

WHEN RECORDED MAIL TO:  
STATE OF UTAH, OLENE WALKER  
HOUSING TRUST FUND  
1385 South State Street, 4<sup>th</sup> Floor  
Salt Lake City, UT 84115

Space Above This Line For Recorder's Use

LOAN NO: SMP1747

DEED RESTRICTION

THIS DEED RESTRICTION (the "Restriction") is made and effective as of the 1<sup>st</sup> day of July, 2019 by RIBBON PROPERTIES LLC, (the "Borrower"), for the benefit of the OLENE WALKER HOUSING LOAN FUND, ( the "State"). For good and valuable consideration, Borrower hereby agrees as follows for the benefit of the State:

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

LEGAL DESCRIPTION:

PARCEL 1: (15-01-377-001) THE NORTH HALF OF LOT 4, BLOCK 29, PLAT "A", SALT LAKE CITY SURVEY, ACCORDING TO THE OFFICIAL PLAT THEREOF, RECORDED IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF SALT LAKE, STATE OF UTAH.

PARCEL 2: AN EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR INGRESS AND EGRESS AND ACCESS AS CREATED BY FIRE LANE AND MUTUAL ACCESS EASEMENT AGREEMENT RECORDED AS INSTRUMENT 12841483 IN BOOK 10708 AT PAGE 8701 OF SALT LAKE COUNTY RECORDS.

PARCEL 3: AN EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR PARKING AS CREATED BY PARKING ACCESS EASEMENT RECORDED AS INSTRUMENT 12971781, IN BOOK 10771, AT PAGE 9252 AND CORRECTED BY THE CERTIFICATE OF PARKING EASEMENT RECORDED AS INSTRUMENT 13004168, IN BOOK 10789, AT PAGE 1015 OF SALT LAKE COUNTY RECORDS.

Tax Parcel No(s): 15-01-377-001

Subject Property is also known by property address: 525 S 500 W, Salt Lake City UT 84101.

B. NATURE OF RESTRICTION.

- (1) All Olene Walker Housing Loan Fund monies must be used to assist families whose annual incomes do not exceed 80 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.
- (2) Rental housing will qualify as affordable only if the project:
  - (a) has at least 20 percent of the Olene Walker Housing Loan Fund assisted rental units occupied by families who have annual incomes that are 50 percent or less of median income as defined by HUD. These units must sustain the Low rents as described in the following section.
  - (b) has at least 70 percent of the Olene Walker Housing Loan Fund assisted rental units occupied by

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- families who have annual incomes that are 60 percent or less of median income as defined by HUD. These units must sustain the High rents as described in the following section.
- (c) 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 also must sustain the High rents as described in the following section.
- (3) Every Olene Walker Housing Trust Fund 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 four 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

Project will have a total of 8 HOME-assisted units on a floating basis, which will consist of 8 studio units. The project will also have a total of 14 NHTF-assisted units on a floating basis, which will consist of 14 studio units. All NHTF-assisted units must be occupied by qualified residents at or below 30% of current AMI.

#### D. NONCOMPLIANCE WITH DEED RESTRICTION

If Borrower is found to be out of compliance with this Deed Restriction and if such noncompliance is not cured within ninety (90) days after written notice from the State to the Borrower of such noncompliance, the State 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

