

When Recorded Return to:

Mountainlands Community
Housing Association
1960 Sidewinder Dr. Suite 202
Park City, Utah 84060

00718718 Bk01664 Pg00493-00502
ALAN SPRIGGS, SUMMIT CO RECORDER
2004 DEC 02 10:50 AM FEE \$63.00 BY GGB
REQUEST: FIRST AMERICAN TITLE CO UTAH

MASTER DEED RESTRICTIONS AND AGREEMENT
FOR FOX POINT AFFORDABLE HOUSING AND ITS SUCCESSORS IN
INTEREST

This Master Deed Restrictions and Agreement for Fox Point Affordable Housing and Its Successors in Interest ("Deed Restrictions") is made this 27 day of October, 2004, by and between Fox Point Affordable Housing, L.C., a Utah limited liability company ("Fox Point"), and SUMMIT COUNTY, a political subdivision of the State of Utah, by and through its Board of County Commissioners (the "County").

RECITALS

A. Fox Point is the owner of fifteen (15) single-family housing units ("Deed Restricted Units") located within the Redstone Specially Planned Area in Summit County, Utah. The Deed Restricted Units are more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference.

B. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the express purpose of expanding affordable housing in Summit County, Fox Point has consented to restrict the Deed Restricted Units in the manner set forth herein, with such restrictions intended to run with the title to such units, as provided for herein. These deed restrictions are mandated by the Second Amendment to Development Agreement for the Redstone Specially Planned Area, Kimball Junction, Summit County, Utah ("Second Amendment to Development Agreement") dated October 27, 2004 and recorded ~~October 5~~ ^{NOVEMBER 5}, 2004 as Entry No. 00713896, in Book 1157, at Page 1355.

AGREEMENT:

In consideration of the foregoing Recitals, which are incorporated herein by reference, Fox Point and the County agree as follows:

1. Deed Restrictions: The following terms and conditions shall be binding upon and restrict the Deed Restricted Units, and such terms, conditions, and restrictions shall be deemed to run with the land and title to such units and bind each and every successive owner thereof in accordance with such terms.

BK1664 PG0493

A. Initial Deed Restrictions: Initial Deed Restrictions Imposed Upon Fox Point:

1. Initial Sales Price Restriction: The initial sales price of the fifteen (15) Deed Restricted Units which Fox Point shall offer for sale to the public pursuant to the terms hereof shall not exceed \$175,000.00 per unit.
2. Initial Income and Geographical Restrictions: The fifteen (15) Deed Restricted Units which Fox Point shall offer for sale shall be offered to purchasers who earn no more than 80% of the 2004 Area Medium Income ("AMI") for a family of four (regardless of the actual family size of the purchaser) and who reside in Summit County or who are full time employees of a business located within Summit County and their immediate family.
3. Termination of Initial Income and Geographical Restrictions: This initial offering of fifteen (15) Deed Restricted Units by Fox Point under the income and geographical restrictions set forth above shall continue for a period of 90 days from the date the Second Amendment to Development Agreement is approved by Summit County. If any Deed Restricted Units are not sold within this initial 90-day period, such units may be offered by Fox Point to any owner-occupant without income or geographical restriction of any kind, but subject to all other applicable restrictions set forth herein.

B. Deed Restrictions Imposed Upon Subsequent Owners: Deed Restrictions Imposed Upon Subsequent Owners:

1. Subsequent Owner Sales Price Restrictions: A subsequent owner of a Deed Restricted Unit who elects to sell his unit must sell the unit at a price which does not exceed an increase of 3% per every 12 months' ownership, over the price at which the subsequent owner purchased the unit, plus "qualified improvements," as defined below. For purposes of computing the maximum sales price, the 3% increase each 12 months shall not be compounded. For example, if a subsequent owner has owned his unit for 10 years, he would be entitled to sell the unit for no more than 30% above the price at which he originally purchased the unit. A subsequent owner is not guaranteed that he will be able to sell his unit for the maximum sales price. Market conditions may require a sales price below the maximum sales price. But irrespective of what market conditions would otherwise dictate, in no case shall the subsequent owner sell the unit for more than the maximum sales price as provided for herein. For purposes of this subparagraph, "qualified improvements" includes the cost of the necessary replacement of functional elements of the Deed Restricted

Unit, including carpeting, refrigerated air conditioning, appliances, and fixtures and other similar items not materially changing the function of the residence. No credit will be given for routine maintenance or cosmetic changes. Credit will be given for actual out-of-pocket costs and expenses only. No credit will be given for owner's profit, labor ("sweat equity"), or to any appreciation in the value of the improvements. Any credit given for qualified improvements must be approved in advance of a sale by Mountainlands Community Housing Trust ("MCHT") or any other party designated by Summit County. In order to qualify an improvement as a "qualified improvement," the owner must furnish to MCHT or any other party designated by Summit County, the following information with respect to the improvements:

- (a) Original receipts to verify the actual costs expended by owner.
- (b) Owner's affidavit verifying that the receipts are valid and correct receipts tendered.
- (c) True and correct copies of any building permits issued with respect to the improvements.

2. Subsequent Owner Income Restrictions Upon Resale: A subsequent owner of a Deed Restricted Unit who elects to sell his unit shall initially offer the unit to purchasers who earn no more than 120% of the year of sale's Summit County AMI for a family of four (regardless of the actual family size of the purchaser). If the unit is not sold within 120 days, the owner may thereafter offer the unit for sale without income restriction.
3. Termination of Subsequent Owner Deed Restrictions: Every subsequent owner of a Deed Restricted Unit shall be bound by and subject to the restrictions set forth in subparagraphs 1 and 2 above until the expiration of the deed restrictions, as set forth below.
4. Subsequent Owner Rental Restrictions: The Deed Restricted Units shall not be rented by a Subsequent Owner without the express written consent of MCHT, or any other party designated by Summit County. A Deed Restricted Unit may be rented by a Subsequent Owner to a qualified person or household earning no more than 60 % of the year of rental's Summit County AMI for a family of four (regardless of the actual family size of the tenant), who has been qualified by MCHT for a maximum period of 180 days. Nothing contained in this provision shall prohibit a subsequent owner of a Deed Restricted Unit from having house guests without charge in the Deed Restricted Unit.
2. Termination of All Deed Restrictions: All deed restrictions set forth herein shall continue for a period of thirty (30) years from the date the Second

Amendment to the Development Agreement was recorded. At the end of the thirty (30) year period, the Summit County Board of Commissioners will review the deed restrictions to determine whether the then current housing demand and supply, project redevelopment, the condition of the units, the resale value of the units, and other economic factors justify the continuation of the deed restrictions. The continuation or termination of the deed restriction shall be evidenced by a recorded written notice. In the event that a written notice of termination is not given, then the same restriction shall be extended on the same terms for an additional ten (10) year period. Said restriction shall continue thereafter for ten (10) year periods until such time as the Summit County Board of Commissioners gives recorded, written notice of termination.

3. Administration of Deed Restrictions: The deed restrictions set forth herein shall be administered by the MCHT or any other party designated by Summit County. Every sale, assignment, or conveyance of a Deed Restricted Unit shall require the consent of MCHT or any other party designated by Summit County, to ensure compliance with the deed restrictions.
4. Sale In Violation of Deed Restrictions Is Void: In the event that a Deed Restricted Unit is sold, assigned, or conveyed without the consent of MCHT or any other party designated by Summit County, such sale, assignment, or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported buyer.
5. Certificate of Qualifications and Written Approval of Sale: Every purchaser of a Deed Restricted Unit shall sign a certificate in advance of closing evidencing the purchaser's income qualification to purchase the unit, if such income qualification is required by the restrictions set forth herein. The certificate, if required, shall be in the form attached hereto as Exhibit "B". A copy of the certificate, if required, and evidence of the purchase price paid shall be provided to MCHT or any other party designated by Summit County. Upon approval of the certificate and the sale by MCHT or any other party designated by Summit County, written confirmation of such approval shall be given by the MCHT or any other party designated by Summit County, before the sale is closed.
6. No Unusual Inducements to Seller: The owner of a deed restricted unit shall not permit any prospective buyer to assume any or all of owner's customary closing costs nor accept any other consideration which would cause an increase in owner's return on the sale so as to induce owner to sell to such prospective buyer.
7. Enforcement Upon Default/Attorney's Fees: Summit County, or its designee, shall have the right to enforce the terms of these deed restrictions, upon a material breach of such terms, in any manner permitted by law, including but

not limited to the remedies of specific performance and injunctive relief. The cost of such enforcement, including but not limited to reasonable attorney's fees and costs, shall be borne by the breaching party and shall be payable upon demand. Any judgment or order entered through efforts to enforce the terms of the deed restrictions shall contain a specific provision providing for the recovery of attorney's fees and costs incurred in enforcing such judgment.

8. Choice of Law: This Agreement shall be governed and construed in accordance with the laws of the state of Utah.
9. Severability: Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law; but if any provision of this Agreement shall be invalid or prohibited under said applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remaining provision of this Agreement.
10. Successors: Except as otherwise provided herein, the provisions and covenants contained herein shall inure to and be binding upon the heirs, successors and assigns of the parties and all of those parties obtaining a subsequent interest in the Deed Restricted Units. In the event that MCHT ceases to exist for any reason or fails to perform the duties set forth in this Agreement, Summit County shall have the absolute right to assume the duties of MCHT or assign such duties to another party.
11. Paragraph Headings: Paragraph headings within this Agreement 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 of provisions contained herein.
12. Waiver: No claim of waiver, consent or acquiescence with respect to any provision of this Agreement shall be valid against an party or third party. However, the party for whose benefit a condition is inserted herein shall have the unilateral right to waive such condition.
13. Inconsistency With Other Recorded Instruments: In the event any of the provisions of these deed restrictions are in conflict with previously recorded Development Agreements or amendments to Development Agreements, or Declarations, Conditions and Restrictions affecting the Deed Restricted Units, the previously recorded instruments shall prevail over the terms hereof.

IN WITNESS WHEREOF, this Master Deed Restrictions and Agreement for Fox Point Affordable Housing and Its Successors In Interest has been executed by Summit County, by the Board of County Commissioners of Summit County, State of Utah,

pursuant to Ordinance 380, authorizing such execution, and by a duly authorized representative of Fox Point, as of the above stated date.

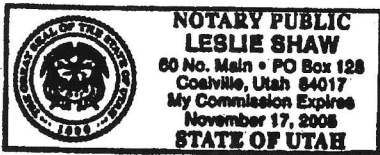
COUNTY:

BOARD OF COUNTY COMMISSIONERS OF SUMMIT COUNTY, STATE OF UTAH

By: K.E. Woolstenhulme
Its: Chairman

STATE OF UTAH)
: ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 7 day of October, 2004, by Ken E Woolstenhulme, Chairman of the Board of County Commissioners of Summit County, State of Utah.



Leslie Shaw
Notary Public

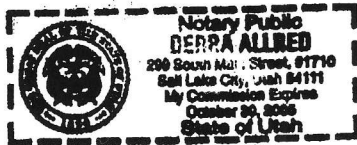
FOX POINT:

FOX POINT AFFORDABLE HOUSING, L.C., a Utah limited liability company

By: Craig P. Burton
Craig P. Burton, Manager

STATE OF UTAH)
: ss.
COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 2 day of November, 2004, by Craig P. Burton, Manager of Fox Point Affordable Housing, L.C. a Utah limited liability company.



Debra Allred
Notary Public

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APPROVED
[Signature]
Scott LeComis
MOUNTAIN WAYS COMMUNITY HOUSING ASSOCIATION