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11/9/2015 3:59:00 PM \$22.00  
Book - 10378 Pg - 191-197  
Gary W. Ott  
Recorder, Salt Lake County, UT  
FIRST AMERICAN NCS  
BY: eCASH, DEPUTY - EF 7 P.

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:  
Vice President, Multifamily Finance  
Utah Housing Corporation  
2479 S. Lake Park Blvd.  
West Valley City, Utah 84120

FIRST AMERICAN TITLE  
# 663668 OF (4)

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## HUD Amendment To Restrictive Covenants

This AMENDMENT TO TAX REGULATORY AGREEMENT is made as of October 27, 2015, by and among CITY FRONT PARTNERS, LLC, a Utah limited liability company ("Borrower"), UTAH HOUSING CORPORATION, a body politic and corporate constituting a public corporation of the State of Utah ("Agency"), collectively referred to as the "Parties" and individually as a "Party".

WHEREAS, Borrower has obtained financing from Wells Fargo Bank, National Association ("Lender") for the benefit of the project known as Citifront Apartments ("Project"), which loan is secured by a Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement ("Security Instrument") dated as of November 1, 2015 and recorded in the Recorder's Office of Salt Lake County, Utah ("Records") on November 9, 2015 as Document Number 12167310, and is insured by the United States Department of Housing and Urban Development ("HUD");

WHEREAS, Borrower has received tax-exempt bond financing from Agency which Agency has required that certain restrictions be recorded against the Project; and

WHEREAS, Borrower, Agency (as Issuer) and U.S. Bank, N.A. ("Trustee") entered into that certain Tax Regulatory Agreement ("Regulatory Agreement") with respect to the Project, as more particularly described in Exhibit A attached hereto, dated as of June 1, 2002 and recorded on July 10, 2002, as Entry No. 8288147, in Book 8618, Page 5508, of Official Records of Salt Lake County, State of Utah; and

WHEREAS, the bonds having been paid in full, pursuant to Section 8 of the Regulatory Agreement the Trustee is not required to sign this document; and

WHEREAS, HUD requires as a condition of its insuring Lender's financing to the Project, that the lien and covenants of the Regulatory Agreement be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, the Parties have agreed to subordinate the Regulatory Agreement to the lien of the Mortgage Loan in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

(a) In the event of any conflict between any provision contained elsewhere in the Regulatory Agreement and any provision contained in this Amendment, the provision

**contained in this Amendment shall govern and be controlling in all respects as set forth more fully herein.**

(b) The following terms shall have the following definitions:

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

"Lender" means Wells Fargo Bank, National Association, its successors and assigns.

"Mortgage Loan" means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

"Mortgage Loan Documents" means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

"Residual Receipts" has the meaning specified in the HUD Regulatory Agreement.

"Security Instrument" means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Regulatory Agreement to the contrary, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the "HUD Requirements"). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Regulatory Agreement. In the event of any conflict between the provisions of the Regulatory Agreement and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the Agency's ability to enforce the terms of the Regulatory Agreement, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower's knowledge the Regulatory Agreement impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In the event of foreclosure (or deed in lieu of foreclosure), the Regulatory Agreement (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate.

(e) Borrower and the Agency acknowledge that Borrower's failure to comply with the covenants provided in the Regulatory Agreement does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

(f) In enforcing the Regulatory Agreement the Agency will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available residual receipts authorized by HUD, if the Borrower is a non-profit entity.

(g) For so long as the Mortgage Loan is outstanding, Borrower and Agency shall not further amend the Regulatory Agreement, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(h) Subject to the HUD Regulatory Agreement, the Agency may require the Borrower to indemnify and hold the Agency harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Agency relating to the subordination and covenants set forth in the Regulatory Agreement, provided, however, that Borrower's obligation to indemnify and hold the Agency harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

(i) Notwithstanding anything to the contrary contained herein, it is not the intent of any of the parties hereto to cause a recapture of the Low Income Housing Tax Credits or any portion thereof related to any potential conflicts between the HUD Requirements and the Regulatory Agreement. Borrower represents and warrants that to the best of Borrower's knowledge the HUD Requirements impose no requirements which may be inconsistent with full compliance with the Regulatory Agreement. The acknowledged purpose of the HUD Requirements is to articulate requirements imposed by HUD, consistent with its governing statutes, and the acknowledged purpose of the Regulatory Agreement is to articulate requirements imposed by Section 42 of the Code. In the event an apparent conflict between the HUD Requirements and the Regulatory Agreement arises, the Parties and HUD will work in good faith to determine which federally imposed requirement is controlling. It is the primary responsibility of the Borrower, with advice of counsel, to determine that it will be able to comply with the HUD Requirements and its obligations under the Regulatory Agreement. No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds, or prohibiting the owner from taking any action that might jeopardize the tax-exemption, except in strict accord with Program Obligations.

*[Signatures on Following Page]*

BORROWER:

**CITY FRONT PARTNERS, LLC,**  
a Utah limited liability company

By: Salt Lake Neighborhood Housing Services,  
Inc.

a Utah nonprofit corporation

Its: Managing Member

By: *Maria Garciaz*  
Name: Maria Garciaz  
Its: Executive Director

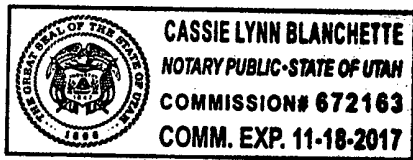
By: Bridge Development, L.C.  
a Utah limited liability company

Its: Managing Member

By: *D. Russell Minnick*  
Name: D. Russell Minnick  
Its: Manager

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

The foregoing instrument was acknowledged before me this 30 day of October, 2015, by Maria Garciaz, the Executive Director of Salt Lake Neighborhood Housing Services, Inc. a Utah nonprofit corporation, the Managing Member of City Front Partners, LLC, a Utah limited liability company, on behalf of such limited liability company.

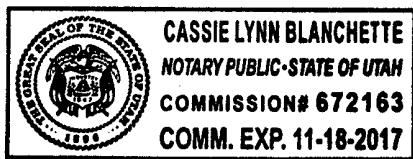


*Cassie Lynn Blanchette*  
Notary Public

[Seal]

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

The foregoing instrument was acknowledged before me this 30 day of October, 2015, by D. Russell Minnick a Manager of Bridge Development, L.C., a Utah limited liability company, the Managing Member of City Front Partners, LLC, a Utah limited liability company, on behalf of such limited liability company.



[Seal]

*Cassie Lynn Blanchette*  
Notary Public

AGENCY:

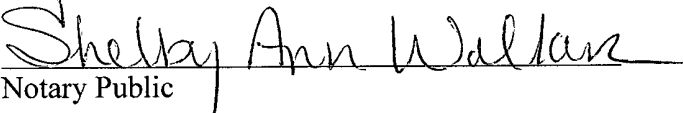
Utah Housing Corporation,  
a public corporation of the State of Utah

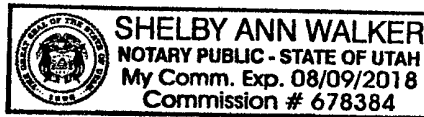
By:   
Name: Grant S. Whitaker  
Its: President

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

The foregoing instrument was acknowledged before me this 27 day of October, 2015, by Grant S. Whitaker, President of Utah Housing Corporation, a public corporation of the State of Utah, on behalf of such corporation.

[seal]

  
Notary Public



## Exhibit A – Legal Description

### Parcel 1:

That certain real property in the City of Salt Lake City, County of Salt Lake, State of Utah, having a street address of 631 North Temple Street, Salt Lake City, Utah 84116, more particularly described as follows:

Beginning at the intersection of the South right-of-way line of North Temple Street and the West right-of-way line of 600 West Street, said point also being the Northeast Corner of Block 60, Plat C, Salt Lake City Survey, and running thence South 89°58'06" West along said South right-of-way line of North Temple Street 466.56 feet to the West line of UDOT Parcel No. 15-7:160:E of Official Records; thence along said West line the following 4 courses: South 16°16'45" West 257.95 feet and South 89°58'57" West 9.67 feet to a point on the arc of a 3427.49 foot radius curve to the right having a central angle of 00°47'25" and Southerly along said arc 47.27 feet to a point of tangency and South 18°17'53" West 83.03 feet; thence North 89°58'06" East 233.85 feet to the West side of a metal building; thence North 00°07'20" East along said West line and line extended 123.79 feet; thence North 89°58'06" East 190.03 feet to the center of Lot 7 in said Block 60; thence North 00°01'00" West 41.26 feet; thence North 89°58'06" East 165.09 feet to a point on the West right-of-way line of 600 West Street; thence North 00°01'00" West along said right-of-way line 206.28 feet to the point of beginning.

### Parcel 1A:

Together with and subject to those certain easements, rights of way and rights for parking and access, as set forth in that certain Declaration and Grant of Easements, dated September 11, 2007, between City Front Partners, LLC, a Utah limited liability company and City Front Partners II, LLC, a Utah limited liability company, recorded February 26, 2008 as Entry No. 10357823 in Book 9574 at Page 7546 of Official Records.

Tax Parcel No. 08-36-353-018-0000