

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

Space Above This Line for Recorder's Use

LOAN NO: HMC2020

### DEED RESTRICTION

THIS DEED RESTRICTION ("Restriction") is made and effective as of the 20 day of May, 2024 by Cove Junction I, LLC, a Utah limited liability company ("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 Sevier County as more fully described as follows:

#### LEGAL DESCRIPTION:

COVE JUNCTION PHASE I - FINAL PLAT, according to the official plat thereof as recorded in the office of the Sevier County Recorder on March 3, 2023 as Entry No. 433123 in Book 815 at Page 1177, and being more particularly described as follows:

Beginning at a point which is located East 1350.75 feet and South 848.06 feet from the Northwest corner of Section 2, Township 24 South, Range 3 West, Salt Lake Base and Meridian; thence West 322.80 feet; thence South 93.08 feet; thence South 77°52'03" West a distance of 99.67 feet; thence South 12°31'43" East a distance of 74.00 feet; thence North 77°52'03" East a distance of 104.49 feet; thence South 56°58'47" East a distance of 14.18 feet; thence South 11°51'45" East a distance of 96.03 feet to the North line of city street; thence North 77°49'31" East along said city street a distance of 276.63 feet; thence North a distance of 207.68 feet to the point of beginning

County Tax Parcel No: 6-155-1

Subject Property ("Property") is also known by property address: 1100 West 1550 South, Richfield, Utah 84701

2. **RESTRICTIONS.**

All Olene Walker Housing Loan Fund HTF monies, regardless of the source of funds, must be used to assist families whose annual incomes do not exceed 830 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. If a project has 5 or more HOME-assisted units, has at least 20 percent of the Olene Walker Housing Loan Fund HOME- assisted rental units must be occupied by families who have annual incomes that are 50 percent or less of the area median income as determined by HUD. Rents for these units must follow the Low HOME rent limits as determined by HUD. These units must sustain the Low HOME rents as described in the following section.
  - ii. If a project has less than 5 HOME assisted units, has at least 70100 percent of the Olene Walker Housing Loan Fund HOME -assisted rental units must be occupied by families who have annual

eRecording: # 00438204 B: 0829 P: 0331

05/23/2024 12:00 PM Deed Restriction

Page: 1 of 4

Fee: \$40.00 By: COTTONWOOD TITLE INSURANCE AGENCY

Jason Monroe, Sevier County, Utah Recorder

- incomes that are 60 percent or less of median income as defined by HUD. Rents for these units must follow the High HOME rent limits as determined 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) The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111 Section 8 Fair Market Rents or area-wide exception rents for existing housing, minus tenant paid utilities or services, or B) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit rents which are 30% of adjusted income for households at 65% of median income, minus tenant paid utilities or services.
    - ii. Low HOME rents are provided by HUD and must meet one of the following: 1) The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, minus tenant paid utilities or services, or 2) The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent 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.
    - ii. 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. (i) Low HOME rent units are subject to the lower of the Low HOME rent or the tax credit rent. (ii) 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 percent 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 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.
      - (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 percent of the federal poverty line or 30 percent of the income of a family whose annual income equals 30 percent of the median income for the area, 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 percent of the income of a family whose annual income equals 50 percent of the median income for

**eRecording: # 00438204 B: 0829 P: 0332**

05/23/2024 12:00 PM Deed Restriction

Page: 2 of 4

Fee: \$40.00 By: COTTONWOOD TITLE INSURANCE AGENCY

Jason Monroe, Sevier County, Utah Recorder

the area, 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 percent of the tenant's adjusted income, the maximum rent is the rent allowable under the Federal or State project-based rental subsidy program.

f. **Property shall include a total of Eight (8) HOME-assisted units on floating basis, which will consist of One (1) one-bedroom, Four (4) two-bedroom, Two (2) three-bedroom, and One (1) four-bedroom units. Of the eight HOME-assisted units, at least 20% (or at least 2 units), will be at Low HOME rent levels.**

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.

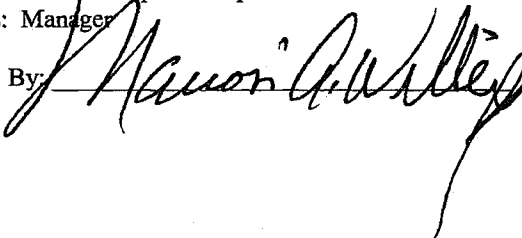
Dated this 17 day of May, 2024

Cove Junction I, LLC  
a Utah limited liability company

By: Cove Junction I GP, LLC  
a Utah limited liability company  
Its: Manager

By: WRNP CJ, LLC  
a Utah limited liability company  
Its: Manager

By: Western Region Non-Profit Housing Corporation  
a Utah non-profit corporation  
Its: Manager

By: 

eRecording: # 00438204 B: 0829 P: 0333

05/23/2024 12:00 PM Deed Restriction

Page: 3 of 4

Fee: \$40.00 By: COTTONWOOD TITLE INSURANCE AGENCY

Jason Monroe, Sevier County, Utah Recorder

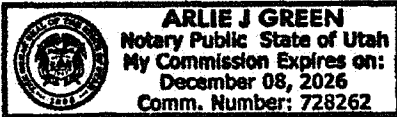
Marion A. Willey  
Title: President

STATE OF UTAH )

ss:

COUNTY OF SALT LAKE )

On the 17 day of May, in the year 2024, before me, Archie J. Green a notary public, personally appeared Marion A. Willey, who being by me duly sworn did say that he is the President of Western Region Non-Profit Housing Corporation, and who proved on the basis of satisfactory evidence to be the person whose name is subscribed to in this document, and acknowledged that he is authorized by execute the same.



Archie J. Green  
Notary Public

eRecording: # 00438204 B: 0829 P: 0334

05/23/2024 12:00 PM Deed Restriction

Page: 4 of 4

Fee: \$40.00 By: COTTONWOOD TITLE INSURANCE AGENCY

Jason Monroe, Sevier County, Utah Recorder