

WHEN RECORDED RETURN TO:

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Agreement PAGE 1/11

RHONDA FRANCIS, SUMMIT COUNTY RECORDER

FEE 46.00 BY VILLAGE DEVELOPMENT GROUP INC



Tax IDs: _____

WORKFORCE HOUSING AGREEMENT
(Silver Creek Village; Lot 8 Phase 1 Subdivision)

Center

This Workforce Housing Agreement ("**Agreement**") dated Feb. 1, 2020 is by and between SUMMIT COUNTY, a Utah political subdivision (the "**County**") and VILLAGE DEVELOPMENT GROUP INC., a Utah corporation ("**VDG**" and sometimes referred to herein as "**Developer**"). The County and VDG 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**"). Since the execution of the Development Agreement a portion of Liberty's interest in the Project has been transferred to VDG, which transfer has been recognized by the County.

B. 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.

C. Among other provisions concerning the development of Workforce Units within the Project, the Development Agreement requires that they 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**"]*

D. VDG has previously entered into that certain Workforce Housing Agreement (Silver Creek Village: 1st Group, Parcel 7.1 and 7.4) by and among VDG, County, and Mountainlands Community Housing Trust to satisfy the Initial Requirement.

E. Further, VDG has previously entered into various Workforce Housing Agreements with the County or third parties approved by the County to partially satisfy the Secondary Requirement.

F. VDG has proposed to cause to be constructed 13 Workforce Housing units as follows: (i) three (3) Workforce Housing units within ADUs (as defined in the Development Agreement) on Lots 41, 45, and 50 (collectively, the “ADU Lots”); and (ii) ten (10) Workforce Housing units on Lots 2, 3, 10, 12, 13, 14, 30, 32, 37, and 39 (collectively, the “TH Lots”), each as referenced in the Silver Creek Village Center Lot 8 Phase 1 Subdivision, according to the official plat (the “Plat”) to be recorded in the official records of the Summit County Recorder. The ADU Lots and the TH Lots, and the Workforce Units to be constructed thereon, are depicted on Exhibit A attached hereto.

G. The purpose of this Agreement is twofold: (1) to provide the County with adequate assurances that the VDG proposal is viable and can be executed within the timeframes proposed and in compliance with the Development Agreement; and (2) provide Developer with an assurance that upon substantial completion of the Workforce Units contemplated under this Agreement, as set forth in Section 5.2 of the Development Agreement, that Developer’s responsibility to provide workforce units for the amount of units permitted on that property shall be fulfilled.

H. This Agreement is meant to partially satisfy the Secondary Requirement. Specifically, Developer’s construction within ADUs on the ADU Lots for use as three (3) Workforce Units, and on the TH Lots for use as ten (10) Workforce Units, is intended to cause Developer to receive credit for the construction of forty (40) market rate units, as set forth in this Agreement.

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. Effect of Agreement on Developer’s Obligation to Provide Workforce Units. Subject to the terms of this Paragraph 1, Developer’s obligation to provide thirteen (13) Workforce Units (thirteen 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 stating that (i) the subdivision plat and final site plans pertaining to the Workforce Units have been recorded (the “**Subdivision Approvals**”); (ii) an “**Approved Project Summary**” in the form attached as Exhibit C for the lots has been completed; (iii) the County has approved the deed restrictions pertaining to the Workforce Units indicated on the Subdivision Approvals (which restriction language is referenced in Section 5 below); (iv) the County Manager has completed and executed the Approved Project Summary pertaining to the Workforce Units on the Subdivision Approvals; (v) the Developer’s obligation to provide the number of Workforce Units specified in the Subdivision Approvals, and on the Approved Project Summary, under the Development Agreement has been satisfied; and (vi) Developer may proceed with the improvement and construction of all of the market rate lots or units described in Exhibit C (as applicable and as stated on the County Approval) without the risk of having building permits, certificates of occupancy or other related approvals withheld for any reason related to the affordable housing obligations under the Development Agreement attributable to Lot 8 and Developer shall be afforded the assurances set forth in subsection 2 of Recital F above.

2. Timing of Workforce Unit Development. VDG shall cause or commence construction of Workforce Units within ADUs on the ADU Lots and on the TH Lots in accordance with the “**Project Timeline**” which shall be developed in cooperation with the County Manager and be documented on the Approved Project Summary attached as Exhibit C.

3. Failure to Develop on Timely Basis. VDG shall use diligent, good faith efforts to develop the applicable 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 thirteen (13) 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, for-sale prices, occupancy and such other information requested by the County Manager. The quarterly report satisfies the annual report, as to the Workforce Units subject to this Agreement, 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 VDG fails to demonstrate good cause to extend the Project Timeline or otherwise fails to develop the Workforce Units as provided in the Approved Project Summary, then the County Manager shall have the right to declare VDG in default of this Agreement and, if VDG fails to demonstrate significant progress toward the completion of the Workforce Units within twelve (12) months thereafter, the County Manager may terminate the County Approval up to the number of Workforce Units for which a Certificate of Occupancy has not been issued.

VDG Proposal Subject to Development Agreement. VDG acknowledges and agrees that the design and development of all Workforce Units described herein 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, VDG will construct all 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).

4. Deed Restrictions. VDG shall record against each Workforce Unit described herein 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 Workforce Units prior to, or simultaneously with, conveyance of the applicable lot from VDG to any third party. 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.

5. 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.

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

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 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.

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.

9. 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.

10. 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 Developer: Village Development Group Inc.
Attn: Matt Lowe
6028 South Ridgeline Drive, Suite 203
Ogden, Utah 84405

With a copy to:
Snell & Wilmer, LLP
Attn: Craig Jenson
15 West South Temple, Suite 1200
Salt Lake City, Utah 84101

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

13. 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.

14. 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.

15. 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.

16. Headings. Titles or headings to paragraphs 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.

COUNTY:

Summit County,
a Utah political subdivision

By: *Thomas C. Fisher*
Thomas C. Fisher, County Manager

COUNTY ACKNOWLEDGMENT

STATE OF UTAH)

: ss

COUNTY OF Summit)

The foregoing Workforce Housing Agreement for lot 8 of the Silver Creek Village Center Subdivision phase 1 was acknowledged before me this 2nd day of FEBRUARY, 2021 by Tom Fisher the manager of Summit County, State of Utah.

Annette Singleton
NOTARY PUBLIC




APPROVED AS TO FORM:

APPROVED VIA EMAIL
Helen E. Strachan Deputy County Attorney

DEVELOPER/VDG:

Village Development Group, Inc.,
a Utah corporation

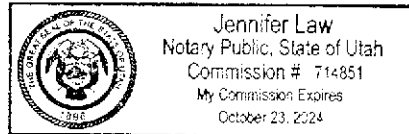
By: 
Name: Matthew Lowe
Its: President

VILLAGE ACKNOWLEDGMENT

STATE OF UTAH)

: SS

COUNTY OF SALT LAKE CITY)



The foregoing Workforce Housing Agreement for lot 8 of the Silver Creek Village Center Subdivision phase 1 was acknowledged before me this 1 day of February, 2021 by Matthew Lowe, President of Village Development Group Inc., a Utah corporation.

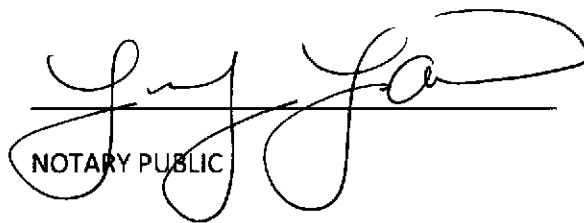
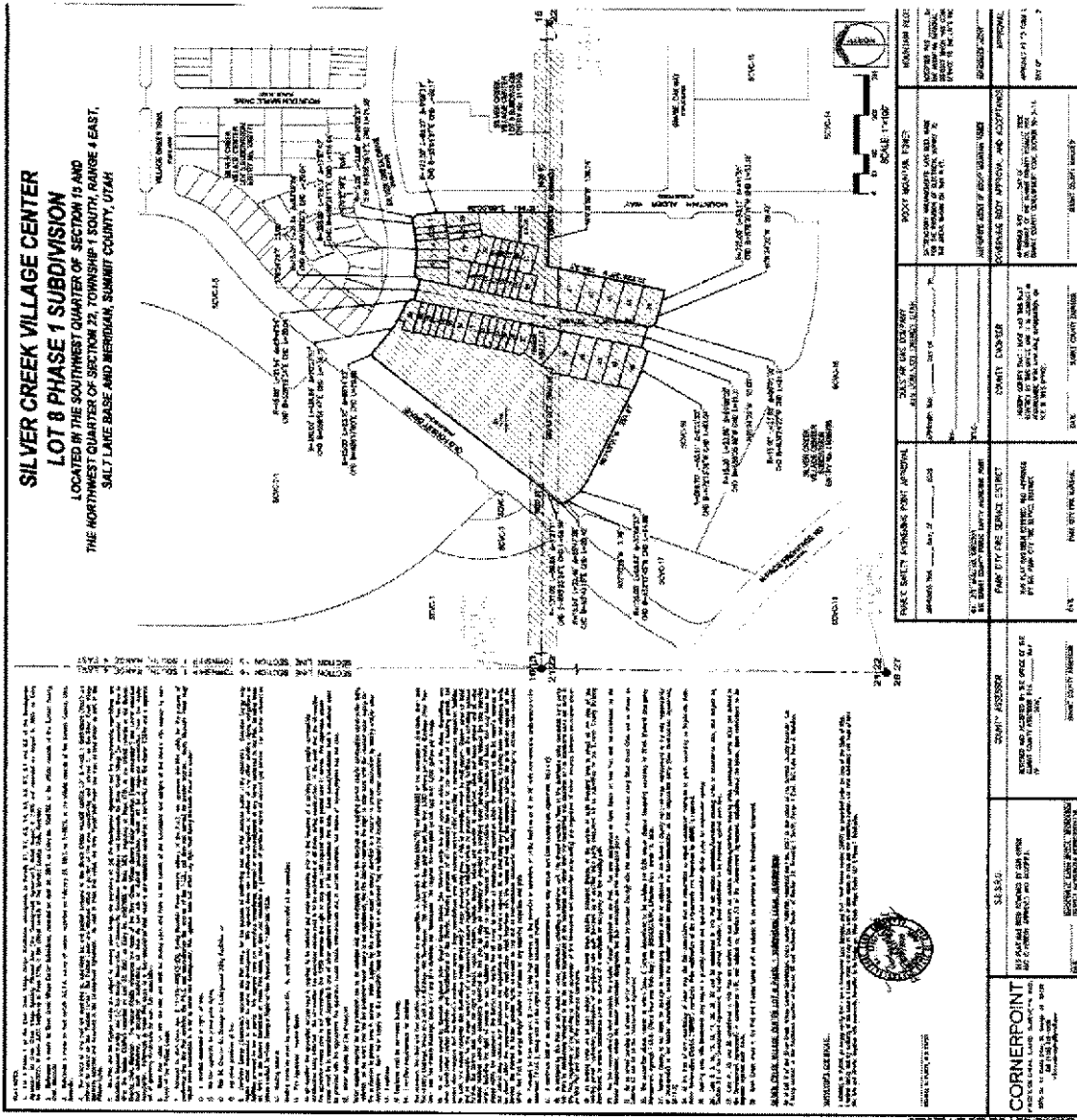

NOTARY PUBLIC

EXHIBIT A

Project Map Depicting the ADU Lots and the TH Lots

SCVC-8



**SILVER CREEK VILLAGE CENTER
LOT 8 PHASE 1 SUBDIVISION**
LOCATED IN THE SOUTHWEST QUARTER OF SECTION 15 AND
THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 4 EAST,
SALT LAKE BASE AND MERIDIAN, SUMMIT COUNTY, UTAH

1. The plat is subject to all laws, ordinances, rules and regulations of the State of Utah, the County of Summit, and the City of Corners Point, Utah, and to all other laws, ordinances, rules and regulations that may be applicable to the land shown on this plat.

2. The plat is subject to all easements, rights, and interests in the land shown on this plat, whether or not they are shown on this plat.

3. The plat is subject to all liens, mortgages, and other encumbrances on the land shown on this plat, whether or not they are shown on this plat.

4. The plat is subject to all taxes, assessments, and other charges on the land shown on this plat, whether or not they are shown on this plat.

5. The plat is subject to all other laws, ordinances, rules and regulations that may be applicable to the land shown on this plat.

<p>FRANK SMITH ARCHITECTURE FIRM APPROVAL</p> <p>APPROVED FOR: _____ DATE: _____</p>	<p>DEVELOPER'S APPROVAL</p> <p>APPROVED FOR: _____ DATE: _____</p>	<p>PLAT NUMBER: _____</p>
<p>PLATE SHEET APPROVING POINT APPROVAL</p> <p>APPROVED FOR: _____ DATE: _____</p>	<p>DEVELOPER'S APPROVAL</p> <p>APPROVED FOR: _____ DATE: _____</p>	<p>PLAT NUMBER: _____</p>
<p>PLATE SHEET APPROVING POINT APPROVAL</p> <p>APPROVED FOR: _____ DATE: _____</p>	<p>DEVELOPER'S APPROVAL</p> <p>APPROVED FOR: _____ DATE: _____</p>	<p>PLAT NUMBER: _____</p>

EXHIBIT B

County Approval

Summit County Manager hereby approves the Workforce Units identified in the Workforce Housing Agreement dated _____, 2020 ("**Workforce Housing Agreement**") by Village Development Group Inc., a Utah corporation ("**Developer**"), for the purpose of satisfying a commensurate portion of Developer's Workforce Housing obligation 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. Subdivision plat(s) or final site plan(s) for Parcels _____ have been recorded (the "**Subdivision Approval(s)**").
2. Developer has demonstrated evidence of financing and construction documents and is prepared to commence development of the Workforce Units indicated on the Subdivision Approvals(s).
3. The County has approved the deed restrictions for the ADU Lots and the TH 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 TH Lots.
5. The Project Timeline for completion of the 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 TH Lots.

Now, therefore, County Manager confirms the following:

1. Upon Developer's substantial completion of the referenced Workforce Units, Developer's obligation to provide thirteen (13) Workforce Units within Lot 8 under the Development Agreement will be satisfied.
2. Developer may proceed with the improvement and construction of all lots or units described in the Approved Project Summary 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 pertaining to Lot 8.

Dated this ___ day of _____, 20__.

Thomas C. Fisher, County Manager
Summit County, Utah

EXHIBIT C

Approved Project Summary

Pursuant to the Workforce Housing Agreement dated _____, 2020 (“**Workforce Housing Agreement**”) by Village Development Group Inc., a Utah corporation (“**Developer**”), County Manager approves that ADU Lots and the TH Lots, according to the Silver Creek Village Center Lot 8 Phase 1 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 Lots (Lots 41, 45, and 50 of Lot 8 Phase 1)

Use	Bedrooms	AMI	Units	Pricing*
Single Family Residential (ADU)	One Bedroom Minimum	50% or below	3	\$[____]/month
Single Family Residential	Varies	Market	3	Market
Total Market	3			
Total Workforce Units	3			
Total Units	6			

*Monthly rents based on Utah Housing Corporation’s 2017 Maximum Gross Rents. Rents will be adjusted when UHC publishes the current year’s Maximum Gross Rent. Gross rent includes a utility allowance.

Timing:

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...

TH Lots (Lots 2, 3, 10, 12, 13, 14, 30, 32, 37, and 39 of Lot 8 Phase 1)

Use	Bedrooms	AMI	Units	Max. Sales Price*
Townhomes	Three Bedroom	Below 60%	5	\$[____]
Townhomes	Three Bedroom	60% - 80%	5	\$[____]
Total Market	0			
Total Workforce Units	10			
Total Units	10			

*Maximum Sales Price will be updated annually according to the updated AMI as published by HUD.

**Remaining Lots in Lot 8 Phase
1 (Lots 1, 4-9, 11, 15-29, 31, 33-
36, 38, 40, 42-44, and 46-49)**

Use	Bedrooms	AMI	Units	Max. Sales Price
Townhomes	Varies	Market	30	Market
Single Family Residential	Varies	Market	7	Market
Total Market	37			
Total Workforce Units	0			
Total Units	37			

Timing:

Completion of construction of Workforce Units on the TH Lots: Construction of the TH 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.

Total Market Units for this Workforce Housing Agreement	40
Total Workforce Units	13
Total Units	53

Pricing of Workforce Units (<=80% AMI) shall include the following inputs to determine price made available to targeted AMI purchasers:

- Sales Price
- 5% down payment
- Mortgage Interest Rate
- Property Tax
- Private Mortgage Insurance
- Insurance
- HOA Fees
- Size of Unit (bedrooms)/Occupancy

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

Thomas C. Fisher, County Manager
Summit County, Utah