

WHEN RECORDED, MAIL TO:

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MARCY M MURRAY, Recorder  
WASATCH COUNTY CORPORATION  
For: DEER CREST ASSOCIATES I LC

Tax Parcel Number:

## COMMUNITY BENEFIT COVENANT

THIS COMMUNITY BENEFIT COVENANT (“**Covenant**”), is made as of this 28  
day of JUNE, 2022 by Deer Crest Associates I, L.C., a Utah limited liability company  
 (“**Owner**”).

### RECITALS

A. Owner is the developer of a condominium project known as Founders Place Condominiums (the “**Project**”) being developed on a parcel of real property located in Park City, Wasatch County, Utah (“**Property**”), as more particularly described on Exhibit A. The Project will include seventy-eight (78) market rate condominium units (“**Unit(s)**”) and six (6) residential condominium units (“**Affordable Units**”), to be developed in phases, with the first phase being more particularly described on the Founders Place Plat, recorded July 5, 2022, as Entry No. 521735, in Book 1415, at Page 300-301, in the Office of the Wasatch County Recorder, as amended and/or supplemented from time to time (“**Plat**”). For clarity purposes, four (4) Affordable Units will be built in Phase I, one (1) Affordable Unit in Phase II, and one (1) Affordable Unit in Phase III.

B. Founders Place Community Benefit Foundation, a Utah non-profit corporation (“**Foundation**”), was organized for the purpose of benefiting the Wasatch County and Summit County communities, including without limitation, for charitable purposes and support of affordable housing initiatives.

C. In connection with the development of the Project and certain obligations imposed by the Park City Municipal Corporation (“**City**”), Owner desires to establish a Community Benefit Covenant for the benefit of the Foundation, as defined and further set forth below.

### COVENANT

NOW, THEREFORE, the following Community Benefit Covenant is imposed on the Units as follows:

1. Community Benefit Covenant. Upon each Transfer (defined below) of any Unit, the owner of the Unit shall pay a fee based on the “Purchase Price” (defined below) of such Unit to the Foundation (a “**Benefit Fee**”), which funds shall be used by the Foundation in accordance with this Covenant, the Founders Place Community Benefit Agreement, dated the date hereof, among the Owner, Foundation and City, and the Foundation’s governing directives, including without limitation, for the benefit of communities, common planning, facilities and infrastructure,

affordable housing, community programming, resort facilities, open space, recreation amenities, and other charitable purposes. The Benefit Fee shall be equal to one-half of a percent (0.5%) of the Purchase Price of the subject Unit. This Covenant, including the Benefit Fee, shall run with the land and improvements consisting of the Units for the benefit of the Foundation and the City.

(a) For purposes of this Covenant, "**Transfer**" means, whether in one transaction or in a series of related transactions, any conveyance, assignment, lease, or other transfer of beneficial ownership of a Unit, including but not limited to (1) the conveyance of fee simple title to any such Unit; (2) the transfer of more than fifty percent (50%) of the outstanding shares of the voting stock of a corporation which, directly or indirectly, owns any portion of such Unit, and (3) the transfer of more than fifty percent (50%) of the interest in net profits or net losses of any partnership, joint venture, limited liability company, or other business entity which, directly or indirectly, owns any portion of the such Unit.

(b) Exclusions. Notwithstanding the foregoing, a "Transfer" shall not include any of the following excluded events, except to the extent that any such exclusion is used for the purpose of avoiding the Benefit Fee:

- (i) Any involuntary Transfer.
- (ii) Any Transfer that results from a court order.
- (iii) Any a bona fide Transfer to a family member of the seller within three degrees of consanguinity who, before the Transfer, provides adequate proof of consanguinity.
- (iv) Any Transfer or change of interest due to death, whether provided in a will, trust, or decree of distribution.
- (v) Any Transfer of burdened property by a financial institution, except to the extent that the reinvestment fee covenant requires the payment of a common interest association's costs directly related to the Transfer of the burdened property, not to exceed \$250.
- (vi) Any Transfer of an Affordable Unit.

(c) For purposes of this Covenant, "**Purchase Price**" means the gross purchase price of the property that is the subject of the Transfer prior to any commissions or closing costs. The gross purchase price shall not include any amounts paid by the transferee for furnishings or other personal property. Owner, and its successors and assigns, shall require either the transferor or transferee to submit verification of the Purchase Price.

(d) Payment of Benefit Fee. The owner of a Unit shall pay, or cause to be paid, the Benefit Fee at closing of the Transfer, and each Benefit Fee not paid at that time shall accrue interest until fully paid at five percent (5%) per annum over the rate of interest announced from time to time by Wells Fargo Bank, as its "prime rate" for commercial loans. Such interest shall be payable on demand, and if unpaid, shall be compounded monthly at the rate so calculated as of thirty (30) days after the date of the Transfer, and all accruing interest shall become a part of the Benefit Fee due and owing. The Declaration under which the Project is subject shall include

a provision that if the Benefit Fee is not paid as part of the Transfer, the Foundation shall cause the homeowners association for the Project to place a lien on the Unit for the Benefit Fee, plus any interest, fees or expenses to collect such Benefit Fee, until the Benefit Fee is paid.

2. Runs with Land; Successors and Assigns. This Covenant, including the Benefit Fee, covenants, agreements, rights and obligations created hereby, (a) runs with the land and improvements constituting the Units, (b) does not require any additional notice or filing or the consent or approval of any partner, officer, or any other party, and (c) is binding on the Owner and Unit owners, their successors and assigns, and inures to the benefit of and is enforceable by the City and the Foundation (and others having or acquiring the rights reserved to the Foundation) against the Owner and the Unit owners, any other parties claiming an interest in the Units, and each of their successors in interest, assignees, heirs, devisees, mortgagees, lenders, trustees, beneficiaries, executors, administrators, lessees, and personal representatives.

3. Recordation and Amendment. The Owner shall cause this Covenant to be recorded against the Units, as may be supplemented and added to from time-to-time, in the Office of the Wasatch County Recorder at the time of recording of the Plat. The Owner shall cause this Covenant to be amended and recorded against the Units in future phases prior to construction on the such phases and (i) prior to recordation of any all security instruments (deed of trust or mortgage), or (ii) together with a subordination agreement, subordinating the lien of any security instrument to this Covenant. No amendment shall be made to this Covenant without the prior written consent of the City and Foundation.

4. Waiver. No term or condition of this Covenant will be deemed to have been waived or amended unless expressed in writing, and the waiver of any condition or the breach of any term will not be a waiver of any subsequent breach of the same or any other term or condition.

5. Authority to Execute. Owner represents and warrants that as of the date of this Covenant, it is the fee owner of all of the Units and is authorized to execute this Covenant.

6. Construction. Owner acknowledges that it has reviewed and revised this Covenant with the assistance of counsel, and further acknowledges and agrees that any interpretation of drafting ambiguities or inconsistencies shall be construed in favor of the City.

*[Signature Page Follows]*

Dated this 28 day of JUNE, 2022.

**OWNER:**

DEER CREST ASSOCIATES I, L.C.,  
a Utah limited liability company

By: [Signature]  
Its: AUTHORIZED SIGNATORY

STATE OF Utah

COUNTY OF Summit

The foregoing instrument was acknowledged before me on JUNE 28, 2022 by Bill Fincash the Auth. signatory of DEER CREST ASSOCIATES I, L.C., a Utah limited liability company.

Ruth Mather  
NOTARY PUBLIC

Residing at: Kanab, UT  
My Commission Expires: 10/25/22



**EXHIBIT A**

**Legal Description of Property**

Unit WH-01, Unit WH-02, Unit WH-03, Unit WH-04, FOUNDERS PLACE CONDOMINIUMS, created pursuant to the Condominium Plat for Founders Place Condominiums recorded on July 5, 2022 in the Office of the Wasatch County Recorder as Entry No. 521736, together with an undivided interest in the Common Areas appurtenant thereto, as described and in accordance with the Declaration of Condominium for Founders Place Condominiums, recorded in the Office of the Wasatch County Recorder on July 5, 2022 as Entry No. 521737, in Book 1415 at Page 308-383

Tax Parcel No. \_\_\_\_\_