

AFFORDABLE HOUSING PLAN AGREEMENT (TURNERS MILL SUBDIVISION)

This Affordable Housing Agreement (“**Agreement**”) is entered into this 14th day of November, 2022 (the “**Effective Date**”), among the Wasatch County Housing Authority (“**WCHA**”), Heber City Corporation, a municipality of the State of Utah (“**City**”), ALPHA-ALLU HEBER, LLC a Utah limited liability company (“**Alpha-ALLU Heber**”), and ALPHA-KH HEBER, LLC a Utah limited liability company (“**Alpha-KH Heber**” and together with Alpha-ALLU Heber, “**Developer**”).

RECITALS

WHEREAS, Developer is the developer of the Turners Mill Subdivision, (“**Turners Mill Subdivision**” or “**Property**”) located in Heber City, Wasatch County, State of Utah, as more particularly identified on Exhibit “A” to this Agreement.

WHEREAS, the City’s Affordable Housing Ordinance, Heber City Code § 18.102 *et seq.* (the “**Affordable Housing Ordinance**”) requires that developers provide affordable housing units (“**AHUs**”) equaling ten percent (10%) of the number of equivalent residential units (“**ERUs**”) approved and allocated by the City with respect to a development project.

WHEREAS, the City and Developer anticipate entering into one or more Development Agreements governing the development of Lots 1 and 2 (each a “**Development Agreement**” and collectively the “**Development Agreements**”), more particularly identified on Exhibit “B”, of the Property into a residential subdivision containing One Hundred Forty One (141) and One Hundred Forty Five (145) equivalent residential units, respectively, which Development Agreements shall be recorded in the Office of the Wasatch County Recorder’s Office (the “**Recorder’s Office**”).

WHEREAS, Developer desires to satisfy the City’s Affordable Housing Ordinance by providing all required AHUs for the Turners Mill Subdivision by providing Twenty-Nine (29) AHUs on Lot 1 of the Property and as identified on “Exhibit C.” The number of AHUs is calculated as follows: Lot 1 AHUs; 141 ERUs x 10%= 14.1 AHUs. Lot 2 AHUs; 145 ERUs x 10%=14.5 AHUs. Collective, Lot 1 and Lot 2 requirements calculated as Lot 1 (14.1 AHUs) plus Lot 2 (14.5AHUs), totaling 28.6 (rounded to 29) AHUs.

WHEREAS, Developer and the City acknowledge that Lot 3 and Lot 4 of Turners Mill Subdivision are primarily commercial development parcels and not currently subject to the City’s affordable housing requirements, as no ERUs are currently proposed on these lots. Lots 3 and 4 are more particularly identified on Exhibit “B”.

WHEREAS, Developer desires to satisfy the City’s affordable housing requirements by constructing twenty-nine (29) units that will be designated as AHUs and as more particularly described on Exhibit “C”.

WHEREAS, Developer desires to satisfy the Affordable Housing Ordinance for the Turner Mill Subdivision in accordance with the terms and provisions of this Agreement.

NOW THEREFORE, in consideration of the mutual recitals, covenants and promises described above and otherwise contained herein, the sufficiency of which is expressly acknowledged by the Parties to this Agreement, the Parties now enter into the following:

AGREEMENT

1. **Incorporation of Recitals and Agreement:** The Recitals set forth above are incorporated into the body of this Agreement.
2. **Definitions:** Any undefined capitalized word or term used in this Agreement shall have the meanings set forth in the Heber City Code and the Development Agreement, respectively. In the event of a conflict, the meaning shall be controlled first, by this Agreement, second by the Development Agreement and third, by the Heber City Code.
3. **Standards for Construction:** The standards for construction of the AHUs set forth in Section 18.102.060 of the City Code shall be satisfied as follows:
 - a. The AHUs shall be built to blend with the Market Rate multifamily, residential product within Lot 1 of the Turner Mill Subdivision.
 - b. The AHUs shall be designed to be reasonably consistent or compatible with the design of the Market Rate Units to be constructed on Lot 1 of the Turner Mill Subdivision in terms of appearance, materials and finished quality.
 - c. Each AHU shall be designed to be affordable/attainable housing for a family of four, meaning a three-bedroom unit at an 80% AMI level.
 - d. Generally, the AHUs shall be built concurrently with the Market Rate Units. Developer anticipates that Lot 2 will be developed within twenty-four (24) months following receipt of building permit approval from the City.
 - e. The AHUs will be three-bedroom, two-bathroom residential housing units.
 - f. Each AHU designated on the AHU Locations exhibit, defined below, shall be for “**Qualified Renters**” as defined in Section 1.12 of the Deed Restriction attached hereto as Exhibit “F” and governed therein.
4. **Developer’s Obligations:** Developer agrees to meet its obligations under the City’s Affordable Housing Ordinance as follows:

- a. The portion of the Property to be developed as a residential housing development is comprised of 17.75 acres and zoned Mixed-Use Residential Commercial Zone.
- b. Developer's requested incentives for complying with the Affordable Housing Ordinance are set forth in Section 6 of this Agreement.
- c. The AHUs shall be comprised of twenty-nine (29) units located upon Lot 1 and more fully identified on Exhibit "C" (the "**AHU Locations**").
- d. The schedule for construction of the project on Lot 1 shall be set at the time of building permit issuance; however, the Developer shall construct the applicable AHUs concurrently with the Market Rate Units based on the overall construction schedule and phasing for the Project.
- e. Sample Copies of plans for the AHUs are attached as Exhibit "D" to this Agreement.
- f. Developer will not be required to pay a Fee-in-Lieu under the Affordable Housing Ordinance. However, Developer requests that the City obtain a calculation of the Fee-in-Lieu amount to be utilized in determining the City's lien rights in ensuring the construction of the AHUs.
- g. A letter of Recommendation from the WHCA is attached as Exhibit "E" to this Agreement.
- h. The AHUs shall serve Qualified Renters.
- i. [Deleted].
- j. The Deed Restriction shall be filed of record against Lot 1, stating that a total of twenty-nine (29) AHUs must be provided thereon and listing the address or unit number of each AFU. The Deed Restriction shall be recorded with the Wasatch County Recorder's office within two (2) business days of full execution of this Agreement. Pursuant to Heber City Code §18.102.060(G), the Deed Restriction shall be in perpetuity. A copy of the Deed Restriction is attached as Exhibit "F."
- k. The AHUs shall be phased equally throughout construction and development.
- l. In the event Heber City Code changes specific to its affordable housing requirements, Developer shall have the right, but not the obligation, to adopt the then current requirements or practices contained therein without defaulting on any provision contained herein.

5. **Satisfaction of Affordable Housing Requirements:** Performance of the Developer's obligations under this Agreement satisfies the Developer's obligation to provide affordable housing under the Heber City Code as applied to the development of the land known as Turners Mill Subdivision.
6. **Incentives:** The City agrees that Developer shall be entitled to the following incentives, which the City finds are proportionate to the costs incurred by Developer in providing affordable housing hereunder:
 - a. The City agrees that notwithstanding the language contained in Section 18.102.060 of the City Code, the AHUs may be retained by Developer as rental units with the understanding that all applicants for the AHU's shall be approved in accordance with the Deed Restriction.
 - b. Building permit fees shall be waived for the AHUs.
 - c. Any other incentive requested by Developer which is permissible under the Affordable Housing Ordinance.
7. **Remedies:** Failure by the Developer to perform in accordance with this Agreement will constitute failure to satisfy the City's affordable housing requirements. In the event of default by the Developer, the City shall have authority to exercise any and all remedies available at law or in equity.
8. **Entire Agreement:** This Agreement constitutes the entire Agreement between the Parties and no modification shall be binding unless reduced to writing and signed by the Parties hereto.
9. **Successors:** The Development Agreement, as amended, shall be binding upon all successive owners of said land.
10. **Severability:** In the event any provision of this Agreement is held invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

IN WITNESS WHEREOF, the Parties have hereunto set their hands as of the Effective Date.

[Signature Page Follows]

WASATCH COUNTY HOUSING
AUTHORITY:

Jeffery M Bradshaw
By: Jeffrey Bradshaw, Executive Director

HEBER CITY:

Ryan P.C. Stack
By: Ryan P.C. Stack, Mayor Pro Tem



Urina W Cooke
Attest

Acknowledgment

State of Utah)

County of ⁵ Wasatch

On this 8th day of November in the year 2023, before me, Trina N Cooke a notary
date month year notary public name

public, personally appeared Jeffery M Bradshaw proved on the basis of satisfactory
name of document signer

evidence to be the person(s) whose name(s) (is/are) subscribed to this instrument, and acknowledged
(he/she/they) executed the same.

Witness my hand and official seal.

Trina N Cooke
(notary signature)



(seal)

ALPHA-ALLU HEBER:

ALPHA-ALLU HEBER, LLC,
a Utah limited liability company

By: BRC ADG JV Heber, LLC,
a Utah limited liability company
Its: Manager

By: Alpha-Heber GP, LLC,
a Utah limited liability company
Its: Manager

By: Wadsworth dbUrban Heber, LLC,
a Utah limited liability company
Its: Manager

By: Wadsworth Heber, LLC,
a Utah limited liability company
Its: Manager

By: Wadsworth & Sons II, LLC,
a Utah limited liability company
Its: Manager

By: _____
Name: Kip L. Wadsworth
Its: Executive Manager

ALPHA-KH HEBER:

ALPHA-KH HEBER, LLC,
a Utah limited liability company

By: BRC ADG JV Heber, LLC,
a Utah limited liability company
Its: Manager

By: Alpha-Heber GP, LLC,
a Utah limited liability company
Its: Manager

By: Wadsworth dbUrban Heber, LLC,
a Utah limited liability company
Its: Manager

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a Utah limited liability company
Its: Manager

By: Wadsworth & Sons II, LLC,
a Utah limited liability company
Its: Manager

By: _____
Name: Kip L. Wadsworth
Its: Executive Manager

EXHIBIT A

TURNERS MILL SUBDIVISION

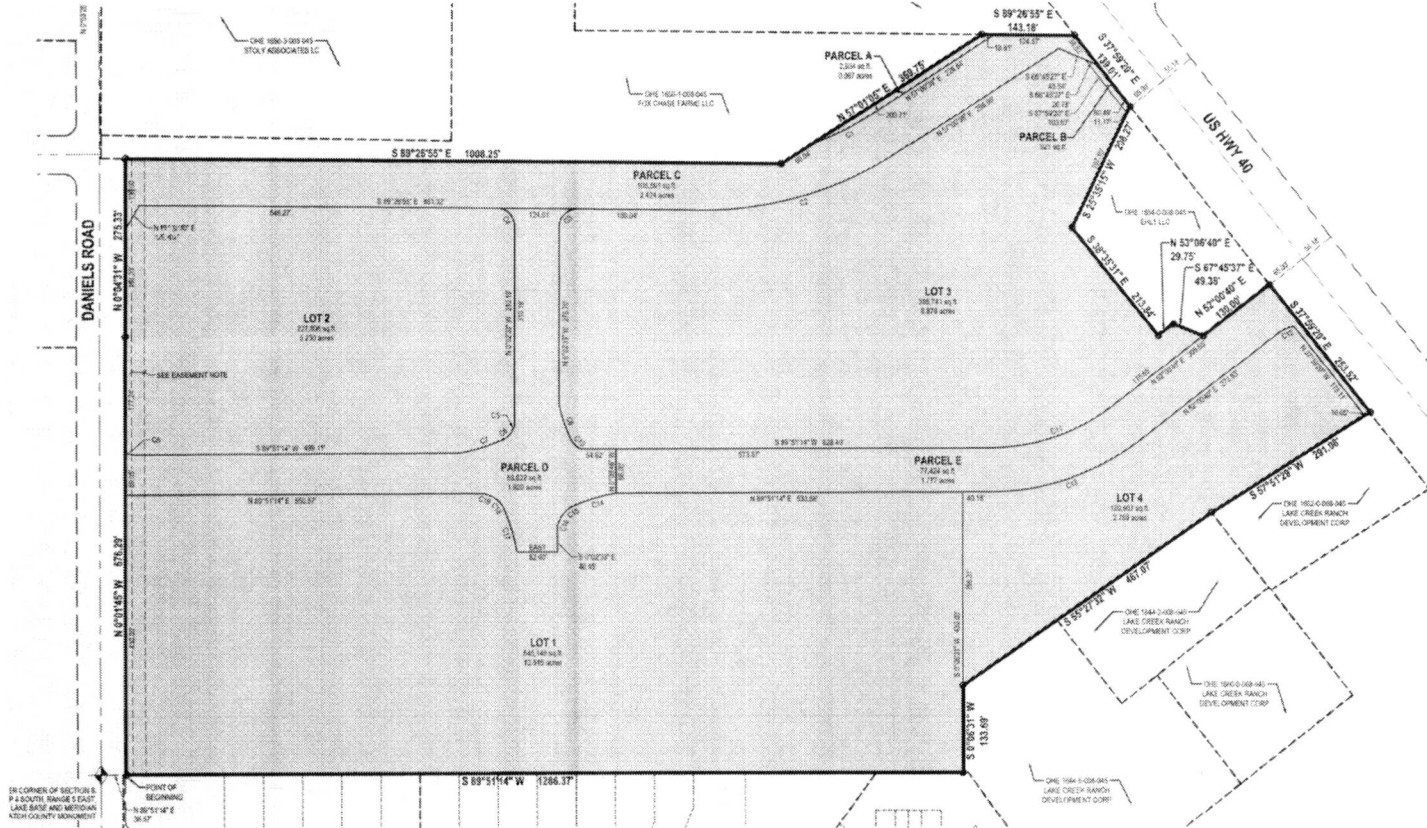


Exhibit C Affordable Housing Unit Locations

UNIT LEGEND

1-BEDROOM (A1)	1-BEDROOM (A2)
2-BEDROOM (A1)	2-BEDROOM (A2)
3-BEDROOM (A1)	3-BEDROOM (A2)
3-BEDROOM - W/WORKSHOP (A1)	

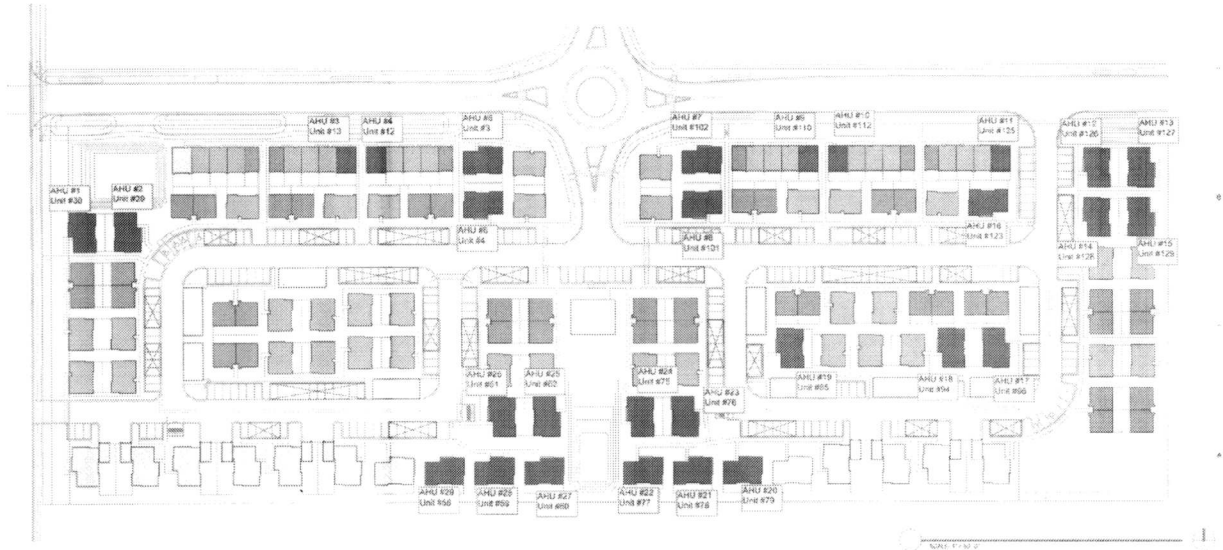
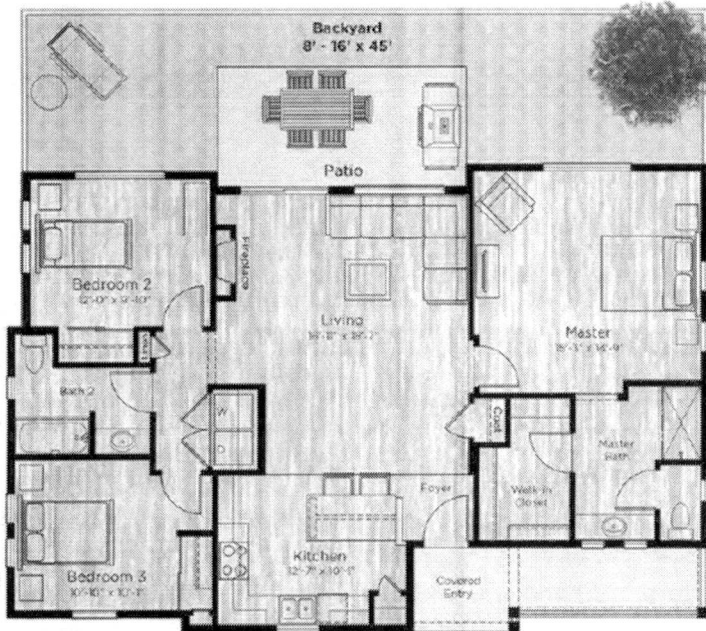
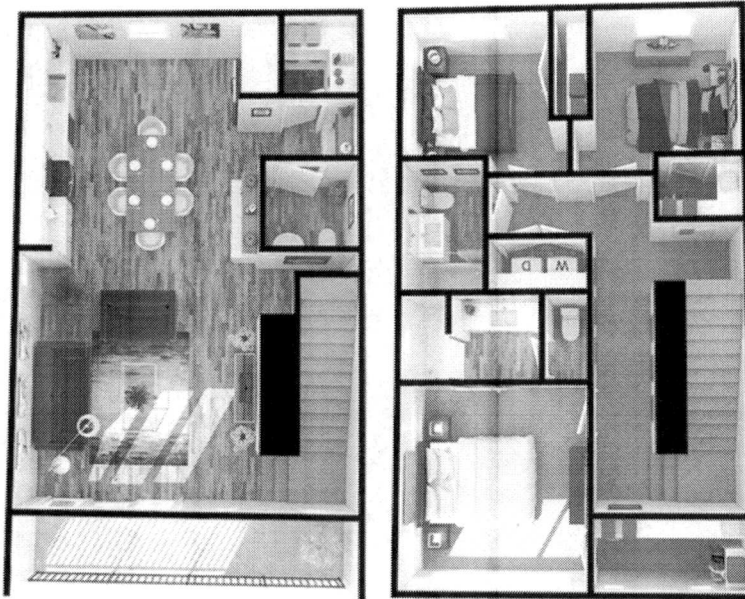


EXHIBIT D

AFFORDABLE HOUSING UNIT PLANS



“Single-Family” Style
3 Bedroom
2 Bathroom
Private Rear Yard



“Townhome” Style
3 Bedroom
2.5 Bathroom
Private Rear Yard

EXHIBIT E

LETTER OF RECOMMENDATION FROM WASATCH COUNTY HOUSING
AUTHORITY

WASATCH COUNTY HOUSING AUTHORITY

175 North Main Street Suite 201 • P.O. Box 776 • Heber City, UT 84032
Telephone: 435-654-2053 • Fax: 435-654-2360 • Email: info@wasatchcha.com

October 21, 2020

Re: Letter of Recommendation

To Whom It May Concern:

I am writing this letter in connection with the proposed Turner Mill Subdivision development in Heber City, Utah (the "Development") by Wadsworth dbURBAN Heber, LLC ("Developer"). On October 19, 2020, the Wasatch County Housing Authority ("WCHA") held a board meeting wherein it reviewed the proposed Affordable Housing Plan Agreement presented by Developer's representative, (the "Agreement") for the Development and voted to issue a letter of recommendation ("LOR"), subject to the conditions that follow. Unless specifically listed, the affordable for-rent housing is referred to herein as "Affordable Housing Units."

1. Deed restriction language (or separate Deed Restriction Agreement) recorded with the Wasatch County Recorder's Office for 'Lot 1' memorializing the Affordable Housing Units in perpetuity in a form acceptable to Heber City.
2. This LOR is subject to final approvals of the Development by Heber City Municipal and recordation with the Wasatch County Recorder's Office, of the final plat for Lot 1, as depicted in the Agreement.
3. Full execution of the Agreement by Developer and Heber City.

This LOR serves as a recommendation to the aspects of the Development and Agreement relating to the affordable housing components under the purview of the WCHA only, as required by Section 18.102.070 of the Heber City Code, and does not constitute approval of any other aspect or provision of the Development or the Agreement outside the purview of the WCHA, including but not limited to zoning, density calculations, tax consequences, AHU calculations based on Heber City's code, or any other approval already provided or which may be provided by Heber City Municipal.

The contents, recommendations, and conditions set forth in this LOR are based on the Agreement, as presented to the WCHA board on October 19, 2020 by the Developer. Other than the edits to address the conditions set forth above, any changes, edits, or alternations made to the Development, which have the effect of altering the Agreement, will void and nullify this LOR and will require the WCHA's review and subsequent issuance of an updated LOR from the WCHA.

Sincerely,

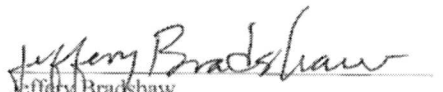

Jeffrey Bradshaw
Executive Director, Wasatch County Housing
Authority

EXHIBIT F
DEED RESTRICTION

(See Attached)

WHEN RECORDED, RETURN TO:

Jefferey Bradshaw
Wasatch County Housing Authority
175 N. Main Street, Suite 201
Heber City, Utah 84032

Ent 527127 Bk 1428 Pg 1757-1769
Date: 22-NOV-2022 12:04:58PM
Fee: \$40.00 Check Filed By: TC
MARCY M MURRAY, Recorder
WASATCH COUNTY CORPORATION
For: ALPHA KH HEBER LLC

**RESTRICTIONS
CONCERNING CERTAIN AFFORDABLE HOUSING UNITS
AT KLEIN HUIS AT TURNER'S MILL**

THESE RESTRICTIONS CONCERNING CERTAIN AFFORDABLE HOUSING UNITS AT KLEIN HUIS AT TURNER'S MILL (hereinafter this "Deed Restriction") are made and entered into as of the 22 day of November, 2022 (the "Effective Date") by Heber City, a municipality of the State of Utah, Wasatch County Housing Authority ("WCHA") and ALPHA-KH HEBER, LLC a Utah limited liability company ("Developer").

Recitals

A. On or about November 14, 2022, the Developer executed that certain Affordable Housing Plan Agreement, which, consistent with Heber City Code § 18.102.060(G) (2022) (as may be amended from time to time), requires Developer to construct and provide a total of twenty-nine (29) affordable housing units within Lot 1 of the Turners Mill Subdivision and that each AHU be memorialized by a Deed Restriction.

B. The Developer, as owner of each Unit, is exercising and recording this Deed Restriction against those certain affordable housing units identified on Exhibit "A" (the "AHU" or "Unit"). The Developer intends that subsequent owners of each AHU be bound by the terms of this Deed Restriction. Upon its recording in the public records of the Office of the Wasatch County Recorder, this Deed Restriction shall govern the terms and conditions of ownership, use, and occupancy of the Unit by subsequent owners and their heirs, successors, executors, administrators, devisees and assigns as addressed herein.

Covenants and Restrictions

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants set forth herein, the Developer hereby submits the Unit to the following covenants and restrictions:

1. DEFINITIONS.

1.1 "City" means Heber City, a municipality of the State of Utah. Actions to be taken or decisions to be made by the City hereunder are to be taken or made by the Heber City Council or the department, employee or third-party designee selected by the City

Council to carry out such responsibilities or to administer, generally, the affordable housing programs for the City.

1.2 **[Reserved]**.

1.3 **“Domicile”** means 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/or his or her household voluntarily reside not for a special or temporary purpose but with the intention of making a permanent home for a minimum of nine (9) months out of each calendar year.

1.4 **“Employment-Qualified Renter”** means the renter (or at least one renter if the Unit is being leased by two or more individuals) meets the “Employment Qualified” terms and conditions of Subsection 1.12(c).

1.5 **“First Mortgage”** means a Mortgage (as defined in Section 1.8) having priority as to all other Mortgages encumbering the Unit or any part thereof or interest therein.

1.6 **“Household”** means all related and unrelated individuals occupying a Unit as their Primary Residence.

1.7 **“Lessee-occupied”** means a Unit that is occupied by the Qualified Renter as the Qualified Renter’s Primary Residence.

1.8 **“Mortgage”** means a mortgage, deed of trust or similar security instrument by which the Unit or any part thereof or interest therein is encumbered.

1.9 **“Notice”** means correspondence complying with the provisions of Section 13.1.

1.10 **“Primary Residence”** means the place where Domicile has been established.

1.11 **“Property Manager”** means the company or entity designated by the Unit Owner to qualify any and all renters, monitoring the use and ongoing qualification of the Qualified Renter, and other responsibilities and duties as set forth in this Deed Restriction.

1.12 **“Qualified Renter”** means a prospective renter of the AHU who meets the following eligibility requirements:

- a. Is **“Income Qualified,”** which means the Household of the renter earns not more than eighty percent (80%) of the Wasatch County Area Median Income (“AMI”), adjusted annually for a household of 4, as determined annually by the County with reference to the U.S. Department of Housing and Urban

Development annual calculation of AMI, or other annual AMI calculation adopted by Wasatch County or the City; AND

b. Each AHU shall meet the Allowable Housing Expense requirement under Subsections 18.102.110 (B) and (D) of the Heber City Code, which require housing to cost no more than thirty percent (30%) of such family's household income to qualify as Affordable Housing. The Developer shall provide written notice to each purchaser of the limit of rental income, along with the calculation of rent as follows:

When Developer or the subsequent owner of the Unit, rents the AHU, such monthly rent will be calculated by determining eighty percent (80%) of the Median Family Income for a family of 4 in Wasatch County, Utah, as published and adjusted annually by the Department of Housing and Urban Development ("HUD") multiplied by 30%, which total is divided by 12 (the number of months per year). Such amount shall be adjusted for the estimated cost of the household obtaining basic public utilities. "**Basic Public Utilities**" shall mean and include the estimated cost of obtaining culinary water, sewer, electric power and natural gas services. "**Basic Public Utilities**" shall not include any charges, whether made by way of homeowner's association dues or otherwise, for amenities such as a clubhouse, pool, discounted high speed internet, snow removal and common area landscaping. By way of example, the current area median income for a Wasatch County family of four as published by HUD in 2022 equals \$108,200.00. The monthly rent for an AHU would therefore equal: $(.8 \times \$108,200.00 \times .3) / 12 = \$2,164.00$ adjusted for the cost of Basic Public Utilities; AND

c. Is "**Employment Qualified**" which means

i. the prospective renter (or at least one prospective renter if the Unit is being rented by two or more individuals) is employed full time at a business or businesses (if multiple part-time jobs) located in the following order of priority: (1) Wasatch County or (2) another county or municipality. For purposes of this Section 1.12, "full time" is defined as working for a business or businesses a minimum of 1,560 hours per year (or approximately 30 hours per week), or if self-employed, the prospective renter must be registered as a business entity in the State of Utah, have a current business license, and provide substantial goods and/or services within Wasatch County or another county subject to the terms of this Deed Restriction; or

ii. [Deleted]; or

iii. [Deleted]; AND

iv. the prospective renter's Household shall not have a Net Worth in excess of four (4) times the AMI for Wasatch County at the time

of reference (with AMI being for a household of four regardless of the household size of the renter).

The WCHA may establish policies and procedures for evaluating whether an applicant is a Qualified Renter, and any determinations made regarding an applicant's qualifications shall be final so long as such procedures and policies are reasonable, are consistent with the terms of this Deed Restriction, and do not violate any existing law or regulation. Notwithstanding the foregoing, or anything herein to the contrary, the Developer may rent an AHU to a market rate renter ("MRR") or a renter from another County under certain circumstances. Prior to renting an AHU to a MRR, Developer, or its applicable Management Company ("MC"), must (a) check its own list or waiting list of potential qualified renters ("QR") for the AHU; and (b) verify with WCHA, in writing, to determine if QRs exist on WCHA's waiting list. WCHA shall respond to such verification request within ten (10) days, and any failure to respond shall be deemed verification that no QRs exist on WCHA's waiting list. If no QR exists, or the QR does not qualify, Developer may proceed with renting the AFU to a MRR. The Lease for the AHU to a MRR cannot be for a term longer than twelve (12) months and may not contain an option to renew the lease or convert the lease to a month-to-month lease. After the twelve (12) month lease term of the AHU to a MRR, the Developer or its MC must make the AHU available to a QR and repeat the steps set forth in (a) and (b) of this Paragraph.

1.13 "Unit Owner" means the transferee or transferees receiving title to, or a fee interest in, the Unit and all subsequent person(s) vested with record title of the Unit according to the records of the Office of the Recorder of Wasatch County, Utah. Unit Owner shall not include a person who holds an interest in a Unit merely as security for the performance of an obligation.

2. OCCUPANCY REQUIREMENT.

Each AHU shall be Lessee-occupied unless a Unit Owner receives the prior written consent of the WCHA, who, in its sole and absolute discretion, may grant an exception. Each Qualified Renter shall occupy his or her Unit as a Primary Residence.

3. RENTING THE UNIT.

3.1 Owner Occupancy Prohibition. The Unit shall remain Lessee-occupied, unless the Unit Owner receives the express written consent of the WCHA to occupy the AHU as an owner-occupied unit.

3.2 Single Room Rental. The WCHA may, at its sole discretion, allow the rental of a single bedroom or bedrooms within an Owner-occupied Unit to the Unit Owner's family members or to non-family members employed at businesses located in Wasatch County, including seasonal employees. Such room rental shall be on the same terms as provided in Section 1.12 except that family members need not be Income Qualified, and the rental rate charged shall not exceed the proportional share (by bedroom, e.g., 1 bedroom in a 2 bedroom Unit = 50%) of the rent allowed under Section 1.12(b). In considering

whether to allow the rental of a single bedroom or bedrooms, the WCHA shall take into account any impacts such rental may have on the area, including impacts on parking, traffic or other issues related to the use and enjoyment of owners of neighboring properties or in the community as a whole. The approval of any such rental may be made with conditions that are enforceable by the WCHA as if they were included in this Deed Restriction. Note that approval of a room rental under this Section does not constitute approval any homeowners association, if applicable, or of any health and safety related regulations that may apply.

3.3 Unauthorized Rental or Owner-Occupied. Any violation of this Section 3 shall constitute a default under the terms of this Deed Restriction. If the WCHA determines that the Unit Owner is occupying or renting the Unit without complying with the terms of this Deed Restriction, then the WCHA shall send Notice to the Unit Owner and the unauthorized tenants. The WCHA shall be entitled to commence eviction proceedings under applicable State law. The Unit Owner and any unauthorized tenant hereby waive any defense based on lack of standing, privity, contract and similar defenses and agree that the WCHA shall be entitled to enforce the terms of this Deed Restriction by commencing such eviction proceedings.

4. **PROPERTY MANAGER; QUALIFICATION**

The Unit Owner shall be responsible for all duties and responsibilities set forth in this Deed Restriction not specifically assigned to or reserved by the City or WCHA. The Unit Owner may, from time to time, designate a Property Manager to carry out its duties and responsibilities as set forth herein, but shall, at all times, remain fully responsible for the duties, obligations and responsibilities set forth herein.

4.1 Qualification. The Unit Owner shall at all times be responsible for (a) the initial qualification of the renters pursuant to the terms set forth in this Deed Restriction, the Affordable Housing Agreement, and local and national laws; (b) annual verification of all Qualified Renters; (c) providing an annual report to the WCHA as set forth below; and (d) any and all other duties, responsibilities, and obligations as set forth in this Deed Restriction, and the Affordable Housing Agreement.

4.2 Annual Report. No earlier than December 10 but no later than December 31 of each calendar year, the Unit Owner, or its designated Property Manager, after receipt of written request of the WCHA, which, if given, shall be given no later than December 1 of each calendar year, shall provide the WCHA with an annual report (“**Annual Compliance Report**”) demonstrating compliance, which shall reflect, at a minimum (a) a list of all Qualified Renters occupying the AHU, which shall include full name, age, unit number, income, number of occupants residing in AHU, beginning date of rental term, employer, employer address, employer contact information, payment history; amount of rent charged (b) a list of all individuals who applied for an AHU since the date of the last Annual Report; which shall include full name, age, income, employer; reason for denial; and (c) if requested, any other information requested by the WCHA, including, but not limited to all written and electronic documentation obtained or used by Unit Owner or Property Manager

in determining approval or denial of a potential renter or a Qualified Renter and a copy of the written lease. WCHA reserves the right to request any and all other information necessary to demonstrate compliance, and the Unit Owner or Property Manager shall provide such additional documentation in the timeframe and manner requested or shall be subject to default as outlined in Article 8. In conjunction with the Annual Compliance Report, the WCHA may conduct a physical inspection of the Unit or AHU.

4.3 Audit. In addition to the Annual Compliance Report, the WCHA may, but is not obligated to request a report containing the information identified in Section 4.2 above regarding any specific Qualified Renter, individual AHU or AHUs upon providing Unit Owner or Property Manager with written notice. The Unit Owner shall complete the audit within least fourteen (14) calendar days. In the event Unit Owner requires additional time, approval for such additional time shall be not be unreasonably withheld by WCHA.

5. MAINTENANCE AND INSURANCE.

5.1 Minimum Maintenance Standards. The Unit shall at all times be maintained by Unit Owner or Property Manager 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.

5.2 Insurance. To the extent such insurance is not provided by any homeowners association, the Unit Owner shall continuously insure the Unit against all risks of physical loss for the full replacement cost of the Unit. The Unit Owner shall not be required to provide insurance for the contents of the Unit.

6. MORTGAGE PROTECTION.

6.1 Subordination to First Mortgage. Except as provided in this Article 6, this Deed Restriction shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage encumbering the Unit and to all advances validly secured by said First Mortgage.

6.2 Notice of Default; Notice of Foreclosure. Notwithstanding the subordination provision above, the holder of a First Mortgage shall serve Notice on the WCHA per Section 13.1(b): (a) if the Unit Owner is in default of the First Mortgage for more than 60 days; and (b) if foreclosure proceedings have commenced against the Unit.

6.3 No Impact on Foreclosure Sale. The provisions of Section 6.2 shall not impair the holder of a First Mortgage from causing the Unit to be sold at public sale by way of judicial or non-judicial foreclosure. Any purchaser at such sale (other than the holder of the First Mortgage as provided in this Article 6) shall acquire the Unit subject to this Deed Restriction. In the event of such public foreclosure sale, the WCHA shall have no rights greater than or different from others bidding for the Unit.

6.4 Termination of Deed Restriction Upon Foreclosure; Applicability. If the holder of a First Mortgage acquires the Unit via a properly noticed foreclosure sale then the provisions of this Deed Restriction shall automatically terminate with respect to the Unit and the holder of the First Mortgage shall be entitled to transfer the Unit free and clear of this Deed Restriction. In such event the owner of the Unit may, but shall not be required to, file in the Office of the Wasatch County Recorder an affidavit or other notice of termination, reciting the events giving rise to the termination of this Deed Restriction. Any such termination of this Deed Restriction with respect to the Unit shall not affect the enforceability of this Deed Restriction or similar restrictions with respect to other units in the Turners Mill Subdivision.

6.5 The above-described termination of this Deed Restriction shall apply only to the acquisition of the Unit by (or through) the holder of a First Mortgage strictly as described in the preceding paragraph. **If any other person or entity (including the WCHA) shall acquire the Unit through foreclosure or trustee's sale or by any similar means, such acquisition shall be made, and the Unit shall remain, subject to the terms and conditions of this Deed Restriction which shall not be automatically terminated by said foreclosure sale or other transfer event.**

6.6 Deed Restriction Notification. Before the Unit Owner may sell the Unit or AHU to a third party, it must provide the third-party buyer with a copy of this Deed Restriction.

7. CERTAIN MORTGAGES VOID; PENALTY FOR FRAUD.

7.1 Owner Acknowledgment. The Unit Owner has acknowledged the existence of this Deed Restriction and is aware of the provisions contained herein. The act of failing to rent the Unit in compliance with any provision of this Deed Restriction constitutes a breach and is against public policy.

8. DEFAULT AND REMEDIES.

8.1 Default by Unit Owner. Noncompliance with any part of this Deed Restriction constitutes a default, which shall include but are not limited to: (a) unauthorized rental of all or a portion of the Unit by the Unit Owner; (b) rental to non-qualified individuals or renting the AHU without qualifying an individual by the Unit Owner; (c) using a Unit as an owner-occupied Primary Residence; or (e) failure to submit the Annual Compliance Report.

8.1.1 It shall not be an event of default by the Unit Owner if a Qualified Renter violates the terms of the Qualified Renter's lease in any manner, including if the Qualified Renter subleases the Unit or a portion of the Unit to a non-qualified individual without the Unit Owner's knowledge or consent. In such event, the Unit Owner shall take steps to evict the renter and the non-qualified individual from the premises, as permitted by applicable law.

8.2 WCHA Assumption of Duties. In addition to any other remedy available under this Deed Restriction or the Affordable Housing Agreement, in the event the Unit Owner, or its designated Property Manager, fails to cure a default or fails to properly qualify a prospective renter, the WCHA maintains the right, but not the obligation, to perform all obligations set forth in Section 4 with respect to AHUs only, including without exclusion, qualifying prospective renters and ensuring ongoing compliance with existing Qualified Renters (“**Assumption of Duties**”). In the event Unit Owner defaults and WCHA elects to exercise its right to the Assumption of Duties, it shall provide Unit Owner with written notice of same no less than (10) ten calendar days prior to assuming the duties. Unit Owner agrees and covenants to pay the WCHA on a monthly no less than three percent (3%) of the gross amount of monthly rent as a fee for its Assumption of Duties, which shall be due and payable to the Wasatch County Housing Authority on a quarterly basis. In the event WCHA elects to exercise its right to the Assumption of Duties, Unit Owner may reinstate such right after curing the default and upon written permission from the WCHA, which permission shall not be unreasonably withheld.

8.3 Default by WCHA. Unit Owner shall be entitled to pursue any remedy available at law or in equity for a default by WCHA hereunder.

8.4 Remedies Not Exclusive. No remedy conferred by any of the specific provisions of this Deed Restriction is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other remedies.

8.5 Attorney Fees. If any party shall take or defend against any action for any relief against another party arising out of this Deed Restriction, 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 attorney 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, unless the parties otherwise agree. Any judgment or order entered in such action or defense shall contain a specific provision providing for the recovery of attorney fees and costs incurred in enforcing such judgment.

9. ENFORCEMENT.

The WCHA shall monitor compliance with the terms of this Deed Restriction and have the power to exercise all remedies available at law and in equity to ensure compliance by the Unit Owner and their successors in interest.

10. TERM.

This Deed Restriction shall continue in full force and effect in perpetuity, unless terminated sooner by the mutual agreement of the Unit Owner and the WCHA (the "Term").

11. CHOICE OF LAW.

This Deed Restriction shall be governed and construed in accordance with the laws of the State of Utah.

12. RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND.

12.1 Recordation. Upon execution by the WCHA, this Deed Restriction shall be recorded and filed in the Official Records of Wasatch County, Utah.

12.2 Covenants Run with the Land. The Developer 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 the Unit shall be covenants running with the land and improvements constituting the Unit, for the benefit of the City and the WCHA, shall encumber the Unit, and shall be binding upon the Developer and all subsequent Owners of the Unit.

13. MISCELLANEOUS.

13.1 Notice.

a. Any and all notices or demands to the Unit Owner or person(s) required or desired to be given hereunder shall be in writing and shall be validly given or made if (a) deposited in the U.S. mail, certified or registered, postage prepaid, return receipt requested, (b) sent by commercial courier keeping records of deliveries and attempted deliveries, or (c) via hand delivery with signed acknowledgment of receipt by a person of suitable age and discretion. Service by U.S. mail or courier shall be conclusively deemed made on the first business day delivery is attempted. Any notice or demand to the Unit Owner shall be addressed to the address of the Unit Owner appearing on the Wasatch County tax records.

b. Any and all notices or demands to the WCHA shall be in writing and shall be served by (a) mail or commercial courier signed by someone authorized by law to receive service by signing a document indicating receipt or (b) via hand delivery with signed acknowledgment by someone authorized by law to receive. Service shall be complete on the date the receipt is signed. Any notice or demand to the WCHA shall be addressed to:

Wasatch County Housing Authority
175 North Main Street, Suite 201
Heber City, Utah 84032

With a copy to:

Rosing Davidson Frost
Attn: Nicholas W. Frost, Esq.
136 Heber Avenue, Suite 205
Park City, Utah 84060

c. The parties may change their respective addresses for the purpose of receiving notices or demands as herein provided by 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 or the recording of a change of address by the WCHA.

13.2 Paragraph Headings. Paragraph or section headings within this Deed Restriction 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.

13.3 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.

13.4 Modifications. Any modification of this Deed Restriction shall be effective only when made by writings signed by the WCHA and the Unit Owner and recorded in the Official Records of Wasatch County, Utah.

13.5 Incorporation of Recitals. The recitals set forth at the beginning of this Amended Deed Restriction are incorporated herein by this reference.

13.6 Subject to Applicable Law. All time periods and covenants herein shall be extended or modified as may be necessary to comply with applicable law.

13.7 Covenants Run with the Land. This Deed Restriction is binding upon the successors in interest to the parties set forth in this Deed Restriction and shall be recorded on the records of the Wasatch County Recorder's Office.

IN WITNESS WHEREOF, the City, Developer, and WCHA have executed this Deed Restriction as of the Effective Date.

****Signature Pages Follow****

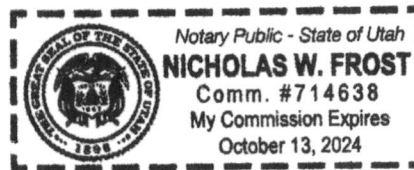
WASATCH COUNTY HOUSING AUTHORITY:

Jeffrey M Bradshaw
By: Jeffrey Bradshaw, Executive Director

State of Utah)
) :SS
County of Wasatch)

On the 14th day of November, 2022, personally appeared before me Jeffrey Bradshaw, whose identity is personally known to me (or proven on the basis of satisfactory evidence) and who by me duly sworn/affirmed, did say that he is the Executive Director of Wasatch County Housing Authority and that said document was signed by him in behalf of said Corporation by Authority of its Bylaws, or (Resolution of its Board of Directors), and said Jeffrey Bradshaw acknowledged to me that said Corporation executed the same.

Nicholas W. Frost
Notary Public



HEBER CITY:

Ryan PC Stack
By: Ryan PC Stack
Its: Mayor Pro-Tem



ATTEST:

Trina W Cooke
Heber City Recorder

EXHIBIT A

Legal Description of Unit

(80% Rental)

LOT 1, TURNER MILL MASTER SUBDIVISION PLAT, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS FILED IN THE OFFICE OF THE WASATCH COUNTY RECORDER, STATE OF UTAH, RECORDED AUGUST 28, 2020 AS ENTRY NO. 483557 IN BOOK 1309 AT PAGE 807.

Affecting only the following units:

144 East Turner Mill Road, Heber City, Utah 84032, Units 3, 4, 12, 13, 29, 30, 58, 59, 60, 61, 62, 75, 76, 77, 78, 79, 85, 94, 96, 101, 102, 110, 112, 123, 125, 126, 127, 128, 129.