

WHEN RECORDED RETURN TO:  
Summit County Clerk  
Summit County Courthouse  
60 North Main Street  
Coalville, UT 84017

**ENTRY NO. 01094868**

07/11/2018 12:42:26 PM B: 2470 P: 0817

Agreement PAGE 1/12

SUMMIT COUNTY, UTAH RECORDER

FEE 134.00 BY DISCOVERY RIDGE LLC



**WORKFORCE HOUSING AGREEMENT**  
**FOR DISCOVERY CORE**

This Workforce Housing Agreement for Discovery CORE (this “**Agreement**”) is made as of the 5<sup>th</sup> day of APRIL 2018 (the “**Effective Date**”) by and between Summit County, a political subdivision of the State of Utah (the “**County**”) and Discovery Ridge LLC, a Utah limited liability company (“**Developer**”).

**Recitals**

A. Developer is the owner of certain property located in Summit County which is more particularly described in Exhibit A attached hereto and incorporated herein (the “**Property**”) and which is commonly identified as ‘Discovery’ (the “**Project**”).

B. On October 5, 2011, the Summit County Council approved a rezoning of the Property to the Community Oriented Residential Enhancement (“**CORE**”) zone in effect at the time of approval (*see Snyderville Basin Development Code Section 10-5-16*), allowing for a maximum density of 105 residential units.

C. Rezoning of the Property was made subject to approval of a final subdivision plat for the Project to be in compliance with the Snyderville Basin Development Code (the “**Development Code**”), including the provision of workforce housing units as described in the CORE zone.

D. Shortly after the rezoning approval, a lawsuit was filed (*CAGE v Summit County, et. al.*) in objection to the Council’s rezoning action. The lawsuit was settled in 2013, resulting in a stipulation signed by the court (the “**Stipulation**”) that modified certain CORE zone provisions, including the workforce housing requirement under the CORE zone.

E. The CORE zone requires that both the rezoning and the workforce housing proposals be processed concurrently, and that the applicant must enter into a workforce housing agreement with the County prior to the rezoning being finalized.

F. Developer has submitted to the County for final approval a site plan and subdivision plat for the Project (the “**Plat**”) in order to conclude the rezoning and development approval process. A copy of the Plat is attached hereto as Exhibit B.

G. The Plat includes a total of 97 residential units, 30 of which are to be deed restricted as workforce housing units (the “**Workforce Units**”). The Workforce Units are more particularly described on the attached Exhibit C.

H. This Agreement constitutes the workforce housing agreement required under the CORE zone, setting forth the basic terms that will govern the Workforce Units, which are further enumerated in the deed restrictions to be recorded against the Workforce Units (the “**Deed Restrictions**”). The Deed Restrictions are intended to supplement, not supplant, the condominium documents governing Discovery; but if there is a conflict between the terms of the Deed Restrictions and the condominium documents, the Deed Restrictions will prevail.

NOW, THEREFORE, in consideration of the premises and the terms and conditions herein stated and for other valuable consideration, the adequacy of which is hereby acknowledged, the parties agree as follows:

1. Identification of Workforce Units. The total number of Workforce Units shall be equivalent to approximately 44.67 workforce unit equivalents (“**WUE**”), as that term is defined in Development Code Section 10-5-4, as per the following calculation:

The Project as platted includes 67 market rate units. In accordance with the terms of the Stipulation (at Section 1), the ratio of market rate units to WUEs shall be 1.5 to 1.0. Therefore, 67 market units /1.5 = 44.67 WUEs.

Developer shall satisfy the 44.67 WUE obligation by providing a mix of units as described in the CORE zone. Under Development Code Section 10-5-4.B, one WUE is equivalent to a two bedroom housing unit, and WUE’s are adjusted to reflect larger (three and four bedroom) units resulting in a decreased number of ‘as-built’ units required. With half of the Workforce Units consisting of three-bedroom homes (exceeding 1,150 square feet) and half of the Workforce Units consisting of four-bedroom homes (exceeding 1,400 square feet), Developer’s WUE obligation shall be satisfied via the construction of thirty (30) Workforce Units as follows:

No. of Units	Unit Type	WUE Conversion	WUE Provided
15	4 BR	1.56 WUE/unit	23.4
15	3 BR	1.28 WUE/unit	19.2
	5% bonus*	44.67 x 0.05	2.23
<b>TOTAL</b>			<b>44.83</b>

\* Section 10-5-4 of the Development Code allows for a WUE bonus if the developer provides units larger than the minimum required size, with the bonus capped at 5% of the total WUE obligation. The Developer shall provide Workforce Units averaging approximately 1,368 square feet for 3 bedroom units and 1,470 square feet for 4 bedroom units to earn the 5% WUE bonus.

Accordingly, the thirty (30) Workforce Units are specifically identified on Exhibit C and Developer shall ensure that each Workforce Unit is clearly identified in the Deed Restrictions. Consistent with the CORE zone, the Workforce Units shall include a variety of housing types

(e.g., single family, duplex and townhouse), and shall be dispersed throughout the project rather than concentrated in a single area.

2. Deed Restrictions and Pricing. The Deed Restrictions shall be recorded against the lots identified as Workforce Units prior to the issuance of a certificate of occupancy for any of the housing units at the Project. The Deed Restrictions shall be consistent with workforce housing requirements of the Development Code and shall, at a minimum, include the following terms regarding sale and rental of the Workforce Units:

a. *Construction.* The Workforce Units shall be constructed at a ratio of one Workforce Unit for every one and a half market rate units constructed.

b. *Qualifying Households.* The Workforce Units are to be sold or rented only to households earning 80% or less of the Area Median Income (AMI) for Summit County at the time of sale or lease approval. In addition to the income limit, qualifying households cannot have a net worth greater than four (4) times the AMI at the time of being qualified.

c. *Pricing of For-Sale Units.* Pricing of for-sale units shall be subject to the formulas and assumptions included in the Development Code as set forth in the Deed Restrictions, including that the units shall be priced for households earning 60% - 80% of the AMI and that units at the minimum allowed size shall be priced at the lower end of the allowed range with larger units being priced at the middle or upper end of the allowed range. Under the applicable formula, the initial maximum allowed sales price for the Workforce Units shall be between \$318,000 and \$420,000. All pricing and purchasers of for-sale units shall be approved in advance by the County or its designee (currently Mountainlands Community Housing Trust "MCHT"), or the transaction shall be voidable by the County. During the initial sales period for the Workforce Units, Developer shall consult with MCHT on a regular basis (not less than once per quarter) to review unit pricing to ensure that the Code's pricing provisions are being met.

Annual appreciation and other increases to the maximum allowed sales price for the Workforce Units shall be limited as provided in the Deed Restrictions.

d. *Rental Rates.* If any of the workforce units are retained by Developer as rental units, the rents shall be subject to the formulas and assumptions included in the Development Code as set forth in the Deed Restrictions, including that the rents shall be affordable to households earning 80% or less of the AMI and that the Workforce Units shall have an assumed household size of four (4) persons. All tenants shall be qualified annually and information regarding rents, tenant income and vacancy rates shall be provided to MCHT or the County on request. All lease agreements shall be for a minimum term of ninety (90) consecutive days.

e. *Priority for Summit County Residents/Employees.* Households living and/or working in Summit County shall have priority in obtaining Workforce Units, whether for sale or for rent, through a process to be determined by the County or its representative.

f. *Administrative Fee.* Upon the closing of the sale of each Workforce Unit from Developer to the initial purchaser, Developer shall pay the sum of \$750.00 to MCHT as a fee for locating and assisting, and qualifying the purchaser as eligible to purchase the Workforce Unit. For all subsequent resales of the Workforce Units, the purchaser shall pay an administrative/transaction fee as set forth in the Deed Restrictions.

g. *Rate of Construction of Workforce Units.* To ensure that the market rate and Workforce Units are constructed at an approximate ratio of one (1) Workforce Unit for every one and a half (1.5) market rate units, the following 'snapshot' method is agreed to where the County will verify the ratio upon Developer's request for the issuance of the 31st, 61st and 91st building permits within the development (the "Snapshot Points"):

- i. At the outset of construction, and after County verification of compliance at the Snapshot Points, a building permit can be pulled for any unit that has been platted and included within an approved development improvement agreement, regardless of its status as Workforce Unit or market rate.
- ii. Certificates of Occupancy ("COs") will be granted per Summit County's building department's procedures regardless of Workforce Unit or market rate status.
- iii. At each of the Snapshot Points, the building department will count up the total number of Workforce Unit and market rate unit COs issued, and will calculate the ratio of Workforce Unit to market rate. If the ratio meets or exceeds the 1 to 1.5 requirement, Developer is free to continue building and finalizing units regardless of type (market rate or Workforce) until the next Snapshot Point. If the ratio is not met or exceeded, then the requested building permit(s) shall not be issued until such time as additional COs are approved for Workforce Units so that the ratio of all COs issued meets or exceeds the target ratio.

Should the Developer elect to do so, a financial guarantee in the form of a performance bond can be put into place to cover the vertical construction costs (full or remaining costs, as applicable) for the deficient number of affordable units identified at each Snapshot Point. The performance bond will be coordinated and approved through the building department. Notwithstanding the foregoing, Developer shall not be allowed to bond for the completion of more than five (5) Workforce Units at any point in time.

3. Records and Inspection. Developer shall maintain for a period of five (5) years after the closing date records of each sale of a Workforce Unit demonstrating satisfaction of the

requirements imposed by this Agreement. Developer shall provide such information to the County or MCHT upon request.

4. Recording. This Agreement shall be recorded in the official records of the Summit County Recorder.

5. Default. If Developer defaults in the performance of Developer's obligation hereunder and fails to cure such default within thirty (30) days after receipt of written notice from the County specifying the nature of such default (or if such default cannot be cured within the aforesaid period of time, if the Developer fails to promptly commence to cure the same and to thereafter diligently proceed with such cure), then the County shall be entitled to undertake such remedies as available in law or equity, including but not limited to, obtaining an injunction or an order requiring specific performance of the Developer's obligations contained herein.

6. Term. The term of this Agreement shall commence as of the Effective Date and shall continue in full force and effect in perpetuity unless terminated sooner by the mutual agreement of both of Developer and the County (the "Term")

7. Amendment. This Agreement may only be amended by written instrument signed by the County and the Developer and/or their respective successors or assigns. This Agreement constitutes the entire agreement of the parties with respect to the subject matters addressed herein. No other agreements, oral or written, pertaining to the matters herein exists between the parties. This Agreement hereby supersedes any other agreement between the parties respecting the subject matter addressed herein.

8. 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 of the Property.

9. Enforcement. All of the terms, provisions and restrictions of this Agreement may be enforced by the County and in the event of a breach of this Agreement the County shall have such remedies as may be available in law or in equity.

10. Notices. All notices to be given to County or the Developer pursuant to this Agreement shall be in writing and shall be mailed, by first class, postage prepaid, to the parties at the addresses set forth below:

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

To Developer: Discovery Ridge LLC  
1168 Hanline Circle  
Kaysville, Utah 84037

TO MCHT: Mountainlands Community Housing Trust  
1960 Sidewinder Drive, Suite 107  
Park City, Utah 84060

11. 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.

12. Representations.

a. Developer hereby warrants and represents to the County as follows:

i. The Project is located upon real property described in Exhibit A attached hereto;

ii. Developer has the authority and power to execute, deliver and have recorded this Agreement; and

iii. The individuals signing on behalf of the Developer are duly authorized, empowered and have the authority to bind the Developer to the terms and conditions of this Agreement.

b. The County hereby warrants and represents to the Developer as follows:

i. County has the authority and power to execute, deliver and have recorded this Agreement; and

ii. The individuals signing on behalf of County are duly authorized, empowered and have the authority to bind County to the terms and conditions of this Agreement.

c. Attorney's Fees. In any action or defense associated with this Agreement, the prevailing party shall be reimbursed by the non-prevailing party for the costs, including reasonable attorneys' fees incurred by the prevailing party in that action or defense.

d. Recitals. The recitals are hereby incorporated into this Agreement.

e. 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.

f. 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.

g. 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.

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

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

**SUMMIT COUNTY:**


By:  4/5/18  
Tom Fisher, County Manager

**APPROVED AS TO FORM:**


  
David L. Thomas, Chief Civil Deputy County Attorney

**DEVELOPER:**

Discovery Ridge LLC, a Utah limited liability company

By:   
Michael J. Milner, Manager

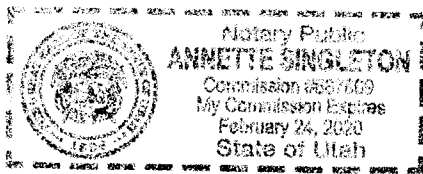
**MOUNTAINLANDS COMMUNITY HOUSING TRUST:**


By:   
Scott J. Loomis, Executive Director

Notary Acknowledgments

STATE OF UTAH  
COUNTY OF SUMMIT

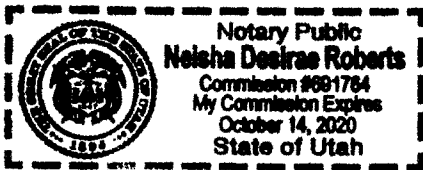
On this 5<sup>TH</sup> day of April 2018, this Agreement was acknowledged before me by Tom Fisher, County Manager of Summit County.



  
Notary Public

STATE OF UTAH  
COUNTY OF SUMMIT Salt Lake

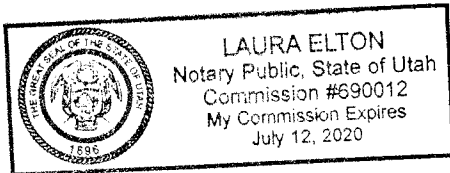
On this 20 day of February 2018, this Agreement was acknowledged before me by Michael J. Milner, Manager of Discovery Ridge LLC.

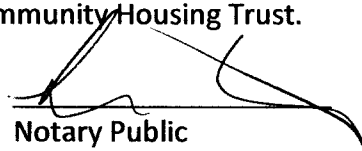


  
Notary Public

STATE OF UTAH  
COUNTY OF SUMMIT

On this 23 day of March 2018, this Agreement was acknowledged before me by Scott J. Loomis, Executive Director of Mountainlands Community Housing Trust.



  
Notary Public



**EXHIBIT A**

**Legal Description of Property.. LEGAL DESCRIPTIONS**

**PREPARED FOR**

***DISCOVERY SUBDIVISION***

**SUMMIT COUNTY, UTAH**

(Revised: July 10, 2017)

**PROPOSED PHASE DESCRIPTIONS**

**PHASE 1**

A portion of the NE1/4 of Section 10, Township 1 South, Range 3 East, Salt Lake Base & Meridian, located in Summit County, State of Utah, more particularly described as follows:

Beginning at a point located N89°58'00"W along the ¼ Section line 1,486.74 feet and North 412.31 feet from the East ¼ Corner of Section 10, Township 1 South, Range 3 East, Salt Lake Base and Meridian; thence S71°55'34"W 150.34 feet; thence N55°52'51"W 17.29 feet; thence S66°58'47"W 130.66 feet; thence S64°56'36"W 32.69 feet to the easterly line of the Real Property described in Deed Book 2380 Page 0618 of the official records of Summit County; thence along said deed the following 5 (five) courses and distances: N0°24'00"W 83.34 feet; thence N27°55'00"W 14.82 feet; N31°55'30"W 23.09 feet; thence N35°56'30"W 36.39 feet; thence N34°09'39"W 27.02 feet; the easterly line of that Real Property described in Deed Book 1869 Page 1588 of the Official Records of Summit County; thence along said deed the following 4 (four) courses and distances: thence N44°00'44"W 49.92 feet; thence N29°10'00"W 24.17 feet; thence N35°11'50"W 25.39 feet; thence N25°56'13"W 158.02 feet to the southerly line of Kilby Road, a frontage road incident to Interstate 80; thence N61°10'30"E along the extension of, and along the right-of-way fence 175.75 feet; thence N63°25'16"E 73.74 feet; thence S28°49'30"E 80.55 feet; thence S70°40'00"E along a fence line 250.68 feet; thence S68°14'00"E along a fence line 39.63 feet; thence S11°27'00"W 157.08 feet; thence S14°32'56"W 18.77 feet; thence along the arc of a 150.00 foot radius curve to the left 63.71 feet through a central angle of 24°20'13" (chord: S2°22'50"W 63.24 feet) to the point of beginning.

Contains: 3.55+/- acres

**PHASE 2**

A portion of the NE1/4 and the SE1/4 of Section 10, Township 1 South, Range 3 East, Salt Lake Base & Meridian, located in Summit County, State of Utah, more particularly described as follows:

Beginning at a point located N89°58'00"W along the ¼ Section line 552.19 feet from the East ¼ Corner of Section 10, Township 1 South, Range 3 East, Salt Lake Base and Meridian; thence N89°58'00"W along the ¼ Section line 875.32 feet to the Northeast Corner of the NW1/4 of the SE1/4 of Section 10; thence S0°11'50"E along the 1/16<sup>th</sup> (40 acre) line 1,344.27 feet; thence N89°51'57"W along the 1/16<sup>th</sup> (40 acre) line 1,430.05 feet to the ¼ Section line; thence N0°05'22"W along the ¼ Section line 1,341.74 feet to an Iron Pipe marking the Center ¼ Corner of said Section 10; thence S89°58'00"E along the ¼ Section line 664.76 feet to the southeast corner of Lot 2, SUMMIT PARK CREEK Subdivision, according to the Official Plat thereof on file in the Office of the Summit County Recorder; thence N7°55'30"W along said lot 20.26 feet to a fence line on the southerly line of that Real Property described in Deed Book 2112 Page 940 of the Official Records of Summit County; thence along said deed and fence line the following 4 (four) courses and distances: N81°52'00"E along a fence line 251.42 feet to a rebar (found); thence N82°09'29"E along a fence line 193.50 feet to a rebar (found) at a fence corner; thence N6°13'00"W along a fence line 58.00 feet; thence N7°36'00"W along a fence line 139.60 feet; thence S81°25'03"W 4.47 feet to the easterly line of that Real Property described in Deed Book 1869 Page 1588 of the Official Records of Summit County; thence N20°30'12"W along said deed 34.82 feet; thence N64°56'36"E 32.69 feet; thence N66°58'47"E 130.66 feet; thence S55°52'51"E 17.29 feet; thence N71°55'34"E 150.34 feet; thence Northeasterly along the arc of a 150.00 foot radius non-tangent curve to the right (radius bears: N80°12'43"E) 63.71 feet through a central angle of 24°20'13" (chord: N2°22'50"E 63.24 feet); thence N14°32'56"E 18.77 feet; thence S66°10'18"E 24.38 feet; thence S75°41'00"E 21.42 feet; thence S12°58'23"E 63.36 feet; thence N80°33'49"E 394.78 feet; thence N52°36'34"E 432.68 feet; thence S18°21'11"E 21.04 feet; thence N46°43'36"E 181.53 feet; thence S0°04'11"E 15.40 feet; thence N61°16'46"E 624.38 feet to the east line of Section 10; thence S0°07'41"E along the Section line 381.92 feet; thence S65°44'20"W 368.20 feet; thence N24°15'40"W 80.00 feet; thence S65°43'58"W 142.35 feet; thence N24°15'40"W 70.76 feet; thence Southwesterly along the arc of a 125.00 foot radius non-tangent curve to the left (radius bears: S46°26'49"E) 140.54 feet through a central angle of 64°25'02" (chord: S11°20'36"W 133.25 feet);

thence S20°51'55"E 14.76 feet; thence along the arc of a 15.00 foot radius curve to the left 21.93 feet through a central angle of 83°46'38" (chord: S62°45'14"E 20.03 feet); thence S14°38'33"E 50.00 feet; thence S75°21'27"W 22.81 feet; thence along the arc of a 150.00 foot radius curve to the left 72.10 feet through a central angle of 27°32'29" (chord: S61°35'13"W 71.41 feet); thence S47°48'58"W 290.29 feet; thence S42°11'02"E 17.94 feet; thence along the arc of a 90.00 foot radius curve to the left 75.06 feet through a central angle of 47°46'58" (chord: S66°04'31"E 72.90 feet); thence S89°58'00"E 188.79 feet; thence S0°02'00"W 200.00 feet to the point of beginning.

Contains: 62.02+/- acres

LESS AND EXCEPTING any portion lying within the bounds of TIMBERLINE 1 Subdivision, according to the Official Plat thereof on file in the Office of the Summit County Recorder.

### PHASE 3

A portion of the NE1/4 of Section 10, Township 1 South, Range 3 East, Salt Lake Base & Meridian, located in Summit County, State of Utah, more particularly described as follows:

Beginning at a point located N0°07'41"W along the Section line 200.00 feet from the East ¼ Corner of Section 10, Township 1 South, Range 3 East, Salt Lake Base and Meridian (Basis of Bearing: N89°58'00"W along the ¼ Section line between the East ¼ Corner and the Center ¼ Corner of Section 10, T1S, R3E); thence N89°58'00"W 740.42 feet; thence along the arc of a 90.00 foot radius curve to the right 75.06 feet through a central angle of 47°46'58" (chord: N66°04'31"W 72.90 feet); thence N42°11'02"W 17.94 feet; thence N47°48'58"E 290.29 feet; thence along the arc of a 150.00 foot radius curve to the right 72.10 feet through a central angle of 27°32'29" (chord: N61°35'13"E 71.41 feet); thence N75°21'27"E 22.81 feet; thence N14°38'33"W 50.00 feet; thence Northwesterly along the arc of a 15.00 foot radius non-tangent curve to the right (radius bears: N17°38'33"W) 21.93 feet through a central angle of 86°46'38" (chord: N62°45'14"W 20.03 feet); thence N20°51'55"W 14.76 feet; thence along the arc of a 125.00 foot radius curve to the right 140.54 feet through a central angle of 64°25'02" (chord: N11°20'36"E 133.25 feet); thence S24°15'40"E 70.76 feet; thence N65°43'58"E 142.35 feet; thence S24°15'40"E 80.00 feet; thence N65°44'20"E 368.20 feet to the east line of Section 10; thence S0°07'41"E along the Section line 552.29 feet to the point of beginning.

Contains: 6.84+/- acres

**EXHIBIT B**

**Copy of Plat**

(attached)

**EXHIBIT C**

**Description of Workforce Units**

The following lots in Discovery Subdivision, according to the official plat on file in the Summit County Recorder's Office:

<b>Lot Number(s)</b>	<b>Unit Type</b>
101, 102, 103, 104, 105	Townhouse
108, 109	Duplex
110, 111, 112, 113, 114	Townhouse
217, 218, 219, 220	Townhouse
221, 222, 223	Townhouse
240, 241, 242, 243	Townhouse
244, 245, 246, 247	Townhouse
248, 249	Duplex
250	Single-family Detached