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Rhonda Francis Summit County Recorder

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By COTTONWOOD TITLE INSURANCE AGENCY, INC.

Electronically Recorded

WHEN RECORDED MAIL TO:

Utah Department of Workforce Services
Housing and Community Development Division
Olene Walker Housing Loan Fund
140 East 300 South, First Floor
Salt Lake City, UT 84111

177805-CAV

LOAN NO: HMP 2052

Space Above This Line for Recorder's Use

DEED RESTRICTION

THIS DEED RESTRICTION ("Restriction") is made and effective as of the 19 day of Dec, 2024 by Liberty Ranch at Star Point, LLC, ("Borrower"), for the benefit of the Utah Department of Workforce Services Housing and Community Development Division, Olene Walker Housing Loan Fund, ("Beneficiary"). For good and valuable consideration, Borrower agrees:

1. **PROPERTY ENCUMBERED.** The restriction shall be recorded against real property ("Property") located in Summit County as more fully described as follows:

LEGAL DESCRIPTION:

Lot 1, LIBERTY RANCH AT STAR POINT, according to the official plat thereof, as recorded July 9, 2024 as Entry No. 1222337 in Book 2824 at Page 1907 in the office of the Summit County Recorder, State of Utah.

Tax Parcel Number: SS-51-C-4 2025 TIN L RASP-1

Property is also known by property address: 6574 Silver Gate Drive, Park City, Utah 84098

2. **RESTRICTIONS.**

- a. All Olene Walker Housing Loan Fund monies, regardless of the source of funds, 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.
- b. Rental housing will qualify as affordable only if the project:
 - i. 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 HOME rents as described in the following section.
 - ii. 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.
 - iii. 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 must sustain the High rents as described in the following section.
- c. Every Olene Walker Housing Loan Fund assisted unit, whether federally funded or State funded, is subject to rent limitations that ensure rents are affordable to low and very low-income families. Maximum rents are referred to as HOME rents as further defined in 24 CFR 92.252.
 - i. High HOME rents are provided by HUD, and 80% of assisted rental units must have rents that are the lesser of:

- A) Section 8 Fair Market Rents established by HUD, or area-wide exception rents for existing housing, minus tenant-paid utilities or services, or
 - B) Rents which do not exceed 30% of the adjusted income for households whose annual income is does not exceed 65% of the area median income, as determined by HUD, with adjustments for the number of bedrooms in the unit rents, minus tenant-paid utilities or services.
 - ii. Low HOME rents are provided by HUD must meet one of the following:
 - A) The rent does not exceed 30% of the annual income of a household whose income does not exceed 50% of the area median income, as determined by HUD, minus tenant-paid utilities or services; or
 - B) The rent does not exceed 30% of the household's adjusted income, and, if the unit receives Federal or State project-based rental subsidy and the very low-income households pays as a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (*i.e.*, tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy programs are the lesser of 20% of assisted rental units must have rents which equal 30% of annual income for households at 50% of median income, minus tenant paid utilities.
 - iii. Projects with five or more HOME-assisted rental units shall reserve 20% of those units for very low-income families.
- d. In projects where Low-Income Housing Tax Credits are part of the financing:
 - i. 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.
 - (A) Low HOME rent units are subject to the lower of the Low HOME rent or the tax credit rent.
 - (B) High HOME rent units are subject to the lower of the High HOME rent or the tax credit rent.
 - ii. When tenants receive additional subsidy through rental assistance programs such as Section 8, additional requirements apply:
 - (A) 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% of their adjusted monthly income for housing costs.
 - (B) Rent may be raised to the rental assistance program limit only if the tenant pays no more than 30% of adjusted income, the subsidy is project-based (not tenant-based), and tenant's income is less than 50% of the area median income.
 - (C) In a joint tax credit/HOME-assisted unit, the stricter HOME requirements apply.
- e. Every Olene Walker Housing Loan Fund assisted unit, whether federally funded or State funded, is subject to rent limitations that ensure rents are affordable to low and very low-income families. Maximum rents are referred to as HTF rents as further defined in 24 CFR 93.302.
 - i. Extremely low-income tenants: The HTF rent plus utilities of an extremely low-income tenant shall not exceed the greater of 30% of the federal poverty line or 30% of the income of a family whose annual income equals 30% the area median income, as determined by HUD, with adjustments for the number of bedrooms in the unit. HUD will publish the HTF rent limits on an annual basis.
 - ii. Very-low income tenants: The HTF rent plus utilities of a very low-income tenant shall not exceed 30% of the income of a family whose annual income equals 50% of the area median income, as determined by HUD, with adjustments for the number of bedrooms in the unit. HUD will publish the HTF rent limits on an annual basis.
 - iii. If the unit receives Federal or State project-based rental subsidy, and the tenant pays as a contribution toward rent not more than 30% of the tenant's adjusted income, the maximum rent is the rent allowable under the Federal or State project-based rental subsidy program.
- f. Required Units
 - i. The Project built on the Property will have a total of 4 HTF-assisted units on a floating basis, which will consist of 2 two-bedroom and 2 three-bedroom units all at or below 30% AMI.
 - ii. Project will also have a total of 5 HOME-assisted units on a floating basis, which will consist of 2 studio, 1 one-bedroom, 1 two-bedroom, and 1 three-bedroom units.
 - iii. Project will have a total of 3 LIH-assisted units on a floating basis, which will consist of 2 one-bedroom and 1 two-bedroom units.

iv. Project will also have a minimum of 2 units designed to be Type A fully-accessible for physically handicapped in accordance with Federal Fair Housing/HOME regulations.

3. ENFORCEMENT.

- a. This deed restriction constitutes an enforceable restriction, runs with the title to the Property, shall not be subordinated, and shall survive any foreclosure proceeding. If the deed restriction is violated, the Beneficiary will be irreparably damaged unless the deed restriction is specifically enforced. In the event of a violation of the deed restriction, the Beneficiary may institute and prosecute a proceeding to enforce the deed restriction, enjoin the continuing violation, and exercise any other rights and remedies provided by law or equity. Within thirty (30) days after the date of a written request from Beneficiary, Borrower shall provide to Beneficiary a report evidencing Borrower's compliance with the Restriction. The report must include project financials for each year of the affordability period, and any additional information requested by Beneficiary. Borrower shall allow Beneficiary to inspect the Property, and the Borrower's and the Property's records, in the event that Borrower fails and/or refuses to provide the report. Beneficiary may consider a failure and/or refusal by Borrower to provide the report and/or allow the inspection to be an admission by Borrower that Borrower is not in compliance with this Restriction.
- b. If an enforcement action is initiated and Beneficiary prevails, Beneficiary shall be entitled to its costs and attorneys' fees from the owner of the property, and an order requiring that units reserved for low income housing shall be brought into and remain in conformity with the deed restriction throughout the affordability period and until the loan is paid off, whichever date is later.

4. TERM.

This Deed Restriction is irrevocable, runs with the land, and is binding upon the successors, assigns, lenders, and beneficiaries of the parties. This Deed Restriction runs from the date of execution and remains in effect during the Affordability Period under Section 92.252 or Section 92.254 of 24 CFR Part 92 (HOME Investment Partnership Program) as amended, or until the Trust Deed Note of like date is paid in full, whichever is later. Upon such occurrence, this Deed Restriction will automatically terminate without need for any other documentation, notice or recorded material.

Dated this 19 day of Dec, 2024

BORROWER:

LIBERTY RANCH AT STAR POINT, LLC
a Utah limited liability company,

By its Manager, Cowboy Partners, L.L.C., a Utah limited liability company


Lee Dial
Executive Vice President and COO

MANAGER:

COWBOY PARTNERS, LLC, a Utah limited liability company,


Lee Dial
Executive Vice President and COO
signature continues on the following page

STATE OF UTAH

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COUNTY OF SALT LAKE

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On the 19 day of March, in the year 2024, before me, John Dial a notary public, personally appeared Lee Dial, who being by me duly sworn did state that he is the Executive Vice President and COO of Cowboy Partners, manager of Liberty at Star Point, LLC, whose name is subscribed to the written instrument, and said person acknowledged to me that he executed the same in his capacity as Executive Vice President and COO, and that the limited liability company executed the instrument.

*Ranch

John E. Ekstrom
Notary Public

