

WHEN RECORDED MAIL TO:

State of Utah
Olene Walker Housing Trust Fund
1385 South State Street, 4th Floor
Salt Lake City, UT 84115

File No.: 116413-DMY

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RASHELLE HOBBS
Recorder, Salt Lake County, UT
COTTONWOOD TITLE
BY: eCASH, DEPUTY - EF 5 P.

DEED RESTRICTION

In Reference to Tax ID Number(s):

15-01-151-019

WHEN RECORDED MAIL TO:
STATE OF UTAH, OLENE WALKER
HOUSING TRUST FUND
1385 South State Street, 4th Floor
Salt Lake City, UT 84115

116413-DMY

Space Above This Line For Recorder's Use

LOAN NO: SME1777

DEED RESTRICTION

THIS DEED RESTRICTION (the "Restriction") is made and effective as of the 7 day of November, 2019, by CENTRAL STATION APARTMENTS, LLC, (the "Borrower"), for the benefit of the OLENE WALKER HOUSING LOAN FUND, (the "State"). For good and valuable consideration, Borrower hereby agrees as follows for the benefit of the State:

A. PROPERTY ENCUMBERED. The restriction shall be recorded against that certain real property located in SALT LAKE COUNTY as more fully described as follows:

LEGAL DESCRIPTION:

PARCEL 1:

Commencing 12 rods East from the Northwest corner of Lot 5, Block 63, Plat "A", Salt Lake City Survey and running thence East 26.75 feet; thence South 10 rods; thence West 26.75 feet; thence North 10 rods to the point of beginning.

PARCEL 2:

Commencing 18.5 feet West of the Northeast corner of Lot 5, Block 63, Plat "A", Salt Lake City Survey and running thence West 60 feet; thence South 165 feet; thence East 60 feet; thence North 165 feet to the place of beginning.

PARCEL 2A:

A right of way over the following described tract of land, to wit: Commencing 2 feet West of the Northeast corner of said Lot 5 and running thence West 1 rod; thence South 10 rods; thence East 1 rod; thence North 10 rods to the place of beginning.

PARCEL 3:

Commencing at a point 78.5 feet West of the Northeast corner of Lot 5, Block 63, Plat "A", Salt Lake City Survey and running thence West 26.75 feet; thence South 10 rods; thence East 26.75 feet; thence North 10 rods to the place of beginning.

Tax Parcel No(s): 15-01-151-002, 15-01-151-004 & 15-01-151-003

Subject Property is also known by property address: 549 W 200 S, Salt Lake City UT 84101.

B. NATURE OF RESTRICTION.

- (1) All Olene Walker Housing Loan Fund monies must be used to assist families whose annual incomes do not exceed 80 percent of the median family income for the area as determined by HUD, with adjustments based on family size. In addition, at least 90 percent of Olene Walker Housing Loan Fund monies used for rental housing must be used to assist families whose annual incomes do not exceed 60 percent of the median family income for the area as determined by HUD.

- (2) Rental housing will qualify as affordable only if the project:
 - (a) has at least 20 percent of the Olene Walker Housing Loan Fund assisted rental units occupied by families who have annual incomes that are 50 percent or less of median income as defined by HUD. These units must sustain the Low rents as described in the following section.
 - (b) has at least 70 percent of the Olene Walker Housing Loan Fund assisted rental units occupied by families who have annual incomes that are 60 percent or less of median income as defined by HUD. These units must sustain the High rents as described in the following section.
 - (c) has the remainder of the Olene Walker Housing Loan Fund assisted rental units occupied by families who have annual incomes that are 80 percent or less of median income as defined by HUD. These units also must sustain the High rents as described in the following section.

- (3) Every Olene Walker Housing Trust Fund assisted unit is subject to rent limitations designed to ensure that rents are affordable to low and very low income people. These maximum rents are to be referred to as HOME rents. There are four HOME rents established for projects: High HOME rents and Low HOME rents:
 - (a) High HOME rents: 80% of HOME assisted rental units must have rents that are the lesser of: The Section 8 Fair Market Rents (FMR'S) or area-wide exception rents for existing housing minus tenant paid utilities OR rents which are 30% of adjusted income for households at 65% of median income minus tenant paid utilities;
 - (b) Low HOME rents: 20% of HOME assisted units must have rents which equal 30% of annual income for households at 50% of median income minus tenant paid utilities.

- (4) In projects where Low Income Housing Tax Credits are part of the financing, two sets of rent rules apply:
 - (a) Qualified tax credit units must not exceed tax credit rent limits, while HOME-assisted units must meet HOME rent requirements. If a unit is being counted under both programs, the stricter rent limit applies.
 - (1) Low HOME rent units are subject to the lower of the Low HOME rent and the tax credit rent (usually the tax credit rent).
 - (2) High HOME rent units are subject to the lower of the High HOME rent and the tax credit rent (usually the tax credit rent).
 - (b) When tenants receive additional subsidy through rental assistance programs such as Section 8, additional requirements apply.
 - (1) Under tax credit rules, if the rental assistance program rent limit exceeds the tax credit rent, the unit rent may be raised to the higher limit as long as tenants pay no more than 30 percent of their adjusted monthly income for housing costs.
 - (2) HOME allows the rent to be raised to the rental assistance program limit only if the tenant pays no more than 30 percent of adjusted income, the subsidy is project-based (not tenant-based), and tenant's income is less than 50 percent of the area median income.
 - (3) In a joint tax credit/HOME-assisted unit, the stricter HOME requirements would apply.

C. ADDITIONAL RESTRICTIONS

Project will have a total of 6 HOME-assisted units on a floating basis, which will consist of 1 studio, 2 one-bedroom, 1 two-bedroom, 1 three-bedroom, and 1 four-bedroom units. The Project will also have 9 units designated to be Type A fully accessible for physically handicapped in accordance with Federal Fair Housing /HOME regulations.

D. NONCOMPLIANCE WITH DEED RESTRICTION

If Borrower is found to be out of compliance with this Deed Restriction, the STATE has the option to call the Guaranty due and payable. Gardner Batt, LLC agrees to pay the Olene Walker Housing Loan Fund the indebtedness secured by the Trust Deed following written notice of noncompliance with the deed restriction, effective upon mailing, and a 15 day opportunity to cure.

E. TERM

This restriction shall run with the title to the Property and shall be binding upon the successors, assigns, and beneficiaries of the parties. The term of the restriction shall run from the date of execution hereof and remain in effect during the period of affordability under Section 92.252 or Section 92.254 of 24 CFR Part 92 (HOME Investment Partnership Program) as amended from time to time, as applicable, or until the Trust Deed Note of like date is paid in full, whichever is later (the "Affordability Period"). Upon such occurrence, this restriction shall automatically terminate without need for any other documentation, notice or recorded material. Nevertheless, Borrower and the State shall promptly cooperate together and take the actions and sign the documents that either of them deems necessary to terminate the Restriction and remove all record thereof from the title of the Property.

HUD PROVISIONS

Notwithstanding anything in this document to the contrary, except the requirements in 26 U.S.C. 42(h)(6)(e)(11), the provisions hereof are expressly subordinate to the HUD insured mortgage or Deed of Trust, to the HUD Regulatory Agreement, and subordinate to all applicable HUD mortgage insurance (and Section 8, if applicable) regulations and related administrative requirements. In the event of any conflict between the provisions of this document and the provisions of applicable HUD regulations, related HUD administrative requirements, or HUD/FHA loan documents, the HUD regulations, related administrative requirements or loan documents shall control.

Enforcement of the covenants herein will not result in any claim against the project, any reserve or deposit required by HUD in connection with the mortgage transaction, or the rents or other income from the property other than:

1. Available surplus cash, if the mortgagor is profit-motivated;
2. Available distributions and residual receipts authorized for release by HUD, if the mortgagor is limited distribution; or
3. Available residual receipts authorized by HUD, if the mortgagor is non-profit.

Any subsequent amendment to this document is subject to prior HUD approval.

No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds (and/or tax credits), or prohibiting the owner from taking any action that might jeopardize the tax-exemption (and/or tax credit), except in strict accord with the National housing Act, applicable mortgage insurance regulations, the HUD/FHA loan documents, or if applicable, Section 8 of the U.S. Housing Act of 1937 and the regulations thereunder.

Dated this 7 day of November 2019.

CENTRAL STATION APARTMENTS, LLC,
a Utah limited liability company
(Borrower)

By: GBR HOUSING III, LLC, a
Utah limited liability company
(Sole Manager and Member)

By: GARDNER BATT, LLC, a
Utah limited liability company
(Manager)

By: Michael D. Batt
Name: Michael D. Batt
Title: Manager

STATE OF UTAH)

SS:

COUNTY OF SALT LAKE)

On the 7 day of November 2019 personally appeared before me Michael D. Batt, who being by me duly sworn did say that he is the Manager of GARDNER BATT, LLC, a Utah limited liability company, and that the attached instrument was signed on behalf of said Company, and said person acknowledged to me that said limited liability company executed the same.



Notary Public

