

11368381

WHEN RECORDED RETURN TO:
Redevelopment Agency of Salt Lake City
Attn: Executive Director
451 South State Street, #418
P.O. Box 145518
Salt Lake City, Utah 84114-5518
MNT 18589

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4/11/2012 2:12:00 PM \$66.00
Book - 10007 Pg - 6485-6513
Gary W. Ott
Recorder, Salt Lake County, UT
METRO NATIONAL TITLE
BY: eCASH, DEPUTY - EF 29 P.

HOUSING RENT RESTRICTION AGREEMENT

Dated as of April 11, 2012

between

TANNACH PROPERTIES, L.L.C.,
a Utah limited liability company
("Owner")

and

THE REDEVELOPMENT AGENCY OF SALT LAKE CITY,
a public agency
("Agency")



HOUSING RENT RESTRICTION AGREEMENT

THIS HOUSING RENT RESTRICTION AGREEMENT (this "Agreement") is entered into as of April 11, 2012, by and between the Redevelopment Agency of Salt Lake City, a public agency (the "Agency"), and Tannach Properties, L.L.C., a Utah limited liability company (the "Owner").

WITNESSETH:

WHEREAS, pursuant to that certain Purchase and Sale Agreement dated as of July 27, 2010 (as amended, the "Purchase Agreement"), on the date hereof the Owner purchased from the Agency certain property in Salt Lake City, Utah more particularly described therein (the "Project Property");

WHEREAS, in connection with the purchase of the Project Property and as required by the Purchase Agreement, the Owner and the Agency entered into that certain Development Agreement of even date herewith that was recorded prior to this Agreement (the "Development Agreement"), pursuant to which the Owner has agreed to construct on the Project Property a mixed-use project intended in part for rental to persons of low and moderate income (as more particularly described therein, the "Project");

WHEREAS, pursuant to that certain Declaration for The Plaza at State Street, a Mixed Use Condominium Development, and recorded prior to this Agreement (the "Declaration") and that certain Record of Survey Map and recorded prior to this Agreement, the Project Property has been divided into three Condominiums, including Unit 1, which is the Residential Unit (as such terms are defined in the Declaration) and which is legally described on Exhibit A attached hereto (the "Restricted Property");

WHEREAS, as a condition to selling the Project Property to the Owner pursuant to the Purchase Agreement, the Agency has required that the Owner execute this Agreement so that a portion of the completed Project Property will provide housing for rental to persons of low and moderate income, as provided herein;

WHEREAS, as part of the financing of the Restricted Property, Utah Housing Corporation (the "Issuer") is issuing certain bonds (as defined below, the "Bonds"), the proceeds of which will be used to make a loan to the Owner (as defined below, the "Mortgage Loan");

WHEREAS, as a condition of making the Mortgage Loan, the Issuer required that the Owner enter into that certain Tax Regulatory Agreement of even date herewith that will be recorded after this Agreement (the "Regulatory Agreement");

NOW, THEREFORE, the Owner does hereby impose upon the Restricted Property the following covenants, restrictions, charges and easements, which shall run with the land and shall be binding and a burden upon the Restricted Property and all portions thereof, and upon any purchaser, grantee, developer or lessee of any portion of the Restricted Property and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and

assigns of any purchaser, grantee, company or lessee of any portion of the Restricted Property and any other person or entity having any right, title or interest therein, for the length of time that this Agreement shall be in force and effect.

Section 1. **Definitions.** Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the terms defined above shall have the meanings set forth above and the following terms shall have the respective meanings set forth below for the purposes hereof:

“Area” means the Salt Lake City, UT HUD Metro FMR Area or such other area as may be designated by HUD in which the Restricted Property is located.

“Area Median Gross Income” means, as of any date, the median gross income for the Area as most recently determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, (or if such program is terminated, under such program as in effect immediately before such termination). Except for any HUD Hold Harmless Impacted Project, as defined in Code section 142(d)(2)(E)(iv), any determination of Area Median Gross Income with respect to the Restricted Property for any calendar year after 2008 shall not be less than the Area Median Gross Income determined with respect to the Restricted Property for the calendar year preceding the calendar year for which such determination is made. Special rules for determining the Area Median Gross Income for calendar years after 2008 for HUD Hold Harmless Impacted Projects are set forth in Code section 142(d)(2)(E)(iv).

“Bonds” means the Utah Housing Corporation Mortgage Revenue Bonds (State Street Plaza Project) Series 2012, authorized by, and at any time outstanding pursuant to, the Indenture.

“Certificate of Completion” has the meaning set forth in the Development Agreement.

“Code” means the Internal Revenue Code of 1986, as amended; each reference to the Code shall be deemed to include (a) any successor internal revenue law and (b) the applicable regulations whether final, temporary or proposed under the Code or such successor law. Any reference to a particular provision of the Code shall be deemed to include (a) any successor provision of any successor internal revenue law and (b) the applicable regulations, whether final, temporary or proposed, under such provision or successor provision.

“Completed Units” means Residential Units that are occupied and Residential Units that are unoccupied but have been leased at least once after becoming available for occupancy.

“Floor Plans” means the floor plans for the Restricted Property shown on Exhibit B attached hereto that depict the layout of the Residential Units.

“Functionally Related and Subordinate” shall mean and include facilities for use exclusively by tenants, for example, swimming pools, other recreational facilities,

parking areas and other facilities which are reasonably required for the Restricted Property, for example, heating and cooling equipment, trash disposal equipment and units for resident managers or maintenance personnel; provided that the same are of a character and size commensurate with the character and size of the Restricted Property and, as to size, does not exceed that necessary to service the requirements of the residents of the Restricted Property.

“Income” means the anticipated total annual income of the individuals or family, determined in a manner consistent with determinations of lower income families by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such termination). Subsection (g) and (h) of Code section 7872 shall not apply in determining income hereunder.

“Indenture” means the Trust Indenture between the Issuer and the Trustee pursuant to which the Bonds were issued by the Issuer.

“Issuer” means Utah Housing Corporation and its successors.

“Low Income Tenants” means, with respect to the types of Residential Units listed below, individuals or families whose Income does not exceed the percentage of the Area Median Gross Income listed below next to such type of Residential Unit. Determinations under the preceding sentence shall include adjustments for family size. If all occupants of a Residential Unit are or will be full-time students during five calendar months of the calendar year at an educational institution (other than a correspondence school) with regular faculty and students, such occupants shall not be considered to be Low Income Tenants unless all such students are either (i) married and eligible to file a joint federal income tax return or (ii) single parents and their children and such parents and children are not dependents of another individual or (ii) receiving assistance under Title IV of the Social Security Act (including AFDC/TANF) or the Job Training Partnership Act or under similar Federal, State, or local laws, or were previously under the care and placement responsibility of the State agency responsible for administering a plan under Part B or part E of Title IV of the Social Security Act (foster care assistance). For purposes of determining Low Income Tenants the combined Income of all occupants of a Residential Unit, whether or not legally related, shall be utilized.

<u>Units</u>	<u>Type</u>	<u>Income Limits</u>
10	Studio apartments	40% of Area Median Gross Income
30	1-bedroom units	55% of Area Median Gross Income
24	1-bedroom units	60% of Area Median Gross Income
35	2-bedroom units	60% of Area Median Gross Income
10	3-bedroom units	50% of Area Median Gross Income
20	3-bedroom units	60% of Area Median Gross Income
7	4-bedroom units	60% of Area Median Gross Income

“Mortgage Loan” means the mortgage loan made to the Owner from proceeds of the Bonds for the purpose of providing funds to the Owner to finance the acquisition, construction and equipping of the Restricted Property.

“Owner” means Tannach Properties, L.L.C., a Utah limited liability company, and its respective successors and assigns with respect to the ownership of the Restricted Property.

“Required Rental Period” means a period beginning on the first date on which at least 10% of all of the Residential Units in the Restricted Property are first occupied and ending on the date which is 15 years after the date on which the Agency issues the Certificate of Completion pursuant to the Development Agreement.

“Residential Units” or “Units” means the residential units of multifamily residential housing comprising the Restricted Property.

“Treasury Regulations” means the regulations of the Department of the Treasury, Internal Revenue Service under Section 142(d) of the Code or predecessor Code sections, including, Regulation Section 1.103-8(b).

“Trustee” means U.S. Bank National Association, the trustee under the Indenture.

Section 2. Residential Rental Property. The Owner hereby agrees that the Restricted Property shall be owned, managed and operated as a “qualified residential rental project” as such phrase is utilized in Section 142(d) of the Code. To that end the Owner hereby represents, covenants and agrees as follows:

(a) the Restricted Property shall be constructed and equipped as a qualified residential rental project, the Owner shall develop, own, manage and operate the Restricted Property as a qualified residential rental project containing residential units and facilities Functionally Related and Subordinate to such residential units, in accordance with Section 142(d) of the Code and related Treasury Regulations and each residential unit shall be similarly constructed and shall be rented or available for rental as required by Section 142(d) of the Code (residents being entitled to exclusive possession of such residential units);

(b) except as otherwise permitted by subsection (i) hereof, each Residential Unit in the Restricted Property contains complete and separate facilities for living, sleeping, eating, cooking (a cooking range, refrigerator and sink) and sanitation (including bathing) for a single person or a family;

(c) none of the Residential Units in the Restricted Property shall at any time be utilized on a transient basis; except as otherwise permitted by subsection (i) hereof, none of the Residential Units in the Restricted Property shall be leased or rented for a period of less than six months; none of the residents of the Restricted Property are residing at the Restricted Property for any ancillary purpose unrelated to housing (the Restricted Property being the sole residence of such residents during their occupancy); and neither the Restricted Property nor

any portion thereof shall be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, retirement home, sanitarium, rest home, trailer park or court or by a cooperative housing corporation (as defined in Section 216(b)(1) of the Code);

(d) preferential access to Residential Units will not be provided to any persons for use in connection with their trades or businesses and, once available for occupancy, each Residential Unit in the Restricted Property shall be rented or available for rental on a continuous basis to members of the general public during the Required Rental Period;

(e) the Residential Units in the Restricted Property shall be leased and rented to members of the general public in compliance with the Treasury Regulations and this Agreement;

(f) substantially all (i.e., not less than 95%) of the Restricted Property shall consist of proximate buildings or structures located on one or more contiguous tracts of land which have similarly constructed residential units financed pursuant to a common plan together with Functionally Related and Subordinate facilities, all of which shall be owned by the same "person" (as such term is used in the Treasury Regulations) for federal tax purposes;

(g) the Owner will not on the basis of age, sex, religion, race, color, creed, familial status, source of income, disability or national origin discriminate in the sale, lease or rental of any part of the Restricted Property, nor deny to any eligible applicant the opportunity to rent any Residential Unit in the Restricted Property on the basis of age, sex, religion, race, color, creed, familial status, source of income, disability or national origin. The Owner will not advertise or in any other way make statements to occupants or prospective occupants of the Restricted Property to the effect that occupancy is restricted, or in any other way limited by, age, sex, religion, race, color, creed, familial status, source of income, disability or national origin;

(h) no building or structure in the Restricted Property containing fewer than five Residential Units shall be occupied by the Owner or a related party (within the meaning of Section 1.103-10(e) of the Regulations) to the Owner; and

(i) notwithstanding anything contained herein to the contrary, any Residential Unit shall not fail to be treated as a residential unit in a "qualified residential rental project" merely because such unit is a single-room occupancy unit (within the meaning of Code section 42).

Section 3. Low Income Tenants. To the end of satisfying the requirements of Section 142(d) of the Code and related Treasury Regulations relating to income limits, the Owner hereby represents, covenants and agrees as follows:

(a) At all times during the Required Rental Period, one hundred thirty six (136) of the Completed Units in the Restricted Property shall be occupied solely by Low Income Tenants; provided that for purposes of satisfying such requirement, the following general principles shall apply:

(i) The determination of whether the income of a resident of a Residential Unit in the Restricted Property exceeds the applicable income limit shall be made at least annually on the basis of the current income of such resident. If the income of a resident of a Residential Unit in the Restricted Property did not exceed the applicable income limit upon commencement of such resident's occupancy of such unit (or as of the date of any prior determination under subsection (i) above), the income of such resident shall be treated as continuing to not exceed the applicable income limit; provided, however, the preceding sentence shall cease to apply to any resident whose income as of the most recent annual determination under subsection (i) above exceeds 140% of the applicable limit if after such determination, but before the next determination, any Residential Unit of comparable or smaller size in the Restricted Property is occupied by any resident whose income exceeds the applicable income limit. If credit is allowed under section 42 of the Code with respect to the Restricted Property, the proviso in the immediately preceding sentence shall be applied by substituting "building" (within the meaning of section 42) for "Restricted Property."

(ii) A Residential Unit which was occupied by a Low Income Tenant shall be treated as occupied by a Low Income Tenant until reoccupied, other than for a temporary period of not to exceed 31 days, at which time the character of the Residential Unit shall be redetermined.

(b) If necessary, the Owner shall refrain from renting Residential Units to persons other than Low Income Tenants in order to avoid violating the covenant set forth in Section 3(a) above.

(c) The Owner shall promptly deliver to the Agency a copy of each certification delivered to the Issuer and the Trustee pursuant to Section 3 of the Regulatory Agreement, together with such additional certifications as the Agency (which has no duty to so require) may reasonably require with respect thereto. The Owner shall verify that the income provided by an applicant is accurate by complying with Section 3(c) of the Regulatory Agreement.

(d) The Owner shall submit or cause to be submitted to the Secretary of Treasury (at such time and in such manner as the Secretary shall prescribe) the annual certification required by Section 142(d)(7) of the Code (currently IRS form 8703) as to whether the Restricted Property continues to meet the requirements of Section 142(d). Any failure to comply with the provisions of the preceding sentence may subject the Owner to penalties under the Code. The Owner shall deliver a copy of all annual certifications submitted to the Secretary

of Treasury, together with proof of mailing, to the Agency within 30 days of submission to the Secretary of Treasury.

(e) The Owner shall prepare and submit or cause to be prepared and submitted to the Agency on or before the first day of each January 1 and July 1 during the Required Rental Period beginning on the first day of January or July following the initial occupancy of any Residential Unit in the Restricted Property, a copy of the Certificate of Continuing Program Compliance delivered to the Issuer and the Trustee as required by Section 3(e) of the Regulatory Agreement. In the event the Owner is unable to deliver any Certificate of Continuing Program Compliance on a timely basis, the Owner shall furnish to the Agency a copy of the the detailed explanation of the reasons for such failure or inability to provide such Certificate of Continuing Program Compliance to the Issuer.

Section 4. Rent Restrictions; Inspection of Records; Floor Plans.

(a) At all times during the Required Rental Period, the Owner also covenants that the gross rent with respect to each Residential Unit in the Restricted Property occupied by a Low Income Tenant shall not exceed 30% of the imputed income limitation applicable to such Unit as determined in accordance with Section 42(g) of the Code. Determinations of the imputed income limitation shall include adjustments for family size. The Owner shall maintain records evidencing compliance with such requirement.

(b) The Agency may inspect all records of the Owner with respect to the Restricted Property upon reasonable written notice.

(c) The size and configuration of the Residential Units shall not be materially altered from the size and configuration shown on the Floor Plans.

Section 5. Covenants Run with the Land. The Owner hereby declares its express intent that the covenants, restrictions, charges and easements set forth herein shall be covenants running with the land and shall pass to and be binding upon the Owner's successors in title including any purchaser, grantee or lessee of any portion of the Restricted Property and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of the Owner and any purchaser, grantee, developer or lessee of any portion of the Restricted Property and any other person or entity having any right, title or interest therein. Each and every contract, deed or other instrument hereafter executed covering or conveying the Restricted Property or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument. No breach of this Agreement shall defeat, impair, render invalid, or otherwise affect the lien of a

deed of trust, mortgage or similar encumbrance upon the Restricted Property given in good faith and for value.

Section 6. Uniformity; Common Plan. The provisions hereof shall apply uniformly to the entire Restricted Property to establish and carry out a common plan for the use, development and improvement of the Restricted Property.

Section 7. Remedies; Enforceability. In the event of a violation or attempted violation of any of the provisions hereof, the Agency or any governmental entity succeeding to the Agency's functions may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, to recover monetary damages caused by such violation or attempted violation. The provisions hereof are imposed upon and made applicable to the Restricted Property and shall run with the land and shall be enforceable against the Owner and each purchaser, grantee, developer or lessee of the Restricted Property or any portion thereof of interest therein, at any time and from time to time, and the respective heirs, legal representatives, successors and assigns. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times. The Owner hereby agrees to pay, indemnify and hold the Agency and its officers, agents, directors and employees, and the successors and assigns of each of them, harmless from any and all costs, expenses and fees, including all reasonable attorneys' fees and expenses, which may be incurred by the Agency in enforcing or attempting to enforce this Agreement following any default on the part of the Owner hereunder, whether the same shall be enforced by suit or otherwise; together with all costs, fees and expenses which may be incurred in connection with any amendment to this Agreement.

Section 8. Amendment; Term; Termination.

(a) The Owner shall cause this Agreement to be duly recorded in the office of public records in the county where the Restricted Property is located as an encumbrance upon the Restricted Property.

(b) Except as otherwise set forth herein, this Agreement and the covenants made by the Owner herein shall remain in full force and effect until the expiration of the Required Rental Period and the provisions of this Agreement may not be amended or revised prior to such stated term, except by an instrument in writing duly executed by the Agency and the Owner and duly recorded.

(c) This Agreement shall terminate upon receipt of evidence satisfactory to the Agency that there has occurred an involuntary noncompliance caused by fire, seizure, requisition, change in federal law or action of a federal agency which prevents the Issuer from enforcing the Regulatory Agreement or condemnation, foreclosure, transfer of title by deed in lieu of foreclosure or similar event, but only if within a reasonable period thereafter the Bonds are paid in full and retired; provided, however, that the preceding provisions of this

sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time during the Required Rental Period subsequent to the termination of such provisions as the result of the foreclosure of the lien of the deed of trust securing the Mortgage Loan or the delivery of a deed in lieu of foreclosure or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an interest in the Restricted Property which constitutes an ownership interest therein for federal income tax purposes.

(d) In the event that the Owner intends to terminate the Regulatory Agreement for any reason, the Owner shall give written notice to the Agency at least one year in advance of such intended termination (the "Termination Notification"). In the event that the Agency receives a Termination Notification, and in the event that at such time the Agency desires to attempt to continue the affordability requirements in the Regulatory Agreement, the Owner agrees to cooperate with the Agency in exploring the possibility of obtaining financing that will allow such requirements to be continued. The Owner shall not be obligated to accept any such financing or to agree to continue such requirements. The obligation to provide the Termination Notification shall terminate upon the termination of the Regulatory Agreement; provided, however, that in the event that (i) the Owner fails to properly give the Termination Notification to the Agency and (ii) the Regulatory Agreement is terminated, then the definition of "Required Rental Period" in this Agreement shall automatically be amended without any further action on either party's part to provide that the Required Rental Period ends on the earlier of (A) one year after the Owner gives the Agency written notification that the Regulatory Agreement has been terminated and (B) the date that is fifty one (51) years after the date on which the Bonds are issued. During the one (1) year period specified in subsection (d)(A), the second and third sentences of this subsection (d) shall apply to the parties.

(e) Upon expiration or sooner termination of this Agreement and upon written request of the Owner or any lender, the Agency shall take such actions as shall be necessary upon the advice of its legal counsel to remove this Agreement from the public records relating to the Restricted Property.

Section 9. Sale or Transfer of the Restricted Property. The Owner intends to hold the Restricted Property for its own account, has no current plans to sell, transfer or otherwise dispose of the Restricted Property, and hereby covenants and agrees not to voluntarily sell, transfer or otherwise dispose of the Restricted Property, or any portion thereof without having first delivered to the Agency (i) reasonable evidence satisfactory to the Agency that the Owner's purchaser or transferee has assumed in writing and in full, the Owner's duties and obligations under this Agreement, acknowledgment of which shall be provided to the Owner at its request, (ii) an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Owner under this Agreement and that such obligations and this Agreement are legal, valid, binding and enforceable on the transferee, (iii) evidence acceptable to the Agency that either (A) the purchaser or assignee has experience in the ownership, operation and management of rental housing

projects such as the Restricted Property without any record of material violations of discrimination restrictions or other state or federal laws or regulations applicable to such projects, or (B) the purchaser or assignee has retained a property management firm with the experience and record described in subparagraph (A) above, and (iv) evidence acceptable to the Agency that no event of default exists under this Agreement. A voluntary sale by the Owner shall not include a transfer by deed in-lieu of foreclosure or comparable conversion of the Mortgage Loan. It is hereby expressly stipulated and agreed that any voluntary sale, transfer or other disposition of the Restricted Property in violation of the provisions of this Section 9 shall be null, void and without effect, shall cause a reversion of title to the Owner, and shall be ineffective to relieve the Owner of its obligations under this Agreement. Not less than 30 days prior to consummating any voluntary sale, transfer or disposition of any interest in the Restricted Property, the Owner shall deliver to the Agency a notice in writing explaining the nature of the proposed transfer.

Section 10. No Conflict with Other Documents. The Owner warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

Section 11. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 12. Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing, if to the Owner: Tannach Properties, L.L.C., c/o La Porte Properties, L.L.C., 313 South Maryfield Drive, Salt Lake City, Utah 84108, Attention: Ben Logue; and if to the Agency: Redevelopment Agency of Salt Lake City, 451 South State Street, #418, P.O. Box 145518, Salt Lake City, Utah 84145518, Attention: Executive Director.


Section 13. Governing Law. This Agreement shall be governed by the laws of the State of Utah.

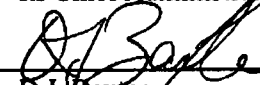
Section 14. Appendices and Rider. The appendices and Freddie Mac Rider attached hereto are hereby incorporated and made a part hereof. To the extent there is any conflict or inconsistency between the provisions of this Agreement and the attached Freddie Mac Rider, the provisions of the Freddie Mac Rider shall control.

Section 15. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective, duly authorized representatives, as of the day and year first written above.

REDEVELOPMENT AGENCY OF SALT LAKE CITY

By  _____
Ralph Becker
Its Chief Administrative Officer

By  _____
D.J. Baxter
Its Executive Director

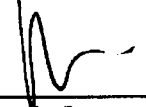
Approved as to legal form:

Jones, Waldo, Holbrook & McDonough, P.C.

By:  _____

TANNACH PROPERTIES, L.L.C.,
a Utah limited liability company

By: Tannach Management Group, LLC,
a Utah limited liability company
Its: Manager

By:  _____
Name: Benjamin Logue
Title: Manager

STATE OF UTAH)
: ss.

COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 7 day of April, 2012 by Ralph Becker, the Chief Administrative Officer of The Redevelopment Agency of Salt Lake City.



My Commission Expires:

Amy Gale
NOTARY PUBLIC
Residing at: County

STATE OF UTAH)
: ss.

COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 5th day of April, 2012 by D.J. Baxter, the Executive Director of The Redevelopment Agency of Salt Lake City.

My Commission Expires:

4/17/13

Carolyn I. Berger
NOTARY PUBLIC
Residing at: SL County



STATE OF UTAH)
: ss.

COUNTY OF SALT LAKE)

On the 9 day of April, 2012, before me, the undersigned Notary Public, personally appeared Benjamin Logue, who acknowledged himself to be the Manager of Tannach Management Group, LLC the Manager of Tannach Properties, L.L.C. and that he executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as such officer.

Keith W. Meade



EXHIBIT A

LEGAL DESCRIPTION

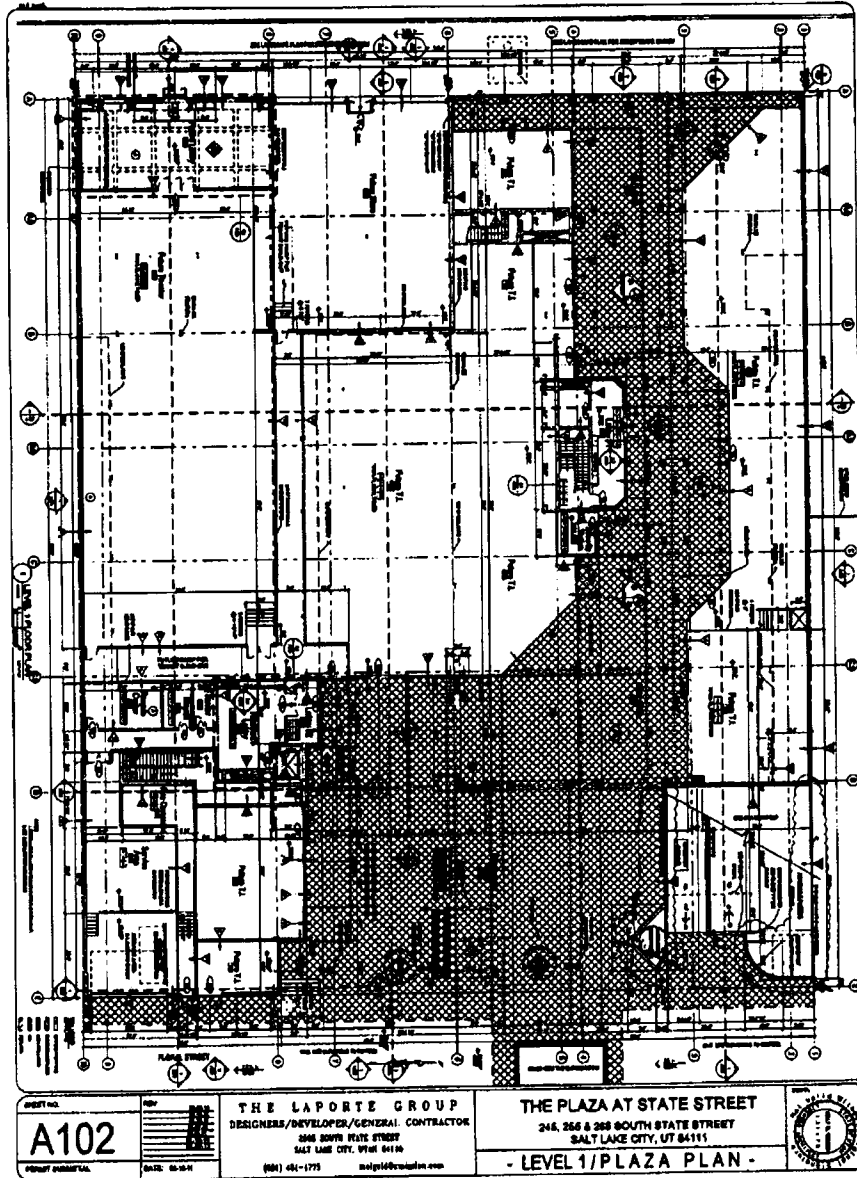
Real Property located in Salt Lake County, Utah, to wit:

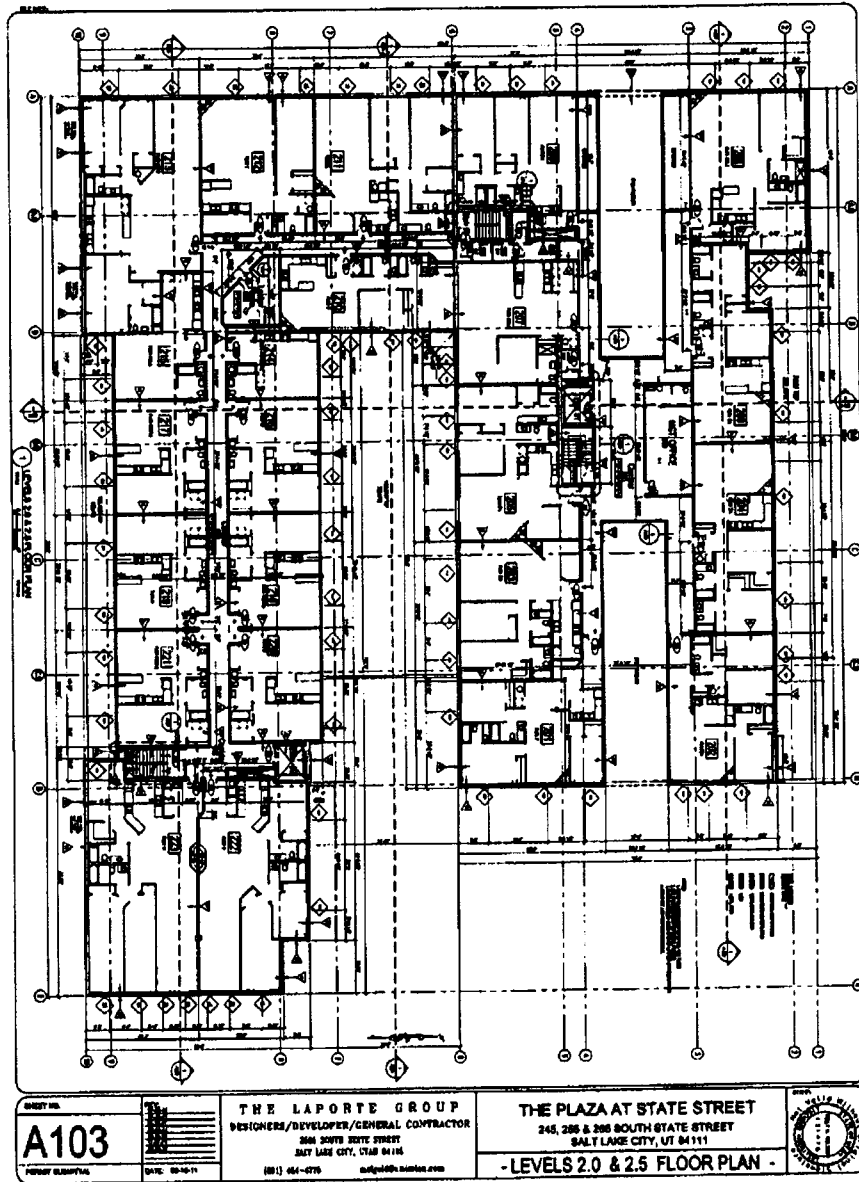
Unit 1, THE PLAZA AT STATE STREET, a Utah Mixed Use Condominium Project, as the same is identified in the Declaration dated March 30, 2012 and recorded on April 11, 2012 as Entry No. 11368184, in Book 10007 at Page 5398 of the official records of the Salt Lake County Recorder (as said Declaration may heretofore have been amended or supplemented), and in the Record of Survey Map, dated February 7, 2012 and recorded on April 11, 2012 as Entry No. 11368183 of the official records of the Salt Lake County Recorder (as said Record of Survey Map may heretofore have been amended or supplemented); TOGETHER WITH the Limited Common Areas, if any, and the undivided interest in the Common Areas appurtenant to such Unit, as more particularly described in said Declaration. Said Declaration covers, among other things, certain real property located in Salt Lake County, Utah, described as follows:

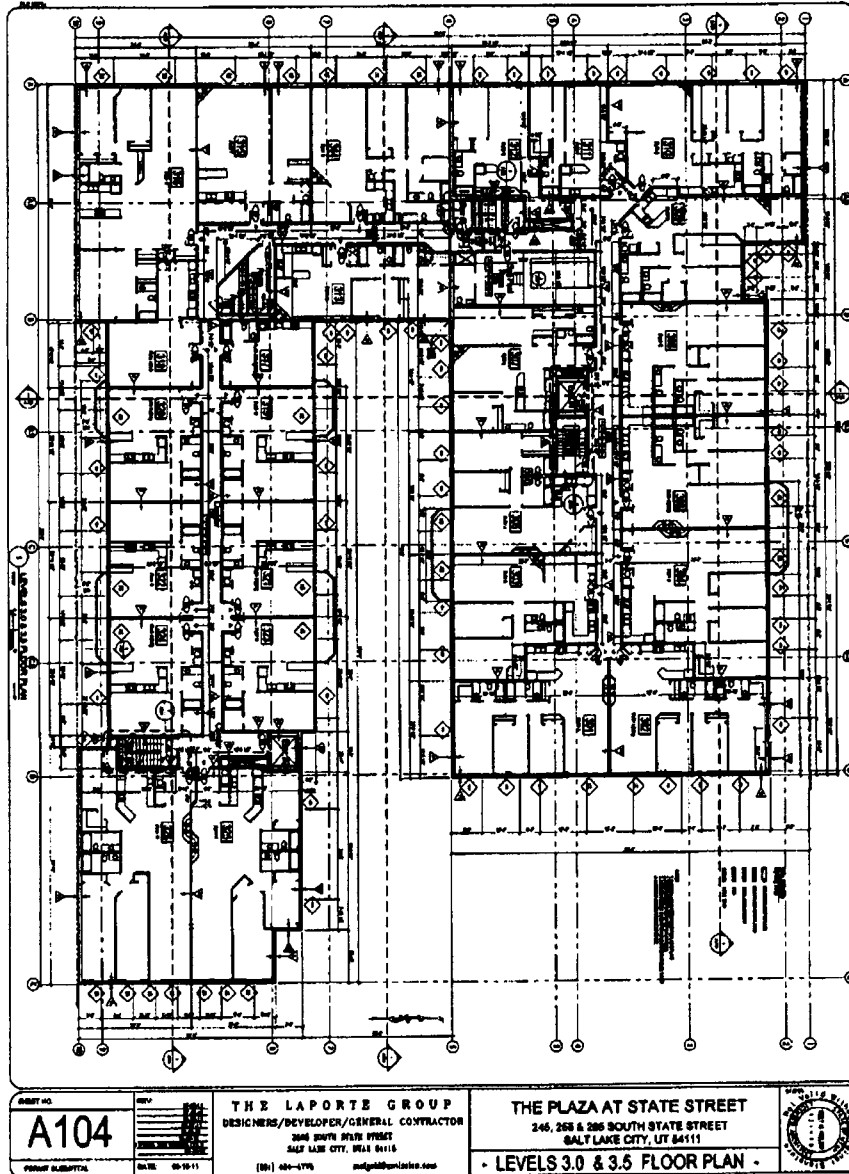
Tax Parcel No. 16-06-194-002

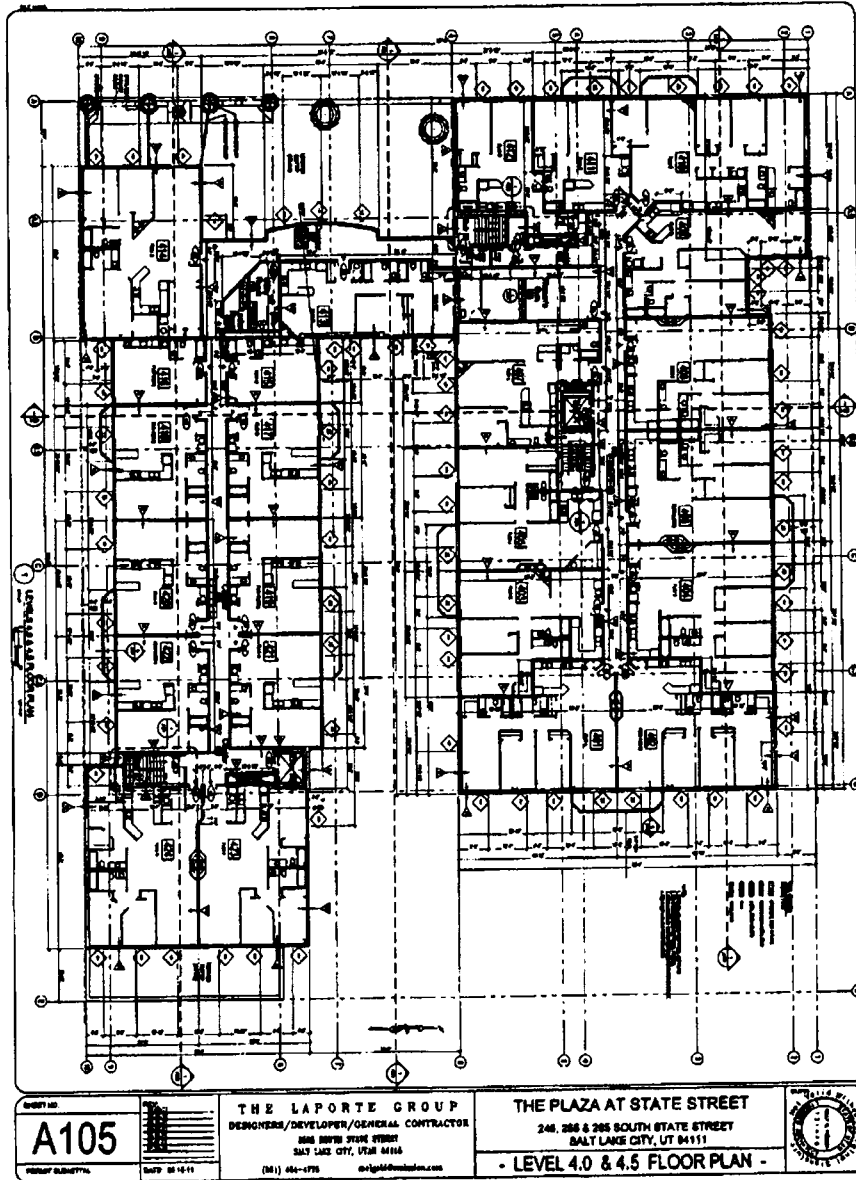
EXHIBIT B

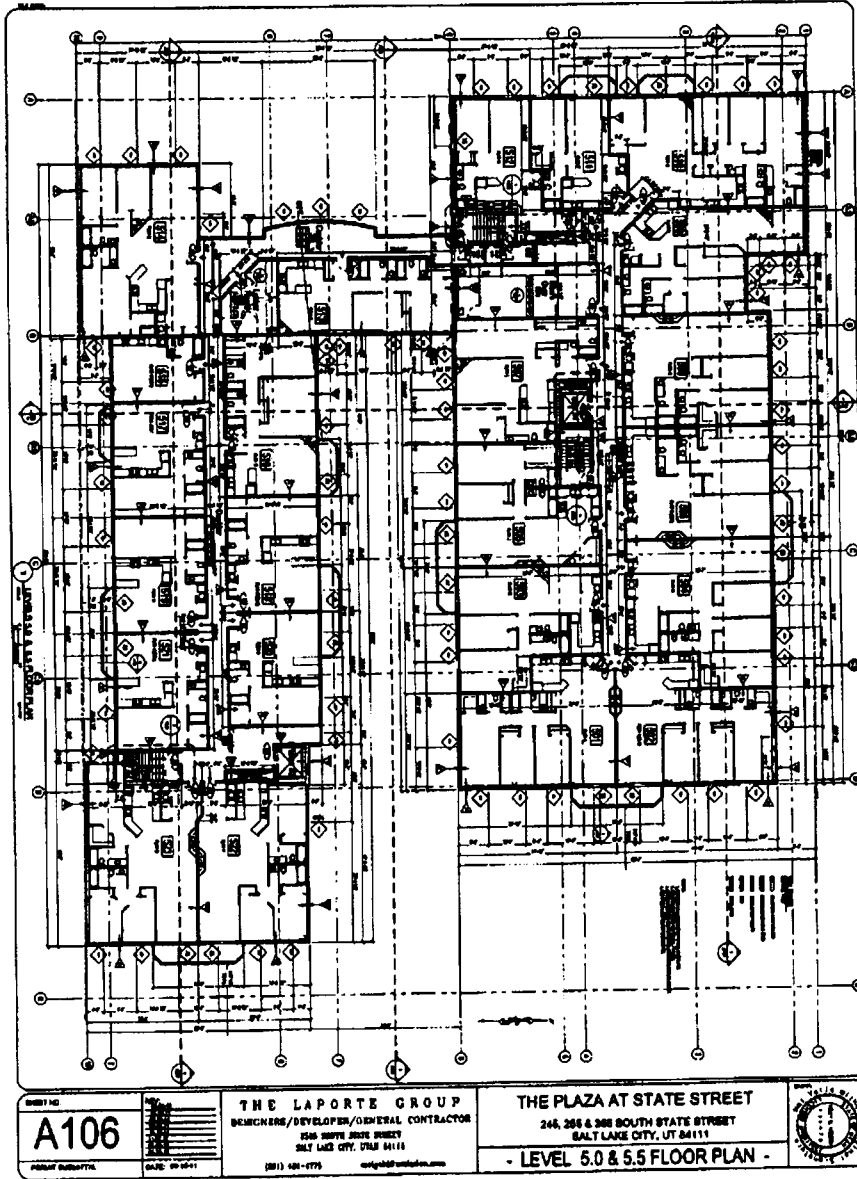
FLOOR PLANS

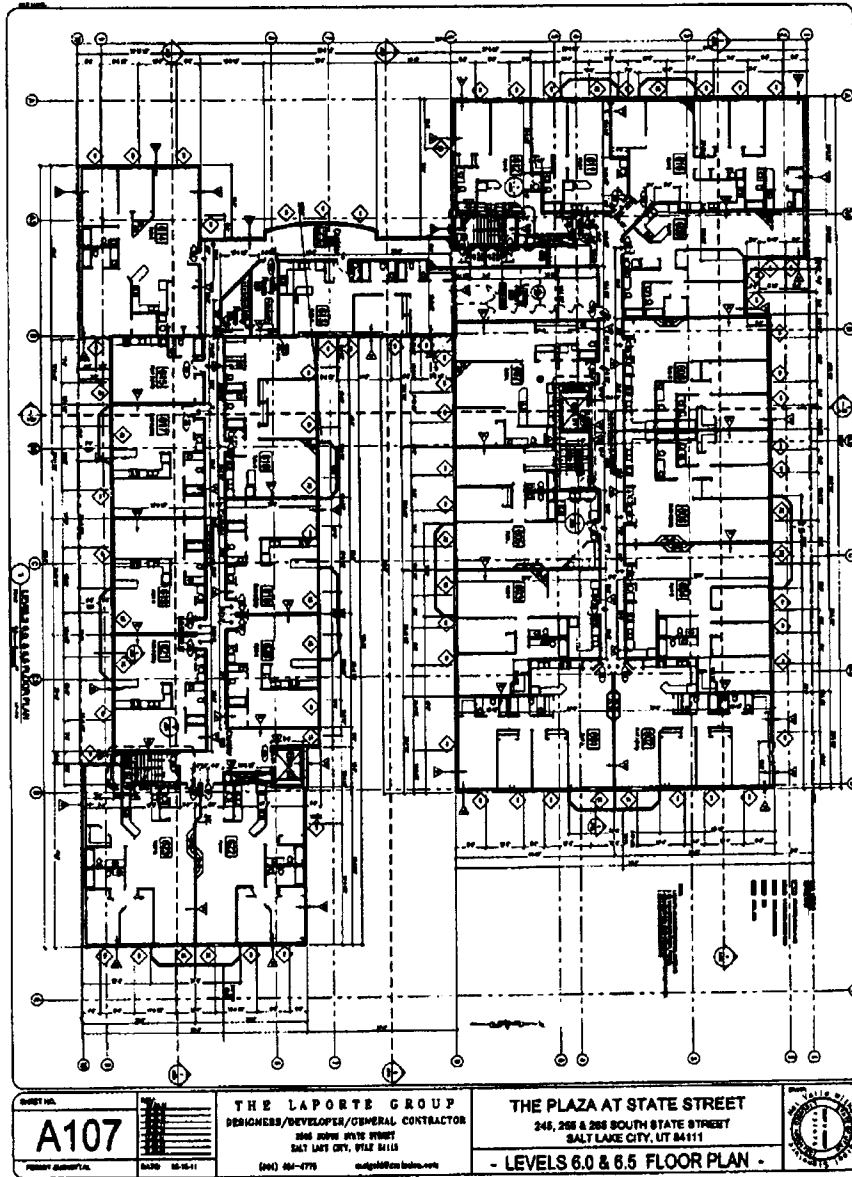


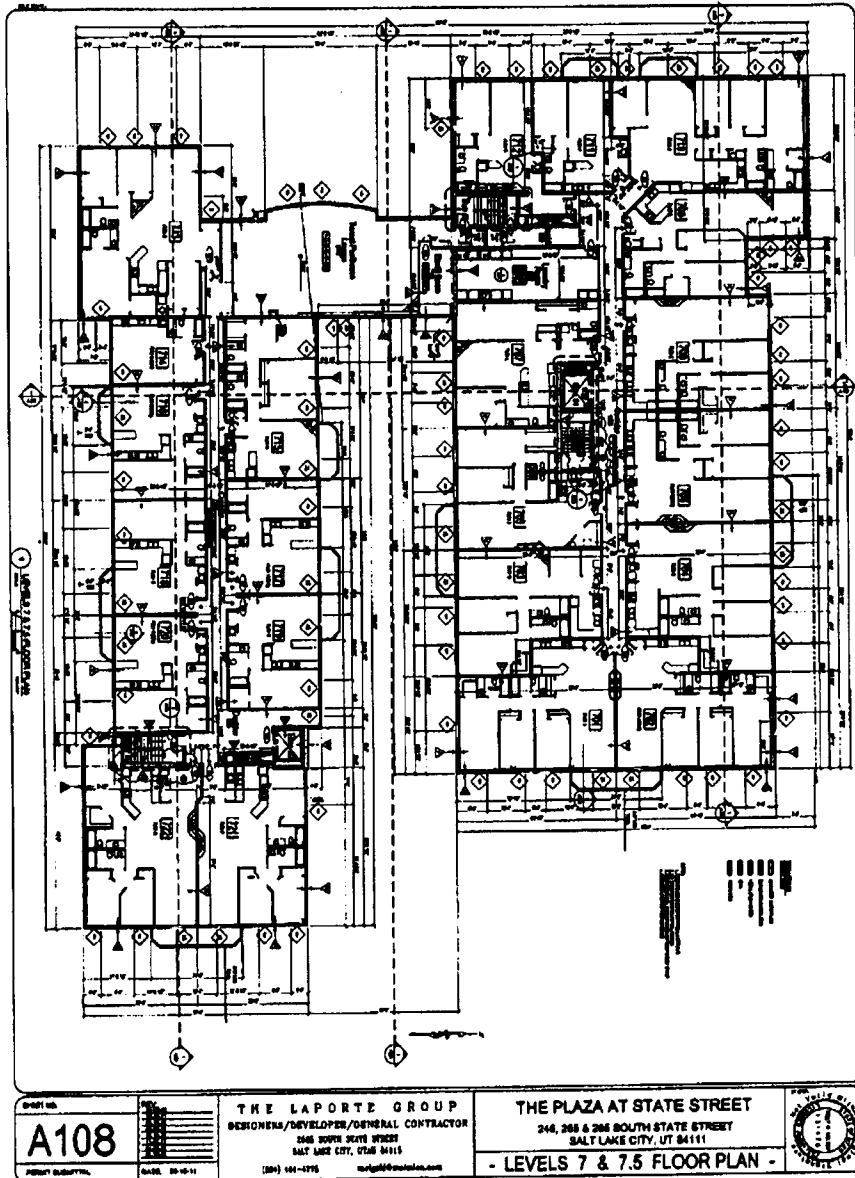


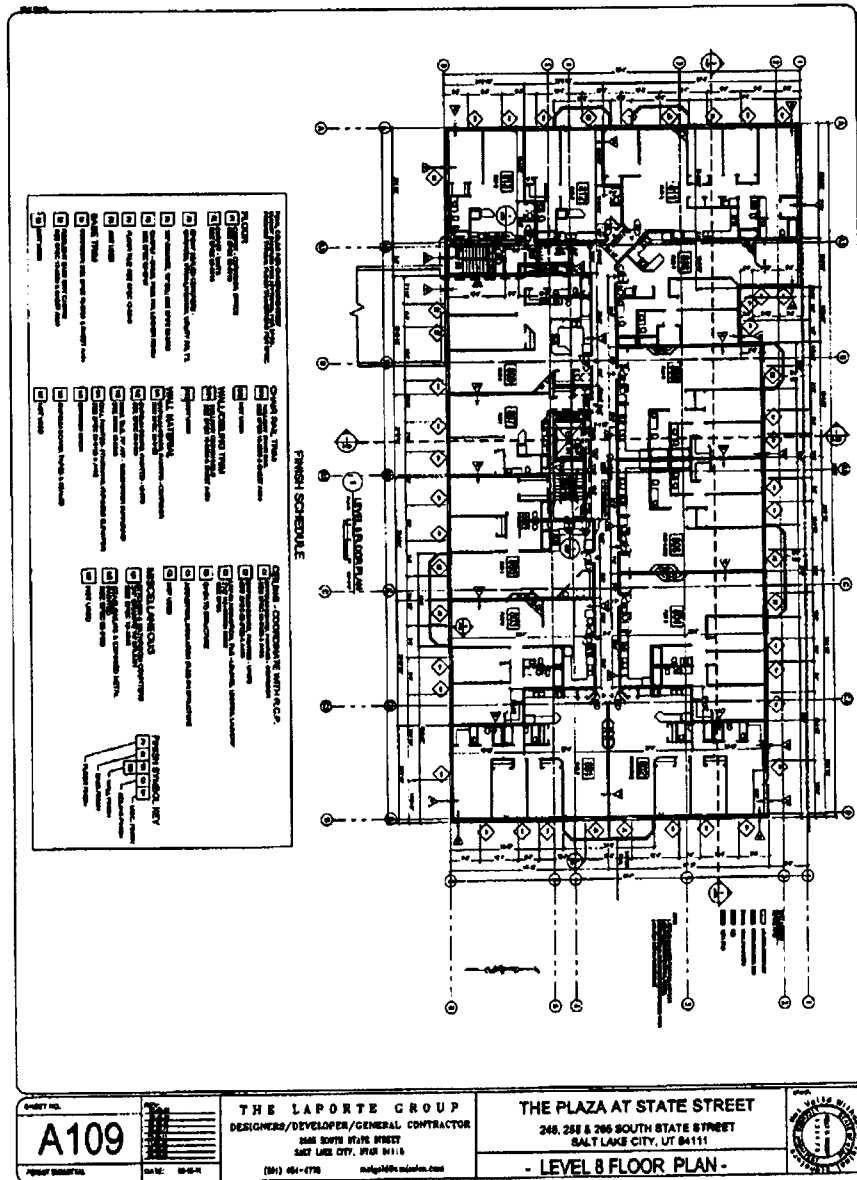


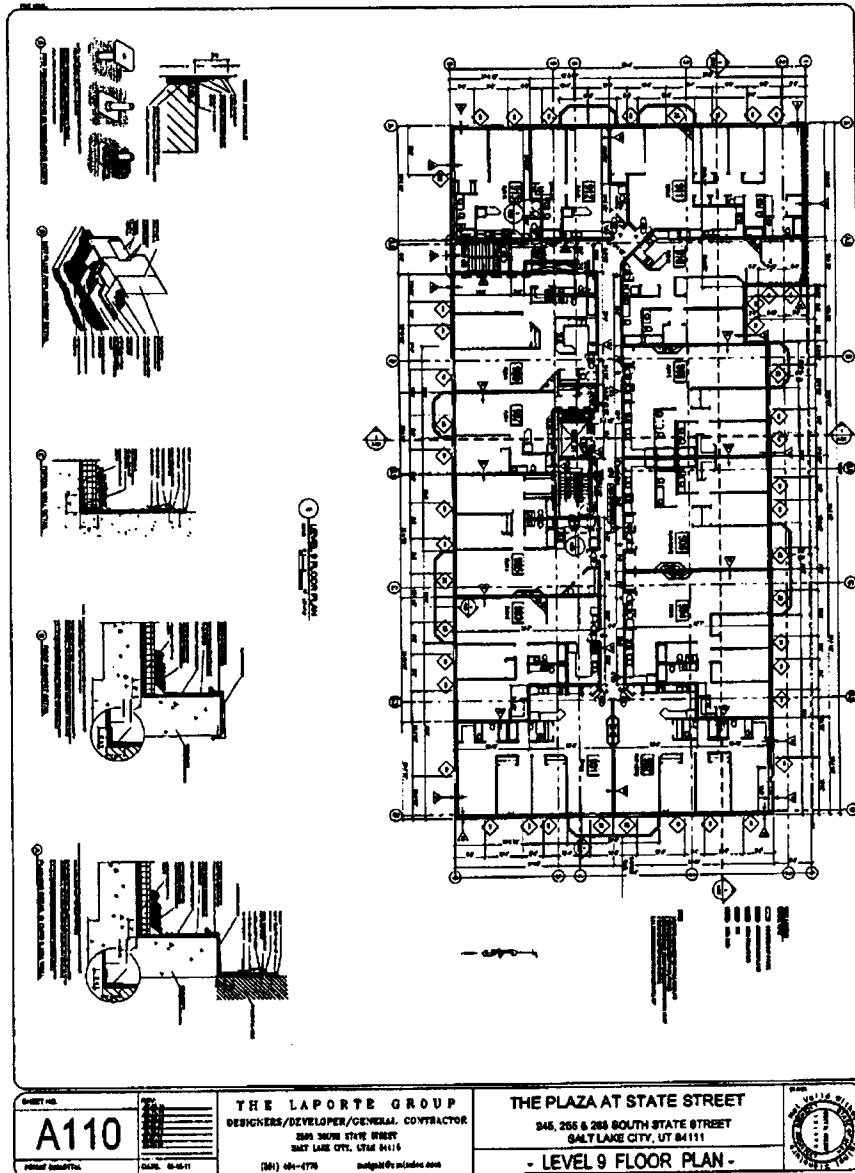


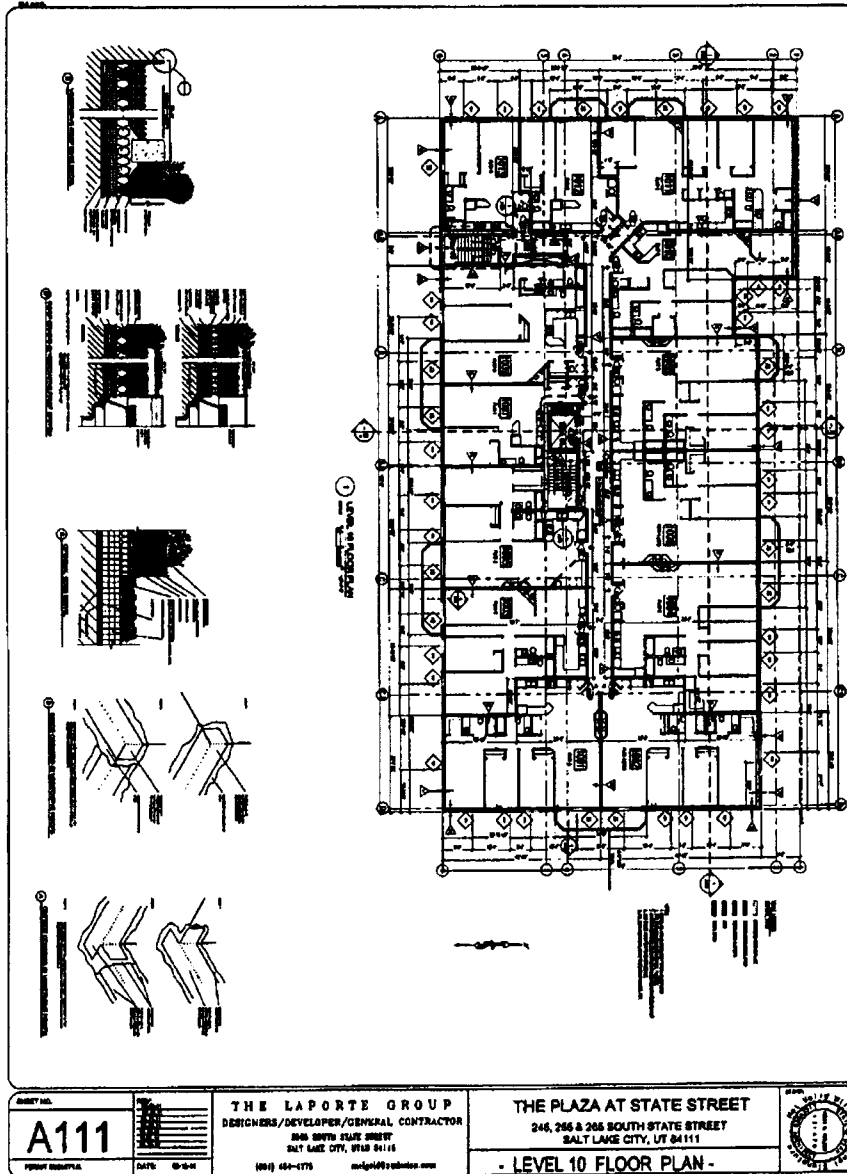












FREDDIE MAC RIDER

This Freddie Mac Rider (the "Rider") is attached to and forms a part of the Housing Rent Restriction Agreement (the "Housing Rent Restriction Agreement"), dated as of March , 2012, by and between the Redevelopment Agency of Salt Lake City (the "Agency"), and Tannach Properties, L.L.C. (together with any successor to its rights, duties and obligations hereunder and as owner of the Restricted Property identified herein, the "Owner").

1. **Definitions.** Terms used in this Rider as defined terms shall have the meanings given those terms in the Regulatory Agreement (as such term is defined in the Housing Rent Restriction Agreement). In addition, the following terms shall have the following meanings:

"Mortgage Loan Documents" means the Mortgage Note, the Mortgage, the Financing Agreement, the Housing Rent Restriction Agreement, any Custodial Escrow Agreement, the Credit Enhancement Agreement, the Reimbursement Agreement, the Reimbursement Mortgage, the Intercreditor Agreement and any and all other instruments documenting, evidencing, securing or otherwise relating to the Mortgage Loan.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States.

"Servicer" means Citibank, N.A., or any successor Servicer selected by Freddie Mac.

2. **Applicability.** The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Housing Rent Restriction Agreement.

3. **Indemnification.** Inasmuch as the covenants, reservations and restrictions of the Housing Rent Restriction Agreement run with the land, the indemnification obligations of the Owner contained in the Housing Rent Restriction Agreement will be deemed applicable to any successor in interest to the Owner, but, it is acknowledged and agreed, notwithstanding any other provision of the Housing Rent Restriction Agreement to the contrary, that neither Freddie Mac nor any successor in interest to Freddie Mac will assume or take subject to any liability for the indemnification obligations of the Owner for acts or omissions of the Owner prior to any transfer of title to Freddie Mac, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Mortgage Loan. The Owner shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to Freddie Mac. Freddie Mac shall indemnify the Agency following acquisition of the Restricted Property by Freddie Mac, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Mortgage Loan, during, and only during, any ensuing period that Freddie Mac owns and operates the Restricted Property, provided that Freddie Mac's liability shall be strictly limited to acts and omissions of Freddie Mac occurring during the period of ownership and operation of the Restricted Property by Freddie Mac. The Owner shall remain liable under the Housing Rent Restriction Agreement for its actions and omissions prior to any transfer of title to Freddie Mac.

4. Sale or Transfer. Restrictions on sale or transfer of the Restricted Property or of any interest in the Owner, Agency consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Restricted Property to Freddie Mac or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Mortgage Loan or to any subsequent transfer by Freddie Mac following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Mortgage Loan. No transfer of the Restricted Property shall operate to release the Owner from its obligations under the Housing Rent Restriction Agreement. Nothing contained in the Housing Rent Restriction Agreement shall affect any provision of the Mortgage or any of the other Mortgage Loan Documents that requires the Owner to obtain the consent of Freddie Mac as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Restricted Property or of any direct or indirect interest in the Owner, excluding transfers permitted by the Mortgage. No covenant obligating the Owner to obtain an agreement from any transferee to abide by all requirements and restrictions of the Housing Rent Restriction Agreement shall have any applicability to a transfer to Freddie Mac upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Mortgage Loan by Freddie Mac, or to any subsequent transfer by Freddie Mac following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Mortgage Loan. Any written consent to a sale or transfer obtained from the Issuer must be deemed to constitute conclusive evidence that the sale or transfer is not a violation of the transfer provisions.

5. Enforcement. Notwithstanding anything contained in the Housing Rent Restriction Agreement to the contrary, the occurrence of an event of default under the Housing Rent Restriction Agreement shall not impair, defeat or render invalid the lien of the Mortgage.

The foregoing limitation is not intended to limit the rights of the Agency to specifically enforce the Housing Rent Restriction Agreement or to seek injunctive relief in order to provide for the operation of the Restricted Property in accordance with the requirements of the Housing Rent Restriction Agreement and state law. Accordingly, upon any default by the Owner, the Agency may seek specific performance of the Housing Rent Restriction Agreement or enjoin acts which may be in violation of the Housing Rent Restriction Agreement or unlawful, but the Agency may not seek any form of monetary recovery from the Owner, although the Agency may seek to enforce a claim for indemnification, provided that no obligation of the Owner under the Housing Rent Restriction Agreement, including, without limitation, any indemnification obligation, any other obligation for the payment of money, any claim and any judgment for monetary damages against the Owner, occasioned by breach or alleged breach by the Owner of its obligations under the Housing Rent Restriction Agreement or otherwise, shall be secured by or in any manner constitute a lien on, or security interest in, the Restricted Property, whether in favor of the Agency or any other person, and all such obligations shall be, and by this Rider are, subordinate in priority, in right to payment and in all other respects to the obligations, liens, rights (including without limitation the right to payment) and interests arising or created under the Mortgage Loan Documents. Accordingly, the Agency shall not have the right to enforce any monetary obligation other than directly against the Owner, without recourse to the Restricted Property. In addition, any such enforcement must not cause the Owner to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Owner under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future.

The obligations of any owner under the Housing Rent Restriction Agreement shall be personal to the person who was the owner at the time that an event, including, without limitation, any default or breach of the Housing Rent Restriction Agreement, occurred or was alleged to have occurred, and such person shall remain liable for any and all such obligations, including damages occasioned by a default or breach, even after such person ceases to be the owner of the Restricted Property. Accordingly, no subsequent owner of the Restricted Property shall be liable or obligated for the obligation of any prior owner (including the Owner), including, but not limited to, any obligation for payment, indemnification or damages, for default or breach of the Housing Rent Restriction Agreement or otherwise. The owner of the Restricted Property at the time the obligation was incurred, including any obligation arising out of a default or breach of the Housing Rent Restriction Agreement, shall remain liable for any and all payments and damages occasioned by the owner even after such person ceases to be the owner of the Restricted Property, and no person seeking such payments or damages shall have recourse against the Restricted Property.

Under no circumstances shall the Agency:

- (i) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Owner to timely pay the principal of, interest on, or other amounts due and payable under, the Mortgage Loan; or
- (ii) interfere with or attempt to influence the exercise by Freddie Mac of any of its rights under the Mortgage Loan, including, without limitation, Freddie Mac's remedial rights under the Mortgage Loan Documents upon the occurrence of an event of default by the Owner under the Mortgage Loan.

6. Notice of Violations. Promptly upon determining that a violation of the Housing Rent Restriction Agreement has occurred, the Agency shall, by notice in writing to the Owner, the Servicer and Freddie Mac, inform the Owner, the Servicer and Freddie Mac that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable.

7. Amendments. The Housing Rent Restriction Agreement shall not be amended without the prior written consent of Freddie Mac.

8. Fees; Penalties. Freddie Mac shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Owner or any subsequent owner of the Restricted Property prior to the date of acquisition of the Restricted Property by Freddie Mac, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Mortgage Loan.

9. Subordination. The terms, covenants and restrictions of the Housing Rent Restriction Agreement, other than those set forth in Sections 2, 3, and 4, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Mortgage Loan Documents.

10. Omitted.

11. Notices. Copies of all notices under the Housing Rent Restriction Agreement shall be sent to the Servicer at the address set forth below or to such other address as the Servicer may from time to time designate:

To the Servicer: Citibank, N.A.
c/o Berkadia Commercial Mortgage LLC
118 Welsh Road
P.O. Box 809
Horsham, Pennsylvania 19044
Attention: Servicing – Account Manager
Telephone: (215) 328-3866
Facsimile: (215) 328-3478

with a copy to: Citibank, N.A.
City Community Capital
Municipal Securities Division
325 E. Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Management
Telephone: (805) 557-0930
Facsimile: (805) 557-0924

with a copy to: Robinson & Cole LLP
885 Third Avenue, 28th Floor
New York, New York 10022
Attention: Andrew Kramer, Esq.
Telephone: (212) 451-2900
Facsimile: (212) 451-2999

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B2E
McLean, Virginia 22102
Attention: Multifamily Operations – Loan Accounting
Email: mfla_trustees@freddiemac.com
Trustee Hotline: (703) 714-4177

with a copy to: Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Facsimile: (703) 903-2885
Telephone: (703) 903-2000
Email: Timothy_Oneill@freddiemac.com

with a copy to:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4F
McLean, Virginia 22102
Attention: Director of Multifamily Loan Servicing
Facsimile: (703) 714-3003
Telephone: (703) 903-2000