

14216768 B: 11478 P: 1074 Total Pages: 11
03/15/2024 02:11 PM By: csummers Fees: \$40.00
Rashelle Hobbs, Recorder, Salt Lake County, Utah
Return To: COTTONWOOD TITLE INSURANCE AGENCY, INC.
1996 EAST 6400 SOUTH SUITE 120SALT LAKE CITY, UT 84121

WHEN RECORDED MAIL TO:

Utah Equitable TOD Fund LLC
6880 South 700 West
Community Center, Office 102
Midvale, Utah 84047-4513
Attn: Daniel J. Adams

File No.: 165521-CAP

DEED RESTRICTION

In Reference to Tax ID Number(s):

15-12-457-042, 15-12-457-018, 15-12-457-044, 15-12-457-047 and 15-12-457-048

Loan No. 2024-22

WHEN RECORDED, RETURN TO:

Utah Equitable TOD Fund LLC
6880 South 700 West
Community Center, Office 102
Midvale, Utah 84047-4513
Attn: Daniel J. Adams
165521-CAP

DEED RESTRICTION

This Deed Restriction (“Deed Restriction”) is made and agreed to this 15 day of March, 2024 (the “Closing Date”), by Paxton Project LLC, a Utah limited liability company (“Borrower”).

PRELIMINARY STATEMENT

Borrower has requested that Utah Equitable TOD Fund LLC, a Utah limited liability company (“Lender”), make a loan to Borrower in the amount of Three Million Six Hundred Fifty-Five Thousand Dollars (\$3,655,000.00) (the “Loan”) for the acquisition financing of property upon which Borrower intends to construct a low income housing multi-family housing development located in Salt Lake County, State of Utah, on a site more particularly described in Exhibit A and by this reference made a part hereof (the “Property”). The Loan will be administered in accordance with a Loan Agreement dated the Closing Date by and between Borrower and Lender (the “Loan Agreement”). The Loan will also be evidenced by a Promissory Note dated the Closing Date, executed by Borrower and payable to Lender (the “Note”) and will be secured by, among other things, a Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing dated the Closing Date (the “Trust Deed”), to be recorded in the land records of Salt Lake County, State of Utah.

As a condition precedent to making the Loan to Borrower, Lender requires Borrower to execute and deliver this Deed Restriction to Lender.

NOW, THEREFORE, in consideration of Lender making the Loan to Borrower, and of the mutual undertakings set forth below, Borrower and Lender agree as follows:

1. **Definitions.** All capitalized terms that are used in this Deed Restriction but not defined in this Deed Restriction shall have the meanings assigned to them by the Loan Agreement.

2. **Covenants of Borrower.** Borrower, for itself and its successors in interest, agrees that a low income multifamily housing project will be constructed on the Property (the “Affordable Housing Project”). Borrower will complete construction of and receive an unconditional certificate of occupancy for the Affordable Housing Project prior to the earlier of (i) thirty-six months following the date Borrower closes a construction loan to finance the construction of the Affordable Housing Project, or (ii) October 1, 2028.

At least fifty-one percent (51%) of the dwelling units in the Affordable Housing Project are hereby designated for tenants earning less than eighty percent (80%) of the area median income where the Property is located, adjusted for family size as determined by the Department of Housing

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and Urban Development (“Income Restriction”). Borrower shall establish rents for the dwelling units subject to the Income Restriction so that rent for such dwelling units is less than eighty percent (80%) of the average rents determined by the Salt Lake City Housing and Urban Development Metro Fair Market Rent Area, adjusted for unit type.

Borrower shall verify a potential tenant’s income through income tax returns, W-2 forms issued by an employer, wage payment stubs, bank statements, and other objective evidence as Lender may reasonably require (collectively, the “Verification Documents”). Borrower shall certify to Lender in writing on or before May 1st of each year after completion of the Affordable Housing Project that Borrower is in compliance with the income and rent requirements set forth in this Section 2 (the “Certifications”).

The Certifications and Verification Documents (collectively, the “Affordable Housing Documents”) shall be maintained by Borrower for a period of at least two (2) years. During that period, Lender may inspect such information and documents for compliance with the Income Restriction, and by accepting possession of the dwelling unit, the subject tenant shall be deemed to have authorized Borrower to disclose such information and documents to Lender. Otherwise, Borrower shall keep the information contained in the Affordable Housing Documents strictly confidential except as may otherwise be required to be disclosed under applicable law. Lender may, at its election but with no obligation to do so, perform any obligation of Borrower under this Deed Restriction.

3. Lender’s Remedies. If Borrower breaches any of the covenants contained in Section 2 of this Deed Restriction, Borrower shall pay to Lender upon such breach,

- (a) In addition to the interest paid to Lender under the terms of the Note, an amount equal to an additional five percent (5%) interest per annum, accrued daily on the outstanding balance of the Principal Indebtedness from the Closing Date to the date the Principal Indebtedness is paid in full (such interest being calculated on the basis of a 360 day year simple interest basis by applying the ratio of the annual interest rate over a year of 360 days (365/360), multiplied by the outstanding principal balance, multiplied by the actual number of days the Principal Indebtedness is outstanding; and
- (b) An amount equal to 0.90 multiplied by any increase in the Property’s fair market value, which increase shall be determined by Lender by subtracting the Property’s fair market value as set forth in the Appraisal, and reasonable closing costs determined by Lender in Lender’s sole discretion, from the Property’s fair market value as set forth in a then current appraisal of the Property (“New Appraisal”) acceptable to Lender in Lender’s sole discretion, which New Appraisal shall be ordered by Lender and paid for by Borrower.

4. Covenants to Run With the Land. Borrower hereby subjects the Property to this Deed Restriction. Borrower hereby declares its express intent that this Deed Restriction shall be deemed a covenant running with the land and shall pass to and be binding upon Borrower’s successors in title to the Property, until April 1, 2031. Every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion of the Property shall be

deemed to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in that contract, deed or other instrument.

5. Termination of Deed Restriction. This Deed Restriction shall terminate upon the occurrence, but only upon the occurrence, of any of the following:

- (a) Borrower has paid Lender any and all amounts owing or which may be owed under Section 3 of this Deed Restriction (for the avoidance of doubt, and notwithstanding anything to the contrary contained in this Deed Restriction or any Loan Document, this Deed Restriction shall survive the payment in full of the Loan); or
- (b) A land use restriction agreement or deed restriction, acceptable to Lender in Lender's sole discretion, has been recorded against the Property in connection with the construction of the Affordable Housing Project.

6. Governing Law. This Deed Restriction shall be governed by and construed in accordance with the laws of the State of Utah and the United States of America, as applicable.

7. Statutes and Regulations. Any reference in this Deed Restriction to a statute or regulation shall include all amendments to and successors to such statute or regulation, whether adopted before or after the date of this Deed Restriction.

8. Counterparts. This Deed Restriction may be signed in any number of counterparts, each of which shall be an original for all purposes, but all of which taken together shall constitute only one agreement. The production of any executed counterpart of this Deed Restriction shall be sufficient for all purposes without producing or accounting for any other counterpart.

9. Priority. This Deed Restriction shall be senior to the Trust Deed notwithstanding the order of the recording of this Deed Restriction or the Trust Deed.

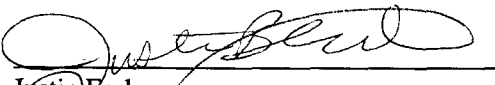
*[SIGNATURE PAGE(S) AND EXHIBIT(S),
IF ANY, FOLLOW THIS PAGE]*

BORROWER

PAXTON PROJECT LLC,
a Utah limited liability company

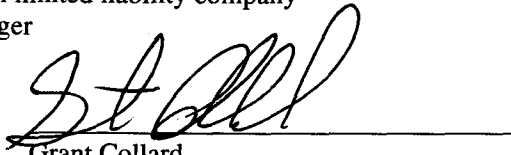
By: J.B. Earl Company, LLC,
a Utah limited liability company
Its: Member

By: Summerland, LLC,
a Utah limited liability company
Its: Manager

By: 
Justin Earl
Its: Manager

By: RS Paxton GP, LLC,
a Utah limited liability company
Its: Member

By: Redstone Development Partners, LLC,
a Utah limited liability company
Its: Manager

By: 
Grant Collard
Its: Manager

By: Capital Advisors Paxton Project LLC,
a Utah limited liability company
Its: Member

By: Happy Valley Homes, LLC,
a Utah limited liability company
Its: Manager

By: FANAFI Family Portfolio Properties, LLC,
a Wyoming limited liability company
Its: Manager

By: _____
Steven W. Bond
Its: Manager

By: _____
Christina Bond
Its: Manager

BORROWER

PAXTON PROJECT LLC,
a Utah limited liability company

By: J.B. Earl Company, LLC,
a Utah limited liability company
Its: Member

By: Summerland, LLC,
a Utah limited liability company
Its: Manager

By: _____
Justin Earl
Its: Manager

By: RS Paxton GP, LLC,
a Utah limited liability company
Its: Member

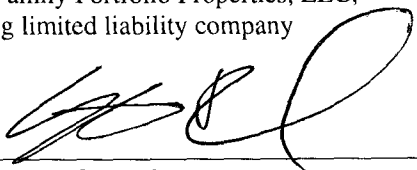
By: Redstone Development Partners, LLC,
a Utah limited liability company
Its: Manager

By: _____
Grant Collard
Its: Manager

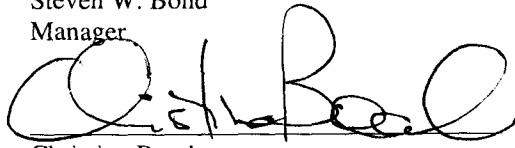
By: Capital Advisors Paxton Project LLC,
a Utah limited liability company
Its: Member

By: Happy Valley Homes, LLC,
a Utah limited liability company
Its: Manager

By: FANAFI Family Portfolio Properties, LLC,
a Wyoming limited liability company
Its: Manager

By: 


Steven W. Bond
Its: Manager

By: 

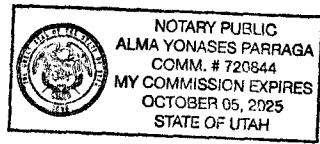
Christina Bond
Its: Manager

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this 26 day of February, 2024, by Justin Earl, Manager of Summerland, LLC, a Utah limited liability company, Manager of J.B. Earl Company, LLC, a Utah limited liability company, Member of Paxton Project LLC, a Utah limited liability company.

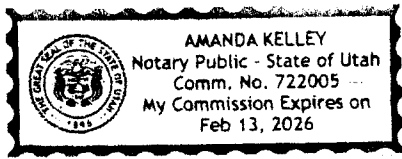



NOTARY PUBLIC
Residing at: 114 S Main St Springville UT 84463



STATE OF UTAH)
)
) : ss.
COUNTY OF Utah)

The foregoing instrument was acknowledged before me this 8th day of March, 2024, by Grant Collard, Manager of Redstone Development Partners, LLC, a Utah limited liability company, Manager of RS Paxton GP, LLC, a Utah limited liability company, Member of Paxton Project LLC, a Utah limited liability company.





NOTARY PUBLIC
Residing at: 2483 N Canyon Rd Provo UT 84604

STATE OF UTAH)
)
) : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 13 day of March, 2024, by Steven W. Bond, Manager of FANAFI Family Portfolio Properties, LLC, a Wyoming limited liability company, Manager of Happy Valley Homes, LLC, a Utah limited liability company, Manager of Capital Advisors Paxton Project LLC, a Utah limited liability company, Member of Paxton Project LLC, a Utah limited liability company.



Cortlund G. Ashton
NOTARY PUBLIC
Residing at: DRAPER, UT

STATE OF UTAH)
)
) : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 13 day of March, 2024, by Christina Bond, Manager of FANAFI Family Portfolio Properties, LLC, a Wyoming limited liability company, Manager of Happy Valley Homes, LLC, a Utah limited liability company, Manager of Capital Advisors Paxton Project LLC, a Utah limited liability company, Member of Paxton Project LLC, a Utah limited liability company.

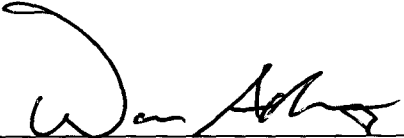


Cortlund G. Ashton
NOTARY PUBLIC
Residing at: DRAPER, UT

LENDER

UTAH EQUITABLE TOD FUND LLC,
a Utah limited liability company

By: Utah Center for Neighborhood Stabilization,
a Utah nonprofit corporation,
Sole Member of Utah Equitable TOD Fund LLC

By: 
Daniel J. Adams, Executive Director
of Utah Center for Neighborhood Stabilization

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 13 day of March, 2024, by Daniel J. Adams, Executive Director of Utah Center for Neighborhood Stabilization, a Utah nonprofit corporation, Sole Member of Utah Equitable TOD Fund LLC, a Utah limited liability company.





NOTARY PUBLIC
Residing at: 6880 So 700 W Midvale

EXHIBIT A

REAL PROPERTY DESCRIPTION

The real property located in Salt Lake County, State of Utah, and more particularly described as follows:

PARCEL 1:

Lots 54, 55 and 56, Block 1, HARRINGTON, DONNELLY AND NEWELL'S SUBDIVISION of Lots 3 and 4, Block 23, Five Acre Plat A, Big Field Survey, according to the official plat thereof, as recorded in the office of the Salt Lake County Recorder on September 23, 1890 as Entry No. 27917 in Book C at Page 54.

PARCEL 2:

The East half of Lot 52 and all of Lot 53, Block 1, HARRINGTON, DONNELLY AND NEWELL'S SUBDIVISION of Lots 3 and 4, Block 23, Five Acre Plat A, Big Field Survey, according to the official plat thereof, as recorded in the office of the Salt Lake County Recorder on September 23, 1890 as Entry No. 27917 in Book C at Page 54.

PARCEL 3:

The East 15 feet of Lot 49, all of Lots 50 and 51, and the West half of Lot 52, Block 1, HARRINGTON, DONNELLY AND NEWELL'S SUBDIVISION of Lots 3 and 4, Block 23, Five Acre Plat A, Big Field Survey, according to the official plat thereof, as recorded in the office of the Salt Lake County Recorder on September 23, 1890 as Entry No. 27917 in Book C at Page 54.

PARCEL 4:

Beginning at the Southwest corner of Lot 51, Block 1, HARRINGTON, DONNELLY AND NEWELL'S SUBDIVISION of Lots 3 and 4, Block 23, Five Acre Plat A, Big Field Survey, according to the official plat thereof, as recorded in the office of the Salt Lake County Recorder on September 23, 1890 as Entry No. 27917 in Book C at Page 54; thence South 19 feet; thence East 83.5 feet; thence North 19 feet; thence West 83.5 feet to the point of beginning.

PARCEL 5:

Beginning at a point 83.5 feet East from the Southwest corner of Lot 51, Block 1, HARRINGTON, DONNELLY AND NEWELL'S SUBDIVISION of Lots 3 and 4, Block 23, Five Acre Plat A, Big Field Survey, according to the official plat thereof, as recorded in the office of the Salt Lake County Recorder on September 23, 1890 as Entry No. 27917 in Book C at Page 54; thence South 19 feet; thence East 84.5 feet, more or less, to the Northeast corner of Lot 1, of said subdivision; thence Northwesterly along the West Railroad right of way line 19 feet, more or less, to the Southeast corner of Lot 56, of said subdivision; thence West 83.5 feet to the point of beginning.