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1/15/2016 1:01:00 PM \$16.00  
Book - 10395 Pg - 9496-9499  
Gary W. Ott  
Recorder, Salt Lake County, UT  
LANDMARK TITLE  
BY: eCASH, DEPUTY - EF 4 P.

When recorded mail to:  
Utah Center for Neighborhood Stabilization  
6880 South 700 West  
Community Center, 2<sup>nd</sup> Floor  
Midvale, Utah 84047

Space Above This Line For Recorder's Use

Loan No.: UCNS 16-001

### DEED RESTRICTION

THIS DEED RESTRICTION (the "Restriction") is made and effective as of the 14 day of January, 2016, by LIBERTY CROSSING ASSOCIATES, LLC, a Utah limited liability company (the "Borrower"), for the benefit of UTAH CENTER FOR NEIGHBORHOOD STABILIZATION, a Utah nonprofit corporation (the "Lender"). For good and valuable consideration, Borrower hereby agrees as follows for the benefit of the Lender:

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

#### LEGAL DESCRIPTION:

Lot 2, THE CROSSING AT SOUTH SALT LAKE SUBDIVISION, according to the official plat thereof, filed in Book "2015P" of Plats, at Page 273 of the Official Records of the Salt Lake County Recorder.

Tax Parcel No.: 16-19-103-025;

Subject Property is also known by the property addresses of: 2210 South State Street, South Salt Lake City, Utah 84115.

#### B. NATURE OF RESTRICTION.

- (1) At the conclusion of development and construction of the multi-family housing project upon the property, Borrower shall confirm with Lender that the allocable cost of the HOME assisted units designated herein below, including an allocable share of the land costs, equals or exceeds the amount of the loan made by Lender to Borrower as of the date of this deed restriction.
- (2) Rental housing will qualify as affordable only if at least 20 percent of the project's total units are either occupied by families who have annual incomes that are 50

LTC 56148

4844-6348-4204.3

- percent or less than area median income as determined by HUD or comply with the more restrictive rent requirements contained in Section B(3) or Section B(4) below.
- (3) Every Lender 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 two 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

Borrower agrees that the project will consist of new construction of 163 units of multifamily housing with THIRTY-THREE (33) studio units, EIGHTY-SIX (86) one-bedroom units and FORTY-FOUR (44) two-bedroom units.

Borrower agrees that the project will have a total of SEVENTEEN (17) HOME –assisted units on a floating basis, which will consist of FOUR (4) studio units, NINE (9) one-bedroom units and FOUR (4) two-bedroom units.

The Borrower agrees to contact each agency when a vacancy occurs; if NONE (0) units are not occupied by Special Needs tenants. In the event that the agencies do not have a qualified

client who can fill a unit when it becomes vacant, the unit can be rented to a non-special needs tenants.

D. NONCOMPLIANCE WITH DEED RESTRICTION

If Borrower is found to be out of compliance with this Deed Restriction, the Lender has the option to call the Note due and payable in full.

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 Lender 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.

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

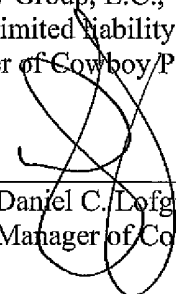
DATED: January 14, 2016.

BORROWER

**LIBERTY CROSSING ASSOCIATES, LLC,**  
a Utah limited liability company

By: Cowboy Partners, L.C.,  
a Utah limited liability company,  
Manager of Liberty Crossing Associates, LLC

By: Cowboy Group, L.C.,  
a Utah limited liability company,  
Manager of Cowboy Partners, L.C.

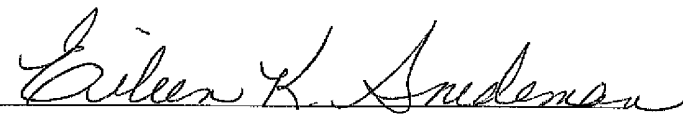
By:   
\_\_\_\_\_  
Daniel C. Lofgren,  
Manager of Cowboy Group, L.C.

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

The foregoing instrument was acknowledged before me this 14 day of January, 2016, \*\*  
by Cowboy Group, L.C., a Utah limited liability company, Manager of Cowboy Partners, L.C., a  
Utah limited liability company, Manager of Liberty Crossing Associates, LLC, a Utah limited  
liability company.

\*\*Daniel C. Lofgren, Manager of



  
\_\_\_\_\_  
NOTARY PUBLIC  
Residing at: \_\_\_\_\_