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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, RETURN TO:

REDEVELOPMENT AGENCY OF SALT LAKE CITY

ATTN: Director

451 South State Street, Room 118

PO Box 145518

Salt Lake City, Utah 84114-5518

183536-CAP

TIN 15-02-251-024, 15-02-251-025, 15-02-251-026, 15-02-251-027

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) REGULATORY

AGREEMENT

HOME DEVELOPMENT FUND

UT West 200 South, LLC

THIS HOME REGULATORY AGREEMENT (this “**Agreement**”) is made by and between REDEVELOPMENT AGENCY OF SALT LAKE CITY, a public entity (“**City**”) and West 200 South UT, LLLP, a Utah limited liability limited partnership (“**Subrecipient**”) and is dated the date that the City Recorder attests the applicable City signature (which date shall be the recordation date) (the “**Effective Date**”).

WHEREAS the parties are desirous of entering into an agreement pursuant to the regulations of the U.S. Department of Housing and Urban Development Home Investment Partnerships Program, 24 CFR Part 92 (hereinafter “**HOME Program**”).

NOW, THEREFORE, in consideration of the mutual promises and considerations set forth below, the parties agree to the following:

TERMS

1. **PURPOSE**: The purpose of this Agreement is to provide funding for affordable housing development. It is understood and agreed by the parties hereto that this Agreement and the disbursement of HOME funds pursuant to this Agreement, are governed by the provisions of 24 CFR Part 92, the HOME Investment Partnerships Program, and any amendments thereto; that the parties hereto agree to abide by the provisions of said Program; that references to specific sections of 24 CFR Part 92 herein do not limit the applicability of said Program to the extent that other sections which may be applicable are not specifically mentioned herein and that in the event of any conflict between any provision herein and the requirements of 24 CFR Part 92, said federal requirements shall take precedence. Funds provided pursuant to this agreement must be used at: 950 West 200 South, Salt Lake City.

2. **CONTRACT TERM**: The term of this Agreement shall run from the Effective Date for number (30) years.

3. **SCOPE OF SERVICES**: Subrecipient shall use HOME funds for the tasks to be performed, and according to the schedule for completing the tasks as described in Exhibit A, which is attached hereto and by this reference incorporated herein.

4. FUNDING: Funding for this Agreement shall be derived from the City's 2023-2024 HOME program allocation and must be used to provide housing within the Salt Lake City limits. HOME funds will be issued to Subrecipient as a loan as per terms in the Loan Agreement entered into concurrently with this Agreement between City and Subrecipient.

5. BUDGET: The City shall provide an amount not to exceed \$2,420,000.00 for services as contemplated by the terms of this Agreement. Said compensation is set forth in Exhibit "B", which is attached hereto and by this reference incorporated herein.

6. PERFORMANCE MEASUREMENTS: Subrecipient shall comply with all reporting requirements established by the federal government for the U.S. Department of Housing and Urban Development to ensure the City has access to the data necessary to meet the standards of the Government Performance and Results Act (GPRA) of 1993 that holds all federal agencies accountable for establishing goals and objectives and measuring achievements. Subrecipient shall meet this requirement through the submission of performance and/or progress reports to the City as outlined in Paragraph 14 of this Agreement.

7. LIMITED ENGLISH PROFICIENCY: Subrecipient shall prepare, maintain, and implement a Language Assistance Plan to ensure meaningful access to its programs and activities by limited English proficient persons in compliance with the Department of Housing and Urban Development's "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons; Notice" in the Federal Register on January 22, 2007. Subrecipient shall submit to City written verification documenting the use of a Language Assistance Plan.

8. ADMINISTRATIVE REPRESENTATIVES: The designated representatives of the parties for purposes of administering this Agreement shall be:

CITY: Attn: Director
PO Box 145518
451 South State Street, Room 118
Salt Lake City, UT 84114-5518

SUBRECIPIENT: Attn: Charles Schmid

50 W. Broadway, STE 333
Salt Lake City, UT 84101

9. ADMINISTRATIVE REQUIREMENTS:

A. FINANCIAL MANAGEMENT:

(1) ACCOUNTING STANDARDS: Subrecipient agrees to comply with 2 CFR 200.300-309 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

(2) **COST PRINCIPLES:** Subrecipient shall administer its program in conformance with 2 CFR 200 Subpart E "Cost Principles". These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. **PROCUREMENT:**

(1) **OMB STANDARDS:** Unless specified otherwise within this Agreement, Subrecipient shall procure all materials, property, or services in accordance with the requirements of 2 CFR 200.317-326.

C. **PROGRAM INCOME:**

(1) Program income must be used in accordance with the requirements of this part. Program income must be deposited in the participating jurisdiction's HOME Investment Trust Fund local account unless the participating jurisdiction permits the State recipient or subrecipient to retain the program income for additional HOME projects pursuant to the written agreement required by 24 CFR 92.504.

(2) If the jurisdiction is not a participating jurisdiction when the program income is received, the funds are not subject to the requirements of this part.

(3) Program income derived from consortium activities undertaken by or within a member unit of general local government which thereafter terminates its participation in the consortium continues to be program income of the consortium.

(4) Subrecipient must follow the financial standards set forth in 2 CFR 200.307, including but not limited to the use of program income, matching, and income generated after the period of performance.

(5) Any program income is to be returned to the City in accordance with provisions in 24 CFR section 92.503, any program income on hand when the project is completed, when the agreement expires, or received after the agreements expiration shall be paid to City as required by 24 CFR section 92.503.

10. **BILLINGS DISBURSEMENT REQUESTS:** Subrecipient may only request disbursement of funds under the Agreement as the funds are needed for payment of eligible costs. Each billing shall include documentation of all expenses to be paid (i.e., vouchers, invoices, and receipts). No billing submissions will be accepted 30 days after the expiration of the contract period referenced in Section 2.

11. **VERIFICATION OF SERVICES:** Subrecipient shall maintain thorough records of all business transactions and shall give City and Department of HUD, through any authorized representatives, access to and the right to examine and duplicate all records, books, papers or documents to all Subrecipient operations funded in whole or in part under this Agreement for a period beginning upon the execution of this Agreement and continuing until three (3) years have elapsed following the termination of this Agreement.

12. INFORMATION: The City and Department of HUD shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data, materials, or other information prepared under or in conjunction with this Agreement.

13. RECORD KEEPING: Subrecipient shall maintain the following records:

A. Project Files:

(1) Records that demonstrate the project meets the following standards: HUD regulations state all housing assisted with HOME funds must provide safe and sanitary housing that complies with all applicable state and local housing codes, licensing requirements, and any other requirements in the jurisdiction in which the housing is located regarding the condition of the structure and the operation of the housing. The State of Utah has adopted the International Building Codes along with the International Residential Code (IRC). Therefore, all housing units subsidized with Salt Lake City HOME funds must meet the IRC or the City's Residential Housing Code as the minimum standard. These standards are higher than HUD's Housing Quality Standards and must be used as per the federal regulation as listed in 24 CFR 92.251 (which includes Housing Quality Standards).

(2) Records that demonstrate compliance with the requirements of 24 CFR 92.252 for affordable rental housing, including unit mix (High/Low HOME rents), maximum rent limits, and income eligibility.

(3) Lease terms - Tenant leases must be free of prohibited terms found at 24 CFR 92.253. Leases must be for 1 (one) year, unless otherwise agreed by Subrecipient and the City. Records must be kept for each household assisted.

B. Other Federally Required Records:

(1) Equal opportunity and fair housing records containing:

(a) Data of the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME funds.

(b) Documentation and data on the steps taken to implement outreach programs to minority-owned (MBE) and female owned (WBE) businesses including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract of \$25,000 or more paid, or to be paid, with HOME funds; the amount of the contract or subcontract, and documentation of affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services.

- (c) Records demonstrating compliance with the environmental review requirements of 24 CFR 92.352 and 24 CFR Part 58, including flood insurance requirements.
- (d) Records demonstrating compliance with the labor requirements of 24 CFR 92.354, including contract provisions and payroll records.
- (e) The lead-based paint requirements of 24 CFR Part 35 issued pursuant to the Lead-Based Paint Poisoning Prevention Act [42 USC 4821-4846]. Subrecipient shall comply with said regulations implemented at 24 CFR 92.355.
- (f) Records supporting exceptions to the conflict-of-interest prohibition pursuant to 24 CFR 92.356.
- (g) Debarment and suspension certifications required by 24 CFR Parts 24 and 91.
- (h) Records of written agreements and monitoring required by 24 CFR 92.504.
- (i) Financial and related records required by 24 CFR 92.505 and 2 CFR Part 200.
- (j) Records indicating source and amounts of repayment, interest and other return of investment of HOME funds.
- (k) Records of audits and resolution of audit findings.
- (l) Record Retention: All records must be retained for five years after closeout of the funds or as designated in 24 CFR 92.508(c) and the participating jurisdiction must provide citizens, public agencies, and other interested parties with reasonable access to records, consistent with applicable state and local laws regarding privacy and obligations of confidentiality as designated in 24 CFR 92.508(d).

14. **REPORTS:** Subrecipient shall submit to City performance/progress reports on forms acceptable to City during the affordability period. These reports shall be submitted on a quarterly basis and include data on performance measurements, income and racial origin, on-site inspections made to determine compliance with housing codes and any other pertinent information as required under this Agreement. During pre-development and construction, these reports shall include updated project budgets and timelines. The City, at its discretion, may withhold payments if Subrecipient does not submit regular progress reports on time.

Subrecipient shall provide tenant/beneficiary information to the City during the initial lease up period until all HOME units have been filled. This information will include race, ethnicity, household size, and average median income (“AMI”) information. The City shall provide a full list of required data before the period of occupancy. At project completion, Subrecipient will provide the contact information for the property management agent and copy of property management agreement.

Upon occupancy of the project, Subrecipient shall provide a rent schedule for the forthcoming year, current rent rolls, and a certification that the property is suitable for occupancy on an annual basis.

15. **AUDIT:** Total federal pass-through, state, and local award amounts received or expended at or above \$750,000 requires a single audit performed by an independent qualified third party in accordance with 2 CFR 200, Subpart F.

Subrecipient is also responsible for following State reporting requirements and audit thresholds for governmental nonprofit entity reporting found at: <https://auditor.utah.gov/local-government-2/reporting-requirements/local-government-entity-reporting/>

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to City, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by Subrecipient within 30 days after receipt by Subrecipient. Failure of Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. Subrecipient should, no later than 30 days after receipt of the auditor's report, provide City with a copy of their most recent financial documents, including any Financial Report Compilation, Financial Statement Review, and/or Financial Audit. Said audit shall be prepared by an independent auditor in compliance with guidelines for financial and compliance audits of federally assisted programs as contained in 2 CFR 200 Subpart F "Audit Requirements". Any audits not received by December 31st, 2028 will result in non-payment unless the Subrecipient has notified the City of any extenuating circumstances.

16. **CONFLICT OF INTEREST:** Subrecipient shall establish safeguards to prohibit its employees, board members, advisors and agents from using positions for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business or other ties. Subrecipient shall disclose to the City any conflict of interest or potential conflict of interest described above, immediately upon discovery of such. Subrecipient shall have procedures for certifying any conflicts of interest from board members and employees on a regular basis.

No persons who are employees, agents, consultants, officers, or elected officials or appointed officials of the City or of Subrecipient who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME assisted activity or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter; unless they are accepted in accordance with the procedures set forth at 24 CFR 92.356, 24 CFR Part 92.

17. **REPRESENTATION REGARDING ETHICAL STANDARDS FOR CITY OFFICERS AND EMPLOYEES AND FORMER CITY OFFICERS AND EMPLOYEES:**

Subrecipient represents that it has not: (1) provided an illegal gift or payoff to a city officer or employee or former city officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, or brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the city's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a city officer or employee or former city officer or employee to breach any of the ethical standards set forth in the city's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

18. **INDEPENDENT CONTRACTOR:** For the purpose of this Agreement, it is understood that the parties are independent contractors and no employee or agent of one is, for any purpose of this Agreement, an employee or agent of the other. Nothing contained herein, or any of the obligations of the parties hereunder, shall in any manner inure to the benefit of third parties.

19. **INDEMNIFICATION:** Subrecipient agrees and covenants to hold the City harmless, indemnify and defend it and its officers and agents of and from any and all claims of loss, damages or injury sustained by any person or damage or injury sustained by any person or damage to property and all expenses, including reasonable attorney's fees incurred or thereby arising from the performance of Subrecipient principals, staff, agents, contractors or employees under the provisions of this Agreement. Subrecipient agrees that said indemnification shall extend to any claim asserted against City by the U.S. Department of Housing and Urban Development as a result of this Agreement or the grant made pursuant hereto, regardless of the fault or non-fault of Subrecipient in connection with such claim. The foregoing notwithstanding, the indemnitor shall not be obligated to indemnify the indemnitee for any damages that are caused by or result from the fault of indemnitee or its agents or employees.

20. **LAWS AND REGULATIONS:** Subrecipient shall administer this contract in compliance with 24 CFR Part 92 and all applicable federal, Utah state, and Salt Lake City Corporation laws, ordinances, and regulations, including but not limited to the following federal regulations or their successors or replacements which are incorporated herein by reference:

A. **Affordability:** Subrecipient assures the City that housing assisted with HOME funds will meet the affordability requirements of 24 CFR 92.252 for rental housing or 24 CFR 92.254 for home ownership, as applicable, and guarantees repayment of the funds if the housing does not meet the affordability requirements for the specified time period.

HOME Investment per Unit	Affordability Period
Less than \$15,000	5 years
\$15,000-\$40,000	10 years
More than \$40,000	15 years
New Construction of Rental Housing	20 years
Refinancing of Rental Housing	15 years

Affordability requirements shall be recorded on the property through a deed restriction or covenant running with the land and loan documents.

Loan default and subsequent foreclosure does not negate affordability restrictions unless HOME dollars are repaid, or the affordability term expires.

- B. Uniform administrative requirements: Subrecipient shall comply with applicable uniform administrative requirements, as described in 24 CFR 92.505.
- C. Project requirements: Subrecipient shall comply with project requirements in 24 CFR Subpart F as applicable in accordance with the type of project assisted.
- D. Property standards: HUD regulations state all housing assisted with HOME funds must provide safe and sanitary housing that complies with all applicable state and local housing codes, licensing requirements, and any other requirements in the jurisdiction in which the housing is located regarding the condition of the structure and the operation of the housing. The State of Utah has adopted the International Building Codes along with the International Residential Code (IRC). Therefore, all housing units subsidized with Salt Lake City HOME funds must meet the IRC or the City's Residential Housing Code as the minimum standard. These standards are higher than HUD's Housing Quality Standards and must be used as per the federal regulation.
- E. Monitoring: The Subrecipient agrees to allow the City, HUD, and Inspector General (IG) access to HOME assisted files and units for the purposes of compliance monitoring and habitability/code inspections. The City will provide the Subrecipient at least 30 days advance notice of any file/onsite monitoring visits. The City will conduct an on-site monitoring visit of the project at least every (3) three years throughout the affordability period.
- F. Other program requirements: Subrecipient shall carry out each activity in compliance with all federal laws and regulations described in 24 CFR Subpart H except that

Subrecipient shall not assume the City's responsibilities for environmental review in 24 CFR 92.352 or the intergovernmental review process in 24 CFR 92.357.

Environmental conditions: Subrecipient agrees to comply with the laws, authorities under the National Environmental Policy Act of 1969 (NEPA) and each provision of law designated in the 24 CFR 58.5.

- G. Match: Subrecipient may provide a 25% non-federal match of awarded HOME funds. Subrecipient shall identify eligible sources of match and comply with the timing requirements as set forth in 24 CFR 92.218.
- H. Income certification – During the initial 18-month lease up period, Subrecipient shall determine income eligibility at no greater than 60% AMI for HOME tenants. After the lease-up period, Subrecipient shall determine eligibility at no greater than 60% AMI. Income eligibility must be recertified annually for all HOME assisted tenants. Subrecipient may use the most current definition of either IRS Form 1040 Adjusted Annual Gross Income or 24 CFR Part 5 but must use the same method consistently for all HOME assisted tenants.
 - (1) Any tenant that becomes over-income while residing in a HOME unit shall not be displaced. Should a tenant in a Low HOME unit go above 60% AMI, the Subrecipient shall rent the next vacant High HOME unit at a Low HOME rent OR the Subrecipient will redesignate an existing High Home unit to Low HOME if occupied by a very low income ("VLI") household. Until re-designation, the rent will stay at Low HOME.
 - (2) Once VLI/Low HOME rent requirement is met, then the over income tenant may change to a High HOME rent level, subject to the lease terms.
 - (3) Should a tenant in a Low HOME unit go above 60% AMI, the tenant may remain in the HOME unit, but the tenant must pay rent equal to 30% of adjusted monthly income.
- I. Requests for disbursement of funds: Subrecipient shall not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs. The amount of each request shall be limited to the amount needed. HOME funds have been approved as the last funding source to be drawn for completion of the project. The funds will be disbursed as follows: (i) upon submission by Borrower of a first request and evidence that at least 25% of construction has been completed, 25% of the original principal amount of the Loan shall be disbursed to Borrower; (ii) upon submission by Borrower of a second request and evidence that at least 50% of the Project construction has been completed, an additional 25% of the original principal amount of the Loan shall be disbursed to Borrower; (iii) upon submission by Borrower of a third request and evidence that at least 75% of the Project construction has been completed, an additional 25% of the original principal amount of the Loan shall be disbursed to Borrower; and (iv) upon submission by Borrower of a final request and evidence that 100% of the Project construction has been completed, the final 25% of the original principal amount of the Loan shall be disbursed to Borrower.

The final draw must occur not more than 120 days prior to Project completion pursuant to HUD regulations.

- J. Affirmative marketing and minority outreach: Subrecipient shall carry out each activity in compliance with all federal laws and regulations described in 24 CFR Subpart H, Section 92.351, Affirmative Marketing and Minority Outreach. Subrecipient shall provide the City with a copy of the affirmative marketing plan.
- K. Reversion of assets: Subrecipient, upon expiration of this Agreement, shall transfer to the City any HOME funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME funds. Also, any real property under the control of Subrecipient that was acquired or improved in whole or in part with HOME funds shall continue to meet the requirements applicable to the housing projects for the period of affordability specified in 24 CFR 92.252 or 24 CFR 92.251, or to repay the HOME funds as required by 24 CFR 92.503 if such housing fails to remain affordable for the required period of time.
- L. Civil Rights Act requirements: Subrecipient agrees to abide by Public Law 88-352, which is title VI of the Civil Rights Act of 1964, (42 U.S.C. 2000d *et seq.*), affirmatively furthering fair housing regulations and Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) including Title VI prohibition against national origin discrimination affecting limited English proficient persons.
- M. Conditions for religious organizations: Subrecipient, if a religious organization, shall comply with the conditions prescribed in 24 CFR 92.257 for the use of HOME funds by religious organizations. HOME funds may not be provided to primarily religious organizations, such as churches, for any activity including secular activities. In addition, HOME funds may not be used to rehabilitate or construct housing owned by primarily religious organizations or to assist primarily religious organizations in acquiring housing. However, HOME funds may be used by a secular entity to acquire housing from a primarily religious organization, and a primarily religious entity may transfer title to its property to a wholly secular entity and the entity may participate in the HOME program in accordance with the requirements of this part. The entity may be an existing or newly established entity, which may be an entity established by the religious organization. The completed housing project must be used exclusively by the owner entity for secular purposes, available to all persons regardless of religion. In particular, there must be no religious or membership criteria for tenants of the property.
- N. Tenant contracts: Rental assistance contracts or security deposit contracts must conform to 24 CFR 92.209 and 24 CFR 92.253 to ensure all costs are eligible and lease agreements protect the rights of the tenant.
- O. Deed restriction: Rental development projects receiving funding from the City's HOME Investment Partnerships Program will be secured by a deed of trust recorded at the Salt Lake County Recorder's Office that states the period of affordability.

P. Radon: Subrecipient is required to utilize HUD regulations at 24 CFR 50.3(i) and 58.5(i)(2), which require all property to be free of contamination where a hazard could affect the health and safety of occupants or conflict with the intended use of the property. Section 50.3(i) states that "it is HUD policy that all property proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gasses, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property." Any HOME-funded new construction or rehabilitation requires radon testing. Radon levels over 4.0 pCi/L require owners/developers to mitigate.

Q. Loan terms and repayment: Refer to the Loan Agreement for terms of the loan. In the event that the Subrecipient does not meet the requirements in the Loan Agreement and Regulatory Agreement, the City will refer to Repayment provisions set out in 92.503(a).

R. HOME-ARP: Subrecipient agrees to comply with the requirements of the HOME-ARP program as outlined in the American Rescue Plan, dated March 11, 2021, and all current and subsequent notices and waivers issued by HUD regarding HOME-ARP.

S. Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking: Except as provided in 574.604(a)(2), the Violence Against Women Act (VAWA) requirements set forth in 24 CFR part 5, subpart L apply to housing assisted with HOME grant funds for acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing; new construction; and operating costs, per 576.604. The requirements set forth in 24 CFR part 5, subpart L, also apply to project-based and tenant-based rental assistance and community residences. The VAWA requirements set forth in 24 CFR part 5, subpart L do not apply to short-term supported housing, except that no individual may be denied admission to or removed from the short-term supported housing on the basis or as a direct result of the fact that the individual is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the individual otherwise qualifies for admission or occupancy.

21. REDUCTION IN ADMINISTRATIVE COMPENSATION: In the remote event that HUD should, for any reason, reduce or eliminate the City's funding under its HOME Agreement, the City reserves the right to renegotiate the amount of compensation due Subrecipient for the Activities Funded as provided herein, or to terminate this Agreement at the City's discretion.

22. TERMINATION: The City, upon a default under this Agreement that extends beyond any applicable cure period, may terminate this Agreement by giving Subrecipient written notice by certified mail.

23. OBLIGATION: Subrecipient shall remain fully obligated under the provisions of this Agreement notwithstanding its contract with or designation of any third party or subcontractor for the responsibilities of the Agreement. Subrecipient shall be responsible to ensure all contractors, consultants, assignees, etc., shall comply with all lawful requirements of City and Subrecipient under HOME regulations and City's assurances made in its HOME Agreement. Notice from Subrecipient of its intention to assign or transfer any obligation hereunder, whether

by assignment or novation and a copy of any documents shall be furnished promptly to City before any requests for compensation for such work shall be paid.

24. SETOFF: Notwithstanding any provision appearing to the contrary, Subrecipient shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement by Subrecipient. The City may withhold payment of compensation to Subrecipient for the purpose of setoff until such time as the exact amount of damage incurred by the City that is due from Subrecipient is determined and paid. Such damages may include HUD's disqualification of the activities funded because of Subrecipient's failure to properly administer the same.

25. INTEGRATED DOCUMENT: This Agreement embodies the entire agreement between City and Subrecipient for the scope of services and their terms and conditions. No verbal agreements or conversation with any officer, agent or employee of the City prior to the execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal agreement shall be considered as unofficial information and in no way binding upon the City.

26. AMENDMENTS: This Agreement may be amended only by written agreement of the parties hereto.

27. SEVERABILITY OF PROVISIONS: If any provisions of this Agreement are held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

28. NON-ASSIGNABILITY: Subrecipient shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement without written consent of the City thereto. Subrecipient must notify the City of any changes in management and ownership; provided however, the City's prior written approval and/or consent shall not be required for any sale of the Project to the general partner of Borrower (or an affiliate thereof) pursuant to that certain {Option and Purchase Agreement} dated {December 1, 2024}.

29. NO THIRD-PARTY BENEFICIARIES: Subrecipient's obligations are solely to the City and to HUD and the City's obligations are solely to Subrecipient and to HUD. This Agreement shall confer no third-party rights whatsoever other than those between the parties hereto and HUD.

30. SUCCESSORS: Subrecipient covenants that the provisions of this Agreement shall be binding upon heirs, successors, sub-contractors, representatives and agents.

31. AMBIGUITY: Any ambiguity in this Agreement shall be construed in favor of the City.

32. GOVERNING LAW: This Agreement shall be enforced in and governed by the laws of the State of Utah.

33. ENFORCEMENT OF THE AGREEMENT: In accordance with 2 CFR 200.338-342, suspension or termination of this Agreement may occur if Subrecipient materially fails to comply with any of the terms of this Agreement. The City may require Subrecipient to repay funds

disbursed to Subrecipient if it is determined Subrecipient has breached the provisions of this Agreement. The City may permit the Agreement to be terminated for convenience in accordance with 2 CFR 200.339.

34. **CERTIFICATION:** In accordance with 2 CFR 200.415(a), by signing this agreement Subrecipient certifies to the best of their knowledge and belief that all documentation provided is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. Subrecipient is aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject the Subrecipient to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

35. **ADDITIONAL REQUIREMENTS:** In consideration of the City making the Loan to Subrecipient and to further the purposes of the City to increase affordable housing within Salt Lake City and serve public benefits, Subrecipient hereby covenants and agrees, notwithstanding that the Loan may have been repaid in full, to comply with the Use Restrictions described below in connection with the construction and operation of any improvements as part of the Project:

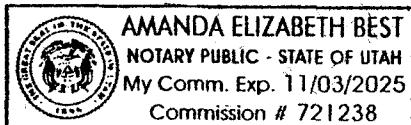
A. Subrecipient agrees that (a) 88 units of the Project, comprised of 28 Studio units, 31 one-bedroom units, 14 two-bedroom units, and 15 three-bedroom units, shall be income restricted for households earning 41-60% of AMI (these shall include 8 one-bedroom HOME units and 3 two-bedroom HOME units), and (b) 16 units of the Project, comprised of 8 Studio units, 6 one-bedroom units, 1 two-bedroom unit, and 1 three-bedroom unit shall be income restricted for households earning 40% AMI or below (collectively, the “**Use Restrictions**”), throughout the term of this Agreement. Notwithstanding the foregoing, following a foreclosure of a senior deed of trust encumbering the Project, if the then-owner of the Property is no longer a beneficiary of low-income housing tax credit project assistance, then the foregoing Use Restrictions may be terminated or revised in a manner that allows the Project to be financially feasible, as reasonably determined by Subrecipient and the City, including permitting such AMI limits to be increased to an amount not to exceed 60% AMI).

[Signatures on following pages.]

IN WITNESS WHEREOF, the parties are signing this Agreement as of the date stated in the introductory clause.

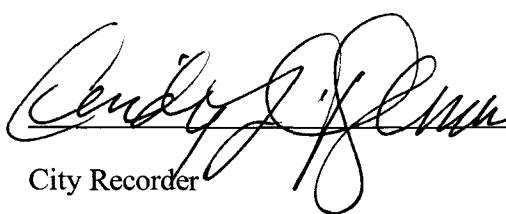
CITY:

Redevelopment Agency of Salt Lake City, a
public entity



By 

ATTEST:



Cindy J. Olson
City Recorder

Approved as to Form
Salt Lake City Attorney's Office

By 
Sara Montoya, Senior City Attorney

RECORDED

DEC 23 2024

CITY RECORDER

SUBRECIPIENT:

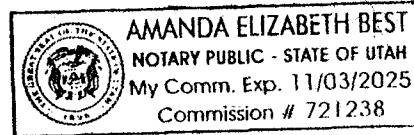
West 200 South UT, LLLP,
a Utah limited liability limited partnership

By: UT West 200 South, LLC,
a Utah limited liability company,
General Partner

By: 
Charles A. Schmid, Authorized
Representative

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF Utah)
COUNTY OF Salt Lake) SS.:



On Dec 23 2024 before me, Amanda Best (here insert name and title of officer), personally appeared Danny Walz, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Utah that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Amanda Best

Notary Public

Print Name: Amanda Best

My commission expires:

11/3/2025

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

On December 18, 2024 before me, Sean William O'Hara, a Notary Public (here insert name and title of the officer), personally appeared Charles A. Schmid who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sean O'Hara (Seal)

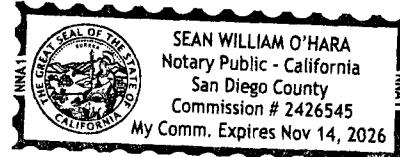


Exhibit A – Scope of Service

Purpose and Nature of Services

Subrecipient provides development of affordable housing in Salt Lake City. Subrecipient is located at 950 West 200 South, Salt Lake City UT.

Tasks

Subrecipient will use the HOME funds provided as outlined in Exhibit “B” Budget, for construction of the (11) HOME units. Subrecipient must prepare and maintain written tenant selection policies and criteria in accordance with federal regulations [24 CFR 92.209(c)]. Subrecipient must obtain income qualification (Low/High HOME Rent) documentation from each household assisted with program funds.

HUD regulations state all housing assisted with HOME funds must provide safe and sanitary housing that complies with all applicable state and local housing codes, licensing requirements, and any other requirements in the jurisdiction in which the housing is located regarding the condition of the structure and the operation of the housing.

HOME Units

Subrecipient will use funds to support number (11) floating HOME (8 one-Bedroom, 3 two-bedroom) units. The maximum rent for these units will not exceed the maximum Low/High HOME rent provided annually by HUD. Maximum HOME rent levels are published annually by HUD.

Special Conditions

HOME funds used for projects not completed within four (4) years of the date of the first reimbursement under this Agreement, as determined by a signature of each party to the agreement shall be repaid, except that the HUD Secretary may extend the deadline for one (1) year if the HUD Secretary determines that the failure to complete the project is beyond the control of the participating jurisdiction.

No HOME funds may be committed to any project unless each participating jurisdiction certifies that it has conducted an underwriting review, assessed developer capacity and fiscal soundness and examined neighborhood market conditions to ensure adequate need for each project.

HOME funds have been approved as the last funding source to be drawn for completion of the project. The funds will not be disbursed until (i) Borrower submits a request and evidence that at least 25% of the Project construction has been completed at which point 25% of the original principal amount of the Loan shall be disbursed to Borrower, (ii) Borrower submits a request and evidence that at least 50% of the Project construction has been completed, at which point an additional 25% of the original principal amount of the Loan shall be disbursed to Borrower, (iii) Borrower submits a request and evidence that at least 75% of the Project construction has been completed, at which point an additional 25% of the original principal amount of the Loan shall be disbursed to Borrower, and (iv) Borrower submits a request and evidence that 100% of the Project construction has been completed, at which point the final 25% of the original principal

amount of the Loan shall be disbursed to Borrower. The final draw must occur not more than 120 days prior to Project completion pursuant to HUD regulations.

Exhibit “B” – Budget

Subrecipient will receive an amount not to exceed \$2,420,000.00 from the City's 2023-2024 HOME Program allocation to provide Development to approximately (11) HOME units in Salt Lake City.

Salt Lake City Corporation will contribute an amount not to exceed \$2,420,000.00 from its 2023-2024 HOME allocation as follows on a reimbursement basis:

Budget Description:

Affordable Development Construction costs	\$2,420,000.00
TOTAL:	\$2,420,000.00

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Exhibit "C" – Legal Description

ALL OF LOTS 10, 11, 12, 13, 14, 15, 16 AND THE EAST 23.00 FEET OF LOT 17 OF BLOCK 1, ARCHER KULLAK SUBDIVISION, AS RECORDED IN THE OFFICE OF THE SALT LAKE COUNTY RECORDER IN BOOK "B" OF PLATS AT PAGE 35, SAID COMBINED PARCEL MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 10, AND RUNNING THENCE SOUTH 89°58'17" WEST 198.05 FEET; THENCE NORTH 0°00'45" WEST 137.02 FEET ALONG A LINE THAT IS PARALLEL WITH AND 2.00 FEET EAST OF THE WEST LINE OF SAID LOT 17 TO THE NORTH LINE OF SAID LOT 17; THENCE NORTH 89°58'21" EAST 198.05 FEET ALONG THE NORTH LINE OF SAID LOTS TO THE NORTHEAST CORNER OF SAID LOT 10; THENCE SOUTH 0°00'39" EAST 137.02 FEET ALONG THE EAST LINE OF SAID LOT 10 TO THE POINT OF BEGINNING.

Tax Id No.:15-02-251-024, 15-02-251-025, 15-02-251-026 and 15-02-251-027