

INCENTIVE AGREEMENT

(Solstice at 54th — City of Taylorsville, Utah)

This INCENTIVE AGREEMENT (this "**Agreement**") is made and entered into as of the ____ day of _____, 2026 (the "**Effective Date**"), by and among EDGE HOMES UTAH, LLC, a Utah limited liability company ("**Developer**"); and THE REDEVELOPMENT AGENCY OF THE CITY OF TAYLORSVILLE, a separate body corporate and politic and political subdivision of the State of Utah (the "**Agency**"). Developer and the Agency are referred to jointly as the "**Parties**" and singly as a "**Party**."

RECITALS

- A. Developer is either under contract to purchase, or is in the process of negotiating to purchase, certain real property located in Taylorsville City, Utah, identified as Salt Lake County Parcel Nos. 21-17-101-102-0000, 21-17-101-047-0000, and 21-17-101-074-0000. The proposed development also includes property presently owned by the Agency, identified as Salt Lake County Parcel No. 21-17-101-100-0000, which is contemplated to be conveyed or exchanged pursuant to a separate agreement in connection with the subdivision and development approval process (collectively, the "**Property**"). The Parties further acknowledge that development of the Property will require certain modifications to existing or proposed roadways, including the relocation, dedication, vacation, or realignment of public rights of way, together with a contemplated exchange of real property between the Developer and the Agency. The precise configuration, location, and terms of such roadway modifications and property exchange shall be determined and addressed through the subdivision platting and approval process and such separate agreements and conveyance instruments as may be necessary, subject to applicable law and required governmental approvals. Developer's acquisition of the three parcels not presently owned by the Agency is a condition precedent to this Agreement becoming effective, as more particularly provided in Section 15 below. Exhibit A contains a map of the Property.
- B. Subject to obtaining the necessary zoning and development approvals, Developer intends to develop the Property as a new residential community to be known as "*Solstice at 54th*" containing 316 residential units, with a mixture of attached townhomes and stacked condominium units (the "**Project**").
- C. City of Taylorsville, a Utah municipality (the "**City**"), and Developer have entered into, or intend to enter into, a Development Agreement for the Project (the "**Development Agreement**"), which, among other things, contemplates the establishment of a moderate-income housing program for the Project to be established with the RDA (the "**Housing Program**").
- D. Developer and the Agency share the goal of creating attainable workforce housing within the City with a preference for the City's Essential workforce, which includes police officers,

firefighters, emergency responders, public school teachers and staff, and municipal employees employed within the City and individuals employed in occupations or industries providing essential services to the community, including, but not limited to, those generally recognized as essential or critical infrastructure workers by the United States Department of Homeland Security, the Cybersecurity and Infrastructure Security Agency, or the United States Department of Labor.

- E. The Agency has accumulated certain funds that are intended to promote affordable and income targeted housing within the Agency's boundaries as set forth in Utah Code Annotated ("UCA") §§ 17C-1-411 and 17C-1-412 (the "**Housing Funds**"). The City has designated the Agency to make, and the Agency has agreed to make, certain contributions from the Housing Funds to assist qualifying buyers in purchasing a certain number of residential units at the Project as part of the Housing Program.
- F. This Agreement sets forth the terms and conditions of the Housing Program, and the administration of the Housing Funds that will be provided to assist qualifying buyers in attaining home ownership, with a preference of providing attainable workforce housing for the City's Essential workforce. This Agreement also establishes the terms on which the Workforce Housing Units (defined below) will be designated, restricted, marketed, and sold.
- G. The Agency finds that increasing the availability of attainable, owner-occupied housing for moderate income households within City of Taylorsville, including members of the City's Essential workforce, constitutes a public purpose, advances the purposes for which the Agency's Housing Funds were established, and promotes the economic stability, vitality, and general welfare of the City and its residents.
- H. The Agency finds that the Agency Contributions contemplated by this Agreement are intended to facilitate the creation and continued availability of income targeted housing within the City and constitute a lawful use of the Agency's Housing Funds pursuant to applicable provisions of the Utah Limited Purpose Local Government Entities Community Reinvestment Agency Act, including UCA §§ 17C 1 411 and 17C 1 412. The Agency further finds that the restrictions, eligibility requirements, owner occupancy requirements, repayment obligations, and other protections established by this Agreement and the related Declarations are reasonably designed to ensure that the Agency Contributions are used for their intended public purpose.
- I. The Parties acknowledge that the Agency is a governmental entity and that the Agency's obligations under this Agreement are at all times subject to applicable law and the lawful availability and expenditure of Housing Funds. Nothing in this Agreement shall be construed as a representation or warranty by the Agency concerning the Project, Developer's ability to complete the Project, the availability of any governmental approval, the marketability or value of any Workforce Housing Unit, or the eligibility of any particular purchaser for financing or other governmental assistance.

J. Developer acknowledges that the Agency is entering into this Agreement and making the Agency Contributions in reliance upon Developer's agreement to provide the corresponding Developer Credits, to designate and sell the Workforce Housing Units in accordance with this Agreement, and to cause the applicable restrictions and protections established by this Agreement to be imposed upon the Workforce Housing Units. The Parties acknowledge that the Agency Contributions and Developer Credits are intended to operate together as components of a single Housing Program and that the Agency would not make the Agency Contributions absent Developer's corresponding obligations under this Agreement.

K. Pursuant to Utah Code Section 17C-1-102(2), "affordable housing" means housing owned or occupied by a low- or moderate-income family, as determined by resolution of the Agency. In furtherance of this statutory authority, the Agency hereby determines that, for purposes of the Solstice at 54th Development and the housing assistance contemplated herein, households with annual incomes not exceeding ninety percent (90%) of the applicable Salt Lake County area median income qualify as moderate income families, and that residential units made available to such households pursuant to the income qualifications, financial assistance, and deed restrictions established by this Agreement constitute affordable housing within the meaning of Utah Code Section 17C-1-102(2).

NOW, THEREFORE, in consideration of the foregoing Recitals, the following mutual covenants and understandings, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

TERMS

1. **Workforce Housing Units.** To further the objective of increasing moderate income and attainable home ownership opportunities within the City, Developer shall make available thirty (30) residential units within the Project for participation in a moderate-income housing assistance program. Subject to the availability and lawful expenditure of RDA funds, the RDA may provide up to \$30,000.00 per qualifying residential unit in RDA assistance. For each residential unit receiving such RDA assistance, Developer or its affiliate shall provide a corresponding contribution of not less than \$30,000.00 through purchase price reduction, down payment assistance, mortgage interest rate buydown, closing cost assistance, and/or other purchaser incentives approved by the RDA. Developer agrees to designate thirty (30) for-sale residential units within the Project as qualifying workforce housing units (collectively, the "**Workforce Housing Units**" or the "**Units**"; each individually, a "**Workforce Housing Unit**" or a "**Unit**"), and to sell the Workforce Housing Units in accordance with this Agreement. The Workforce Housing Units will be deed-restricted in the manner described in Section 10 below to ensure that the Units continue to qualify as income-targeted housing, as defined in UCA § 17C-1-102, for a period of up to sixteen (16) years. The restrictions will grant the Agency authority to enforce the restrictions. The form of the required deed restrictions is attached as Exhibit C.

1.1 Designation of Units; Phasing. The Project will be developed in phases. The Workforce Housing Units initially designated by Developer, together with the maximum purchase price applicable to the initial sale of each such Unit, are identified on Exhibit B attached hereto. As Developer proceeds with each subsequent phase of the Project, Developer shall designate additional Workforce Housing Units until thirty (30) Units have been designated in the aggregate, and shall deliver to the Agency a supplement to Exhibit B identifying the newly designated Units and the maximum purchase price applicable to the initial sale of each. Each such supplement shall be deemed to amend Exhibit B without the need for further amendment of this Agreement. Developer shall use reasonable efforts to designate the Workforce Housing Units proportionately across the phases of the Project and to include a reasonable variety of unit types and floor plans among the Workforce Housing Units.

1.2. Availability Date. Developer shall notify the Agency in writing at least thirty (30) days before each Workforce Housing Unit is available to be sold (the date so identified being the "Availability Date" for that Unit). Developer shall use reasonable efforts to provide the Agency with a rolling, non-binding forecast of anticipated Availability Dates for the then-designated Workforce Housing Units.

1.3 Maximum Purchase Price. No Workforce Housing Unit will be sold by Developer in excess of the maximum purchase price applicable to the initial sale of that Unit as listed on Exhibit B (as supplemented). The maximum purchase price for the initial sale of a Unit that has not yet commenced construction as of the date the Unit is designated on Exhibit B (or a supplement thereto) may be adjusted upward based on increases in actual development and construction costs arising after the date of such designation; provided that any such adjustment shall not exceed ten percent (10%) of the price listed on Exhibit B (or the applicable supplement) for that Unit. Developer shall provide the Agency with written notice of, and reasonable supporting documentation for, any such adjustment before the applicable Unit is offered for sale. The maximum purchase price is calculated before application of the Developer Credit and the Agency Contribution described in Sections 5 and 7 below. The maximum purchase price is intended to be the same as the price of comparable units that are offered for sale to the general public.

2. Buyer Qualifications.

2.1 Qualified Purchaser. In order to qualify to purchase a Workforce Housing Unit, the purchasing household's annual income must be at or below ninety (90%) of the Salt Lake County household Area Median Income (AMI) as set forth in UCA § 17C-1-102 for income targeted housing, determined for the most recently concluded calendar year, and no member of the purchasing household may own other residential property. For purposes of this Agreement, annual income shall be determined based on total gross income, before any adjustments, as shown on federal income tax filings for the last completed calendar year. A purchaser meeting the foregoing requirements is a "Qualified Purchaser."

2.2 Essential Workforce. The "Essential Workforce" consists of individuals employed on a full-time (at least thirty (30) hours per week), permanent basis, in good standing with respect to such employment and beyond any initial probationary period, by any of the following:

- The City, including, without limitation, the City of Taylorsville Police Department and the Unified Fire Authority employees whose primary duty station is located within the City of Taylorsville;
- Granite School District;
- A public agency, special district, or interlocal entity providing law enforcement, fire suppression, or emergency medical services whose employee's primary duty station is located within the City; and
- Individuals employed in occupations or industries providing essential services to the community, including, but not limited to, those generally recognized as essential or critical infrastructure workers by the United States Department of Homeland Security, the Cybersecurity and Infrastructure Security Agency, or the United States Department of Labor. Such occupations include, without limitation, healthcare and public health professionals; food production, processing, distribution, grocery, and delivery workers; transportation and logistics personnel, including bus drivers, commercial drivers, postal workers, and warehouse employees; energy, water, and utility workers, including electricians, plumbers, and electrical line workers; and construction workers, mechanics, industrial equipment operators, manufacturing employees, skilled tradespeople, and other individuals employed in occupations essential to the health, safety, economic stability, infrastructure, and general welfare of the community. The foregoing enumeration is illustrative and not exhaustive, and other occupations providing comparable essential services may qualify, provided that the purchaser satisfies the income and other eligibility requirements established by this Agreement.

2.3 Essential Workforce Qualified Purchaser. A "Essential Workforce Qualified Purchaser" means a Qualified Purchaser as to which at least one (1) adult who will be an owner of record of the Workforce Housing Unit is a member of the Essential Workforce.

2.4 Verification. Income qualification of prospective purchasers shall be determined by an independent, qualified third party, which may include First Colony Mortgage, another qualified mortgage lender, or an independent housing program administrator approved by the Agency. Employment qualification, when applicable, shall be verified by the prospective purchaser's employer or through other documentation reasonably acceptable to the qualifying third party. Developer and Agency may rely upon written certifications issued by such qualified third parties establishing that a prospective purchaser satisfies the requirements of a Qualified Purchaser or an Essential Workforce Qualified Purchaser, as applicable, without independently reviewing or retaining the underlying income documentation, absent actual knowledge of a material inaccuracy. Developer shall not be required to collect, review, or retain the income documentation of prospective purchasers. Developer may require a prospective purchaser to submit a mortgage loan application through First Colony Mortgage or another lender designated by Developer for purposes of determining mortgage financing eligibility or qualifying for mortgage interest rate buydown incentives offered by Developer, provided that such requirement does not otherwise modify the eligibility standards established by this Agreement.

The Agency may, in its sole discretion, establish, administer, or participate in a separate housing assistance or qualification program applicable to subsequent purchasers of Workforce Housing Units, including procedures for verifying income eligibility, administering available housing assistance funds, and determining eligibility for additional financial assistance. Any such program shall be established independently of Developer's obligations under this Agreement, shall be subject to applicable law and the availability of legally authorized funding, and shall not impose additional financial, administrative, or contractual obligations upon Developer without Developer's written consent. Nothing herein shall obligate the Agency to establish or maintain such a program or to provide financial assistance to any subsequent purchaser.

3. Initial Sale of Workforce Housing Units. For the initial sale of each Workforce Housing Unit, Developer shall select the purchaser from among eligible applicants whose qualifications have been verified by First Colony Mortgage or another qualified lender or independent third-party administrator in accordance with Section 2.4 and the procedures established in Exhibit D. The Agency may cooperate with Developer and the qualifying lender in identifying and referring potentially eligible households, particularly members of the Essential Workforce, but shall not be responsible for screening, selecting, or approving individual purchasers. To the extent reasonably possible, each initial purchaser shall be an Essential Workforce Qualified Purchaser, subject to Section 4 below. An initial purchaser selected by the Agency and referred to Developer must enter into a purchase contract with Developer within thirty (30) days after the Agency's notice and must close on the purchase of that Unit within sixty (60) days after the Availability Date for that Unit. If the selected initial purchaser is unwilling or unable to enter into a purchase contract or to close the purchase transaction within the applicable period, Developer shall notify the Agency. If the sale transaction for a particular Unit has not closed within one hundred twenty (120) days after the Availability Date for that Unit, Developer may proceed as described in Section 4 and, if applicable, Section 11 below. For avoidance of doubt, Developer, rather than the Agency, shall identify and select any replacement purchaser, subject to the eligibility requirements and Exhibit D.

4. Essential Workforce Qualified Purchasers Favored. If Developer receives an acceptable offer from a Qualified Purchaser who is not an Essential Workforce Qualified Purchaser to purchase a Workforce Housing Unit, Developer may accept the offer so long as Developer notifies the Agency of the same. Nevertheless, Developer and the Agency shall seek in good faith to maximize the number of Workforce Housing Units sold to Essential Workforce Qualified Purchasers.

If Developer receives multiple matching offers from Essential Workforce Qualified Purchasers for the same Workforce Housing Unit, Developer shall accept the first matching offer received and shall attempt in good faith to close the sale to that purchaser. If that sale fails to close, Developer shall accept the next matching offer received from an Essential Workforce Qualified Purchaser, and shall continue that process until the Unit is sold or no matching offers from Essential Workforce Qualified Purchasers remain.

If all matching Essential Workforce Qualified Purchasers are unable to close, the Agency shall have the option to purchase the Workforce Housing Unit itself by matching the offer, exercisable by written notice to Developer within ten (10) business days after receipt of notice from Developer that none of the Essential Workforce Qualified Purchasers for the subject Unit were able to close on their purchase. If the Agency does not exercise its option to purchase the Unit, the Workforce Housing Unit may be sold to any Qualified Purchasers even if they are not an Essential Workforce Qualified Purchaser.

The Agency may, at its option, submit to Developer a list of Essential Workforce Qualified Purchasers known to the Agency, which shall in no event be considered a complete or exhaustive list of eligible Essential Workforce Qualified Purchasers. The Agency shall make reasonable, good-faith efforts to identify eligible Essential Workforce Qualified Purchasers and timely submit their names and contact information to Developer's Vice President of Sales via email (presently Kyle Haskill, email: Kyle@edgehomes.com). Developer shall inform the Agency of the name and email address of any successors to said position.

5. Developer Credit. In satisfaction of the Development Agreement, Developer (or an affiliate of Developer) shall provide a credit of Thirty Thousand Dollars (\$30,000.00) per Workforce Housing Unit (the "**Developer Credit**") for the benefit of the Qualified Purchaser of that Unit, up to a maximum aggregate amount of Nine Hundred Thousand Dollars (\$900,000.00) for all thirty (30) Workforce Housing Units.

5.1 Application of the Developer Credit. The Qualified Purchaser of each Workforce Housing Unit may elect to have the Developer Credit applied (a) as a reduction of the purchase price of the Unit, (b) as a mortgage interest rate buydown, or (c) as a combination of the foregoing, in each case subject to Developer's reasonable approval and to the requirements of the purchaser's lender, any applicable loan program, and applicable law. If the purchaser's elected application of the Developer Credit is not permitted by the purchaser's lender or applicable law, the Developer Credit shall be applied as a credit against the purchase price. The Developer Credit shall be reflected on the settlement statement for the applicable closing.

5.2. One Credit Per Unit. The Developer Credit shall be provided only once per Workforce Housing Unit, in connection with the initial sale of that Unit by Developer to a Qualified Purchaser, and shall not apply to any subsequent sale of a Unit. The purchasers of the Workforce Housing Units shall have no obligation of any kind to repay Developer for the Developer Credit.

6. Conditions Concerning Funding. The Agency's obligation to make the Agency Contribution for each Workforce Housing Unit is conditioned upon satisfaction of the following conditions at or before closing:

6.1 the Unit has been designated as a Workforce Housing Unit pursuant to this Agreement;

6.2 the Agency has determined that the purchaser is a Qualified Purchaser in accordance with Section 2;

6.3 Developer has committed to provide the corresponding Developer Credit required by this Agreement;

6.4 the applicable Declaration and Deed of Trust required by this Agreement have been executed and are ready for recordation concurrently with closing;

6.5. the Agency Contribution constitutes a lawful expenditure of Housing Funds and sufficient Housing Funds are available for the contribution;

6.6. Developer and the Agency shall cooperate in good faith and use reasonable efforts to timely satisfy the foregoing conditions so that the Agency Contribution and Developer Credit may be funded at the closing of each Workforce Housing Unit. Neither Party shall unreasonably delay or withhold any approval, certification, documentation, or other action reasonably necessary to complete a qualifying transaction contemplated by this Agreement; and

6.7. upon satisfaction of the foregoing conditions, the Agency shall fund the applicable Agency Contribution in accordance with this Agreement.

7. **Agency Contribution.** In satisfaction of the Development Agreement, and in consideration of Developer's construction, designation, deed restriction, and sale of the Workforce Housing Units in accordance with this Agreement, so long as the Agency has available Housing Funds that may lawfully be expended for this Housing Program, the Agency shall contribute Thirty Thousand Dollars (\$30,000.00) in cash from the Housing Funds for the benefit of the Qualified Purchaser of each Workforce Housing Unit (each, an "**Agency Contribution**"), up to a maximum aggregate amount of Nine Hundred Thousand Dollars (\$900,000.00) for all thirty (30) Workforce Housing Units.

7.1 **Payment.** The Agency shall deposit each Agency Contribution with the title or escrow company handling the closing of the applicable Workforce Housing Unit not later than two (2) business days before the scheduled closing date, to be applied at closing for the benefit of the Qualified Purchaser toward the purchase price of the Unit, the purchaser's down payment, or the purchaser's closing costs, as directed by the purchaser and permitted by the purchaser's lender and applicable law. Each Agency Contribution shall be reflected on the settlement statement for the applicable closing. Developer shall give the Agency not less than fifteen (15) days' advance written notice of each scheduled closing of a Workforce Housing Unit.

7.2 **Deed of Trust to Repayment Obligation of Purchaser.** At the closing of a sale of a Workforce Housing Unit, the purchaser shall execute a deed of trust in favor of the Agency (as the Beneficiary) to be recorded in second (2nd) lien position against the Unit (the "**Deed of Trust**") to secure repayment of the Agency Contribution to the Agency in the event of a subsequent sale of the Unit to a new owner in accordance with the following repayment schedule:

7.3. If the purchaser closes on a sale of the Unit to a new owner within the first 12 months of ownership, the full amount of the Agency Contribution shall be repaid to the Agency;

7.4. If the purchaser closes on a sale of the Unit to a new owner after the first 12 months of ownership but before the start of the 25th month of ownership, the amount to be repaid to the Agency shall be the sum of the Agency Contribution less \$2,000.00;

7.5. If the purchaser closes on a sale of the Unit to a new owner after the first 24 months of ownership but before the start of the 37th month of ownership, the amount to be repaid to the Agency shall be the sum of the Agency Contribution less \$4,000.00;

- 7.6 If the purchaser closes on a sale of the Unit to a new owner after the first 36 months of ownership but before the start of the 49th month of ownership, the amount to be repaid to the Agency shall be the sum of the Agency Contribution less \$6,000.00;
- 7.7 The repayment amount shall continue on this same schedule, with a reduction of \$2,000.00 for each additional year of ownership, until there is no remaining balance of the amount of the Agency Contribution.

For clarification, no interest shall accrue or otherwise be owed on the sums to be repaid to the Agency under the repayment schedule set forth above. Further, a transfer of title by the original purchaser solely for estate planning purposes (such as a transfer of title to a trust created by or for the original purchaser) does not constitute a “sale of the Unit” triggering a repayment obligation to the Agency.

In addition, if the original purchaser sells the Unit to a new “Qualified Purchaser” (defined in Section 2.1 above), whether the new purchaser is a member of the Essential Workforce or not, and the original purchaser is required to repay a portion of the Agency Contribution to the Agency under the above-stated Repayment Schedule, then the amount so repaid to the Agency shall be provided by the Agency to the new Qualified Purchaser to assist with the new Qualified Purchaser’s purchase of the Unit. The assistance amount provided by the Agency to the new Qualified Purchaser shall follow the same repayment schedule set forth in Section 7.2 above (except that the starting repayment amount shall be the sum actually provided as assistance for the new purchaser, not the original amount of the Agency Contribution provided to the initial Qualified Purchaser). This provision is intended to encourage original Qualified Purchasers who sell their units to other Qualified Purchasers to perpetuate the benefits of the Agency Contribution.

7.8 Condition to Developer Credit; Non-Appropriation. Developer’s obligation to provide the Developer Credit with respect to a particular Workforce Housing Unit is expressly conditioned upon the Agency making the corresponding Agency Contribution for that Unit at the closing of that Unit. If the Agency fails or is unable to make the Agency Contribution for a Unit, then (a) Developer shall have no obligation to provide the Developer Credit for that Unit, (b) that Unit shall not be conveyed subject to the deed restrictions described in Section 10 below, (c) Developer may sell that Unit free of the requirements of this Agreement, and (d) the Parties shall cooperate in good faith to determine whether another residential unit within the Project may reasonably be substituted for the affected Unit. If the Parties are unable to agree upon a replacement Unit, the number of Units Developer is obligated to designate and sell under Section 1 shall be reduced by one (1) Unit for each Unit affected. The Parties acknowledge that this Section 7.8 reflects the reciprocal nature of their respective obligations under the Housing Program and is intended to preserve, where reasonably practicable, the Parties’ shared objective of providing thirty (30) Workforce Housing Units.

7.9 Developer Reporting. Within thirty (30) days after the closing of the sale of each Workforce Housing Unit, Developer shall provide a written report to the Agency demonstrating that the Unit was sold in compliance with this Agreement. The report shall identify the Unit, the purchaser, the gross purchase price, the manner in which the Developer Credit and the Agency Contribution were applied, the recording information for the deed restrictions applicable to the Unit, and whether the Unit was sold to a member of the Essential Workforce.

8. Sewer Improvements. In furtherance of the Project and the public purposes contemplated by this Agreement, the Agency agrees to contribute an amount not to exceed Fifty Thousand Dollars (\$50,000.00) toward the actual and reasonable costs of sewer repairs, improvements, and related infrastructure anticipated in the vicinity of 3600 West and Valley Heights Drive in Taylorsville City (the "Sewer Improvements"). The Agency, acting through its Executive Director, in consultation with Agency legal counsel, shall have sole discretion to determine the appropriate recipient, timing, and method of payment of such contribution, including payment or reimbursement to Developer, payment to the applicable sewer district or other responsible public entity, or direct payment to contractors performing the Sewer Improvements. The Agency may require reasonable documentation of eligible costs and may coordinate payment arrangements directly with the applicable sewer district or other responsible entity. Any contribution shall be subject to applicable law, the availability of legally authorized funds, and satisfaction of the property acquisition condition precedent established in Section 15 of this Agreement. Under no circumstances shall the Agency's aggregate financial obligation for the Sewer Improvements exceed Fifty Thousand Dollars (\$50,000.00) without further approval of the Agency Board. Except as otherwise expressly agreed in writing, the Agency's contribution shall not impose upon the Agency responsibility for the design, construction, permitting, ownership, operation, maintenance, or completion of the Sewer Improvements, nor shall the Agency be responsible for any costs exceeding its authorized contribution.

9. First-Time Homebuyer Assistance Program. The Parties shall cooperate in good faith to seek to maximize the eligibility of purchasers of the Workforce Housing Units for the State of Utah's First-Time Homebuyer Assistance Program and any similar or successor down payment assistance program(s). Such cooperation shall include Developer providing documentation reasonably necessary to establish that a Workforce Housing Unit constitutes newly constructed housing eligible for the program, and the Agency including information regarding the program in the materials distributed to prospective purchasers under Exhibit D. Neither Party guarantees the availability of, or any purchaser's eligibility for, any such homebuyer assistance program.

10. Deed Restrictions. Concurrently with the closing of the initial sale of each Workforce Housing Unit, Developer shall execute and cause to be recorded with the Salt Lake County Recorder a Declaration of Moderate Income Housing Deed Restrictions in substantially the form attached as Exhibit C (each, a "**Declaration**"), covering the applicable Workforce Housing Unit. Each Declaration shall run with the land and shall remain in effect for a period of up to sixteen (16) years from the date it is recorded. The Agency shall not record a Declaration against any residential unit within the Project other than a designated Workforce Housing Unit as to which the Agency Contribution has been made.

10.1 No Clouding of Title. Nothing in this Agreement shall be construed to encumber, or to create any lien or restriction upon, any portion of the Property other than a designated Workforce Housing Unit that is subject to a recorded Declaration. Upon request by Developer, the Agency shall promptly execute and deliver such instruments as may reasonably be required to confirm that a residential unit within the Project is not subject to this Agreement or to any Declaration.

11. Substitution and Release of Units. If, after Developer has complied in good faith with Sections 3 and 4 with respect to a designated Workforce Housing Unit, the sale of that Unit to a Qualified Purchaser has not closed within one hundred twenty (120) days after the Availability Date for that Unit, then Developer may (a) sell that Unit free of the requirements of this Agreement and free of the deed restrictions described in Section 10, and (b) designate a replacement Workforce Housing Unit in the same or a subsequent phase of the Project, which replacement Unit shall thereafter be treated as a Workforce Housing Unit for all purposes of this Agreement. The designation of a replacement Unit shall be made by written notice to the Agency and shall be accompanied by a supplement to Exhibit B. Developer's obligations under this Agreement are satisfied in full upon the closing of the sale of thirty (30) Workforce Housing Units to Qualified Purchasers in accordance with this Agreement, or upon such lesser number as results from the operation of Section 7.3.

12. Marketing and Outreach. The Agency shall use reasonable efforts to announce and publicize the availability of the Workforce Housing Units to members of the Essential Workforce in the City of Taylorsville, as defined in Section 2.2 above, and solicit interest from such prospective purchasers as contemplated by Exhibit D. Developer shall include reasonable information regarding the workforce housing program in its sales materials for the Project and shall make its sales staff reasonably available to prospective purchasers referred by the Agency. Neither Party shall use the other Party's name, logo, or marks in any advertising or marketing materials without that Party's prior written consent, except to describe the workforce housing program factually.

13. Term. This Agreement shall commence on the Effective Date and shall continue until the date on which Developer's obligations are satisfied in full as described in Section 11. The expiration or termination of this Agreement shall not affect the continued validity of any Declaration then of record, which shall remain in effect according to its terms, and shall not affect any obligation of a Party that accrued before such expiration or termination.

14. Satisfaction of Development Agreement Obligation. The Parties acknowledge and agree that Developer's performance of its obligations under this Agreement constitutes full satisfaction of the moderate-income housing obligations under the Development Agreement. Nothing in this Agreement modifies or diminishes the vested rights granted to Developer under the Development Agreement.

15. Contingency of Property Acquisition. Notwithstanding any other provision to the contrary in this Agreement, this Agreement shall not take effect unless and until the Developer (or an entity owned or controlled by Developer) completes a purchase of the Property described in Exhibit A. If the Developer does not acquire those three privately owned parcels within six (6) months after the date of execution of this Agreement by the parties hereto, this Agreement shall be null and void, and neither party shall have any obligations or rights hereunder.

16. Notices. Any notice or demand required or permitted under this Agreement shall be in writing and shall be validly given if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, or sent by Federal Express or other similar courier service keeping records of deliveries and attempted deliveries, addressed as set forth below. Service by mail or courier shall be conclusively deemed made on the first business day delivery is attempted. A Party may change its address for notice by written notice given in the manner provided in this Section.

If to Owners or Developer:

Edge Homes Utah, LLC
13702 South 200 West, B-12
Draper, Utah 84020
Attn: Steve Maddox, CEO

If to the Agency:

Community Redevelopment Agency of City of Taylorsville
2600 W. Taylorsville Blvd.
Taylorsville, Utah 84129
Attn: Executive Director

GENERAL PROVISIONS

17. Complete Agreement; Modifications. This Agreement, and the attached Exhibits and documents referred to herein or executed contemporaneously herewith, constitute the entire agreement between the Parties with respect to the subject matter hereof, and may not be amended, altered, or modified except in a writing signed by the Parties. This Agreement supersedes all prior written, and all prior or contemporaneous oral, agreements, representations, warranties, statements, promises, and understandings with respect to the subject matter hereof; provided that this Agreement does not supersede or modify the Development Agreement.

18. Further Instruments. The Parties shall execute any and all other documents or instruments that may be necessary or required to carry out and effectuate all of the provisions hereof without any further cost and within a reasonable time.

19. Development Agreement. Nothing in this Agreement modifies, supersedes, or waives any requirement of the Development Agreement or any applicable land use approval. Except as expressly provided herein, Developer shall remain responsible for satisfying its obligations under the Development Agreement independently of the Agency's obligations under this Agreement.

20. Counterparts. This Agreement may be executed in any number of counterparts, and by electronic transmission, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

21. **Alterations and Waivers.** The waiver, amendment, or modification of any provision of this Agreement or of any right, power, or remedy hereunder, whether by agreement of the Parties or by custom, course of dealing, or trade practice, shall not be effective unless in writing and signed by the Party against whom enforcement of such waiver, amendment, or modification is sought. No failure or delay by any Party in exercising any right, power, or remedy with respect to any of the provisions of this Agreement shall operate as a waiver of such provisions with respect to such failure or delay.
22. **Authority.** Each Party, by signing hereunder, represents and warrants that it has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and that those executing this Agreement on its behalf are duly authorized to do so.
23. **Time is of the Essence.** Time is of the essence in the performance of all obligations under this Agreement.
24. **Successors and Assigns.** This Agreement is to inure to the benefit of, and is binding upon, the Parties and their respective successors and permitted assigns.
25. **Assignment.** Neither Party may assign its rights, obligations, or interest in this Agreement to any other person or entity without first obtaining the prior written consent of the other Party, which consent may be given or withheld in that Party's sole discretion; provided, however, that Developer may assign this Agreement, in whole or in part, without the Agency's consent to (a) any entity that controls, is controlled by, or is under common control or ownership with Developer, or (b) any successor owner or developer of all or a portion of the Property that assumes in writing the assigning Party's obligations under this Agreement with respect to the portion of the Property so acquired. Developer shall give the Agency written notice of any such permitted assignment.
26. **No Partnership or Joint Venture.** Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, or agency relationship between the Parties, or to render either Party liable for the debts or obligations of the other.
27. **Change in Law.** If, after the Effective Date, any change in applicable federal or state law, regulation, judicial decision, or binding governmental interpretation materially affects the ability of either Party to perform its obligations under this Agreement, the Parties shall cooperate in good faith and use reasonable efforts to modify the administration or implementation of the Housing Program in a manner that preserves, to the greatest extent reasonably practicable, the economic terms, public purposes, and intended benefits of this Agreement while complying with applicable law. No Party shall be required to take any action or expend any funds in violation of applicable law. If the Parties are unable, after reasonably good faith efforts, to identify a lawful means of substantially accomplishing the affected purpose of this Agreement, the affected obligation shall be suspended or modified only to the extent necessary to comply with applicable law, and all unaffected provisions of this Agreement shall remain in full force and effect.

28. Governmental Immunity. The Agency does not waive, and expressly retains, all rights, protections, and defenses available to it under the Governmental Immunity Act of Utah, UCA § 63G-7-101 et seq.

29. Mutual Indemnification. To the fullest extent permitted by applicable law, each Party shall indemnify, defend, and hold harmless the other Party and its respective officers, officials, employees, agents, and representatives from and against any third party claims, liabilities, damages, losses, costs, and expenses, including reasonable attorneys' fees, to the extent arising from the negligent or wrongful acts or omissions of the indemnifying Party or its officers, employees, agents, contractors, or representatives in connection with this Agreement. Nothing in this Section shall require either Party to indemnify the other for the negligence, willful misconduct, or breach of this Agreement by the Party seeking indemnification. The Agency's obligations under this Section are subject to the Utah Governmental Immunity Act and other applicable law, and nothing herein shall be construed as a waiver of any immunity, defense, limitation of liability, or other protection available to the Agency or the City under applicable law.

30. Limitation of Damages. Neither Party shall be liable to the other for any indirect, incidental, special, exemplary, punitive, or consequential damages, including lost profits, lost business opportunities, or loss of anticipated economic benefit, arising out of or relating to this Agreement, regardless of the theory of liability. This limitation shall not restrict either Party's right to specific performance or other equitable relief, nor shall it limit any obligation to make, return, reimburse, or repay amounts expressly required to be paid, returned, reimbursed, or repaid under this Agreement.

31. Attorneys' Fees. If either Party commences an action or proceeding to enforce or interpret this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs incurred in such action or proceeding, including on appeal.

32. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of Utah. Venue for any action arising out of this Agreement shall be the Third Judicial District Court for Salt Lake County, State of Utah.

33. Severability. If any provision of this Agreement is held to be invalid or unenforceable under applicable law, that provision shall be ineffective only to the extent of such invalidity or unenforceability, without invalidating the remaining provisions of this Agreement.

34. Incorporation of Exhibits and Recitals. The Exhibits attached hereto and the Recitals set forth above are incorporated into and are part of this Agreement as if fully set forth herein.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

"DEVELOPER"

EDGE HOMES UTAH, LLC,
a Utah limited liability company

By: _____

Name: _____

Title: _____

"AGENCY"

REDEVELOPMENT AGENCY OF CITY OF TAYLORSVILLE,
a political subdivision of the State of Utah

By: _____

Name: _____

Title: _____

ATTEST:

Agency Secretary

APPROVED AS TO FORM AND LEGALITY:

Agency / City Attorney

EXHIBIT A
Map of the Project



EXHIBIT B

Workforce Housing Units and Maximum Initial Purchase Prices

Pursuant to Section 1.1 of the Agreement, the following residential units within the Project are designated as Workforce Housing Units. This Exhibit B shall be supplemented by Developer from time to time until thirty (30) Workforce Housing Units have been designated in the aggregate. In the absence of a stated Maximum initial purchase price below, the Maximum initial purchase price shall be the same price as a comparable unit within this Project that is offered for sale to the general public.

Phase 1

Unit ____ (Lot ____, _____ plan): \$_____ Maximum initial purchase price

Unit ____ (Lot ____, _____ plan): \$_____ Maximum initial purchase price

Unit ____ (Lot ____, _____ plan): \$_____ Maximum initial purchase price

Unit ____ (Lot ____, _____ plan): \$_____ Maximum initial purchase price

Unit ____ (Lot ____, _____ plan): \$_____ Maximum initial purchase price

Unit ____ (Lot ____, _____ plan): \$_____ Maximum initial purchase price

[Insert unit/lot numbers, floor plan, address, Salt Lake County tax identification number, and maximum initial purchase price for each designated Unit. Add rows and additional phase headings as Units are designated.]

For any Workforce Housing Unit as to which construction has not commenced as of the date the Unit is designated on this Exhibit B (or a supplement hereto), the maximum initial purchase price may be adjusted upward based on increases in actual development and construction costs arising after the date of designation, provided that any such adjustment shall not exceed ten percent (10%) of the price listed above for that Unit, all as more particularly provided in Section 1.3 of the Agreement.

EXHIBIT C

Form of Declaration of Moderate-Income Housing Deed Restrictions

[Attach the form of Declaration of Moderate-Income Housing Deed Restrictions]

EXHIBIT D

Purchaser Qualifications and Selection Procedures

Developer shall administer the marketing, qualification, selection, and sale of the thirty (30) Workforce Housing Units contemplated by the Agreement, subject to the eligibility requirements and other provisions of the Agreement, in accordance with the following procedures:

1. Essential Workforce Preference. Developer shall use reasonable, good faith efforts to market the Workforce Housing Units to Essential Workforce Qualified Purchasers, as defined in Section 2.3 of the Agreement, with the objective of maximizing homeownership opportunities for individuals employed in occupations providing essential services to the community. Such preference shall not preclude the sale of a Workforce Housing Unit to another Qualified Purchaser who satisfies the eligibility requirements of the Agreement, subject to the applicable provisions of Section 4.

2. Marketing and Outreach. Developer shall be primarily responsible for advertising and marketing the Workforce Housing Units and identifying prospective purchasers. The Agency may cooperate with Developer and its designated lender in publicizing the availability of Workforce Housing Units, distributing information concerning the Housing Program, and identifying or referring potentially eligible households, particularly members of the Essential Workforce. The Agency shall have no obligation to identify prospective purchasers, solicit applications, maintain waiting lists, or administer individual sales transactions.

3. Independent Qualification. Eligibility of prospective purchasers shall be determined by First Colony Mortgage or another qualified lender or independent third-party administrator in accordance with Section 2.4 of the Agreement. Such determination shall include verification of applicable household income requirements, restrictions concerning ownership of other residential property, and Essential Workforce employment qualifications, when applicable. The qualifying lender or administrator shall provide written certification identifying whether the prospective purchaser satisfies the requirements of a Qualified Purchaser and, when applicable, an Essential Workforce Qualified Purchaser. Developer and the Agency may rely upon such certification without independently reviewing or retaining the underlying financial documentation, absent actual knowledge of a material inaccuracy.

4. Mortgage Prequalification. Each prospective purchaser shall obtain mortgage prequalification or provide other evidence reasonably satisfactory to Developer establishing the purchaser's financial ability to acquire the applicable Workforce Housing Unit. Developer may require purchasers seeking Developer sponsored mortgage financing incentives to complete the applicable underwriting process through First Colony Mortgage or another lender designated by Developer. Such underwriting requirements shall not independently alter the eligibility standards established by the Agreement.

5. Purchaser Selection and Sale. Developer shall select purchasers from among applicants satisfying the applicable eligibility requirements and shall administer purchase contracts and closings

in accordance with Sections 3 and 4 of the Agreement. The Agency shall not be responsible for selecting or approving individual purchasers. Before disbursement of any Agency Contribution, Developer shall deliver to the Agency the applicable written eligibility certification, confirmation of the corresponding Developer Credit, and documentation reasonably necessary to establish satisfaction of the funding conditions specified in the Agreement. The Agency shall retain authority to determine whether the contractual and legal conditions governing expenditure of Agency funds have been satisfied.

6. Subsequent Purchasers. The Agency may, in its sole discretion, establish, administer, or participate in a separate qualification or housing assistance program for subsequent purchasers of Workforce Housing Units, including the designation of a qualified independent third-party administrator to verify purchaser eligibility and administer available assistance. Any such program shall comply with applicable law and recorded deed restrictions, shall be subject to the availability of legally authorized funds, and shall not impose additional financial or administrative obligations upon Developer without Developer's written consent. Nothing in this Section shall modify or diminish any obligation expressly established elsewhere in the Agreement concerning repayment or subsequent application of Agency Contributions.