterparts, each of which when so executed shall be an original, and all of which taken together shall constitute one and the same agreement. Electronic and scanned signature pages will be acceptable and shall be conclusive evidence of execution.

18. Severability. If any provision of this Agreement or the application thereof to any Party or circumstances shall be invalid or unenforceable to any extent, the remainder of the Agreement and the application of such provisions to any other Party or circumstance shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

19. Headings. Titles or headings to paragraphs of this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed the date and year first above written.

COUNTY:

Summit County,
a Utah political subdivision

By: Shayne Scott
Shayne Scott, County Manager

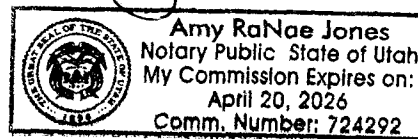
Notary Acknowledgments

STATE OF UTAH

COUNTY OF SUMMIT

On this 1 day of Dec, 2023, this Agreement was acknowledged before me by Shayne Scott, County Manager of Summit County.

Amy RaNae Jones
Notary Public



APPROVED AS TO FORM:

Helen E. Strachan
Helen E. Strachan, Deputy County Attorney

Hillwood Homes:

Hillwood Homes at Silver Creek, LLC,
a Utah limited liability company

By: TJF
Name: TROY TURNER
Its: MEMBER / AUTHORIZED AGENT

Notary Acknowledgments

STATE OF UTAH

COUNTY OF ~~SUMMIT~~ ^{LA} SALT LAKE

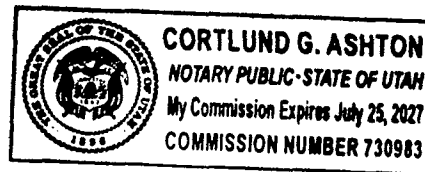
On this 11 day of December, 2023, this Agreement was acknowledged before me by
TROY TURNER the * MEMBER / AUTHORIZED AGENT of Hillwood Homes at Silver Creek, LLC, a Utah
limited liability company, for and on behalf of the company.
* MEMBER / AUTHORIZED AGENT

Cortlund G. Ashton

Notary Public

My Commission Expires:

7/25/27



SCHEDULE 1

Summit County Tax I.D. Parcels

ESSCVC-1
ESSCVC-2
ESSCVC-3
ESSCVC-4
ESSCVC-5
ESSCVC-6
ESSCVC-7
ESSCVC-8
ESSCVC-9
ESSCVC-10
ESSCVC-11
ESSCVC-13
ESSCVC-14
ESSCVC-15
ESSCVC-16
ESSCVC-109
ESSCVC-110
ESSCVC-111
ESSCVC-112
ESSCVC-113
ESSCVC-114
ESSCVC-115
ESSCVC-116
ESSCVC-117
ESSCVC-118
ESSCVC-119
ESSCVC-120
ESSCVC-121
ESSCVC-122
ESSCVC-123
ESSCVC-124

EXHIBIT A-1

Project Map Depicting the ADU Lots and the SF Lots and Each Section

Workforce Units within ADU Lots (Lots 12, 16, 20, 26, 29, 34, 38, 41, 43, 44, 46, 47, 49, 50, 51, 57, 58, 60, 70, 71, 79, 85, 90, 91 and 108 Elk Springs Subdivision) marked by a star.

For Rent Workforce Units within SF Lots (Lots 2, 3, 110, 113, 114, 120 and 121 of Elk Springs Subdivision) marked by a circular dot.

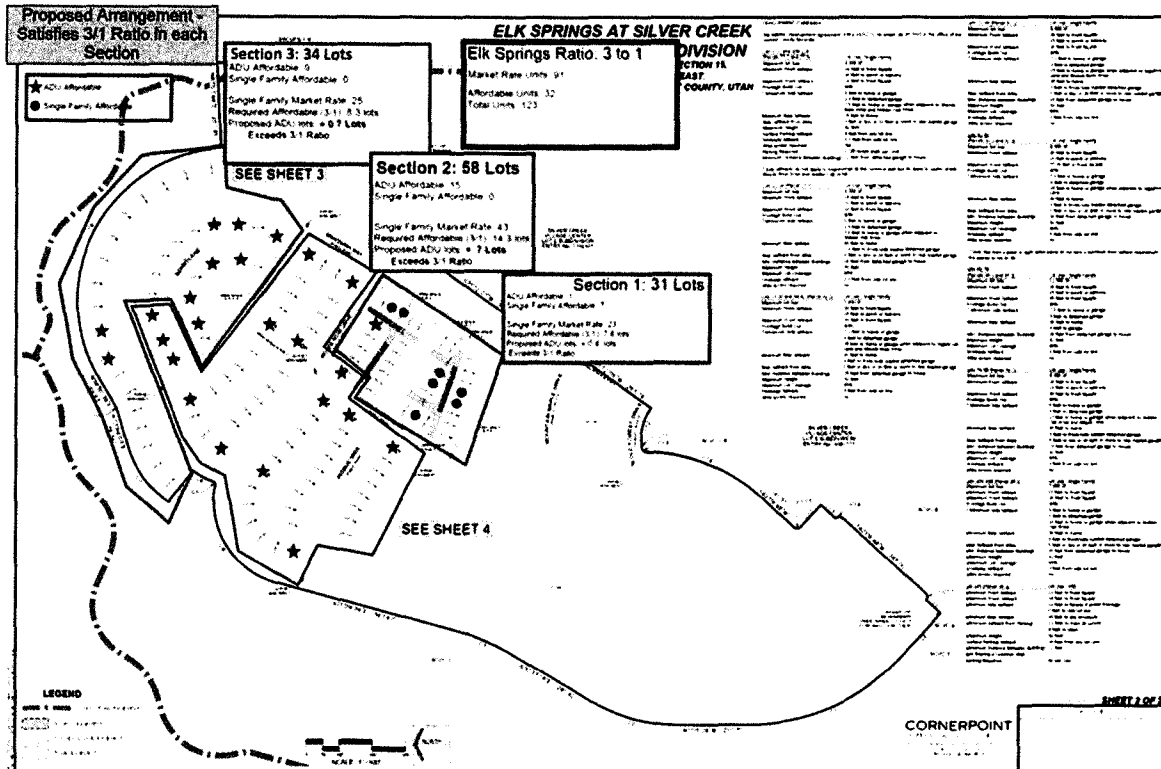


EXHIBIT A-2

Section 1 Property

Lots 1 through 11, inclusive, Lots 13 through 16, inclusive, and Lots 109 through 124, inclusive, of Elk Springs at Silver Creek Village Center Subdivision, according to the final plat thereof on file in Book 2690 of Plats, page 1667, Official Records of Summit County.

EXHIBIT B

County Approval

Summit County Manager hereby approves the Workforce Units identified in the Workforce Housing Agreement (Silver Creek Village: Elk Springs Subdivision: Section 1 Property) dated _____, 2023 ("**Workforce Housing Agreement**") by HILLWOOD HOMES AT SILVER CREEK, LLC, a Utah limited liability company ("**Developer**"), for the purpose of satisfying a commensurate portion of the Elk Springs Affordable Housing Ratio and confirms satisfactory demonstration of the following conditions outlined in the Workforce Housing Agreement (capitalized terms not otherwise defined herein shall have the same meaning as used in the Workforce Housing Agreement):

1. The Plat has been recorded.
2. Developer has demonstrated evidence of financing and construction documents and is prepared to commence development of the Section 1 Workforce Units indicated on the Plat.
3. The County has approved the form of deed restrictions for the ADU Lots and the SF Lots.
4. County Manager has completed and executed the "Approved Project Summary" in the form of Exhibit C of the Workforce Housing Agreement for the ADU Lots and the SF Lots.
5. The Project Timeline for completion of the Section 1 Workforce Units is contained in the "Approved Project Summary" in the form of Exhibit C of the Workforce Housing Agreement for the ADU Lots and the SF Lots.

Now, therefore, County Manager confirms the following:

1. Upon the substantial completion of construction of the eight (8) Section 1 Workforce Units, Developer's obligation to provide eight (8) Workforce Units under the Development Agreement will be satisfied, which shall allow the development of twenty-three (23) market rate units within the Section 1 Property.
2. Twenty-three (23) market rate units may be constructed within the Section 1 Property without the risk of having building permits or certificates of occupancy withheld for any reason related to the affordable housing obligations under the Development Agreement.

Dated this __ day of _____, 20__.

Shayne Scott, County Manager
Summit County, Utah

EXHIBIT C

Approved Project Summary

Pursuant to the Workforce Housing Agreement (Silver Creek Village: Elk Springs Subdivision: Section 1 Property) dated _____, 2023 ("**Workforce Housing Agreement**") by HILLWOOD HOMES AT SILVER CREEK, LLC, a Utah limited liability company ("**Developer**"), County Manager approves that ADU Lots and the SF Lots, according to the Silver Creek Village Center Elk Springs Subdivision of the Silver Creek Village Specially Planned Area, which was approved subject to terms of the Development Agreement, dated August 4, 2015, may be built as follows (capitalized terms not otherwise defined herein shall have the same meaning as used in the Workforce Housing Agreement):

ADU Lot Numbers	AMI Target	Bedrooms	All Lot Sizes SQ/FT are => 4,500SQ/FT	2023 Maximum Gross Monthly Rent Including Utilities (water, sewer, gas, power and trash) (as adjusted annually when HUD publishes the annual Area Median Income)
Lot 16 of Section 1 of Elk Springs Subdivision	=<50% AMI Adjusted by Number of Bedrooms and Occupancy	One bedroom with at least 650 square feet (1.38 WUE).	Required	\$1,416.25

Completion of construction of Workforce Units on the ADU Lots: Certificate of occupancy on a Workforce Unit to be issued concurrent with the issuance of a certificate of occupancy for the Market Unit on the associated ADU Lot. ADUs must be actively marketed and occupied to receive "compliance credit."

For Rent Workforce Units within SF Lots	AMI Target	Bedrooms	2023 Maximum Gross Monthly Rent Including Utilities (water, sewer, gas, power and trash) (as adjusted annually when HUD publishes the annual Area Median Income)
Lots 2, 3, 110, 113, 114, 120 and 121 of Section 1 of Elk Springs Subdivision	=<60% AMI Adjusted by Number of Bedrooms and Occupancy	Three Bedrooms (.78 WUE)	\$2,124.00

If "For Rent" Workforce Units within SF Lots are converted to "For Sale" Workforce Units at a future date, the Maximum Purchase Price will be calculated using the following input criteria established at the time this Housing Agreement was executed:

- AMI Target 60% AMI as per section 5.2.2.5 of the Development Agreement
 - 60% AMI \$270,000.00
- 5% down payment
 - 60% AMI \$13,500.00
- Mortgage Interest Rate
 - 7.125% (10/4/2023 - <https://utahhousingcorp.org/>)
- Property Tax
 - 60% AMI \$1,485.00
- Private Mortgage Insurance
 - 60% AMI \$1,539.00
- Insurance
 - \$900.00
- HOA Fees
 - \$209.00
- Size of Unit (bedrooms)/Occupancy
 - 3 bedrooms
- 3% maximum annual appreciation

Completion of construction of Workforce Units on the Single Family Lots and ADU Lots: Construction of the Single Family Lots and ADU Lots shall be at no less than a rate of one (1) Workforce Unit per three (3) Market Units. Therefore, certificates of occupancy shall be issued consistent with one (1) Workforce Unit for every three (3) Market Units.

TOTALS WITHIN THE SECTION ONE PROPERTY

Number of Workforce Units within ADU Lots	= 1
Number of For Rent Workforce Units within SF Lots	= 7
Total Number of Workforce Units (ADU Lots + SF Lots)	= 8
Total Number of Workforce Unit Equivalents	= 9.7
Number of Market Rate For Sale Units associated with the ADU Lots	= 1
Number of Market Rate Units on Single Family Lots	= 22
Total Number of Market Rate Units	= 23
Total Number of Workforce Units + Total Number of Market Rate Units	= 31

WHEREFORE, the County Manager has executed this Approved Project Summary this __ day of _____, 20__

Shayne Scott, County Manager
Summit County, Utah