

October 1992
Version 2.0

1/201

ENT 31077 BK 3679 PG 635
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
1995 MAY 17 2:29 PM FEE .00 BY MR
RECORDED FOR PROVO CITY HOUSING AUTHORITY

Fed

LAND USE RESTRICTION AGREEMENT

BY AND BETWEEN

RESOLUTION TRUST CORPORATION, AS RECEIVER FOR
COUNTY BANK, F.S.B. SANTA BARBARA, CALIFORNIA

AND

PROVO CITY HOUSING AUTHORITY

(MULTIFAMILY PROPERTIES)

NOTE: THIS DOCUMENT MUST BE REFERENCED IN THE DEED, AND MUST BE
RECORDED AND TIME STAMPED IMMEDIATELY AFTER THE DEED

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
<u>Definitions</u>	1
Section 1.1. General.	1
Section 1.2. Generic Terms.	4
ARTICLE II	
<u>Use and Occupancy of the Property</u>	4
Section 2.1. Use of the Property.	4
Section 2.2. Occupancy Requirements	4
ARTICLE III	
<u>Rent</u>	7
Section 3.1 Rent Limitations for Qualified Tenants.	7
ARTICLE IV	
<u>Administration</u>	8
Section 4.1. Lease Provisions	8
Section 4.2. Examination and Reexamination of Incomes	9
Section 4.3. Certification by Owner	9
Section 4.4. Maintenance of Documents	9
Section 4.5. Compliance Review	10
Section 4.6. Administrative Fee	10
Section 4.7. Releases	11
ARTICLE V	
<u>Representations and Warranties of Owner</u>	11
Section 5.1. Representations and Warranties	11
Section 5.2. Indemnification.	12

Page

ARTICLE VI

Enforcement and Remedies 13

Section 6.1. Remedies of RTC or the Agency. 13

Section 6.2. Remedies of Other Parties. 13

Section 6.3. Reliance Upon Information. 13

ARTICLE VII

Miscellaneous 14

Section 7.1. Amendments 14

Section 7.2. Notices. 14

Section 7.3. Entire Agreement 15

Section 7.4. Governing Law 15

Section 7.5. Severability 15

Section 7.6. Binding Effect: Covenants Running with
the Land. 15

Section 7.7. Counterparts 16

Section 7.8. Section Titles 16

LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement") is made and entered into this 16th day of MAY, 1995, by and between RESOLUTION TRUST CORPORATION, established pursuant to Section 501(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, acting in its capacity as RECEIVER for County Bank, F.S.B., Santa Barbara, California ("Seller"), and PROVO CITY HOUSING AUTHORITY, a body corporate and politic ("Owner").

Recitals

Owner has purchased from Seller certain land described on Exhibit A attached hereto and incorporated herein by reference, together with the improvements located thereon, including a 115-unit rental housing project commonly known as Lookout Pointe Apartments (said land and improvements are hereinafter collectively referred to as the "Property"), which constitute an "eligible multifamily housing property" as defined in Section 21A(c)(9)(D) of the Federal Home Loan Bank Act (12 U.S.C. §1441a(c)(9)(D)), as amended.

Pursuant to Section 21A(c) of the Federal Home Loan Bank Act (12 U.S.C. §1441a(c)), as amended, Owner must agree to comply with certain occupancy and rent restrictions for the remaining useful life of the Property, and the parties hereto have entered into this Agreement to evidence Owner's agreement to comply with such restrictions.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows.

ARTICLE I

Definitions

Section 1.1. General. Capitalized terms used in this Agreement shall have, unless the context clearly requires otherwise, the meanings specified in this Article I. Certain additional terms may be defined elsewhere in this Agreement.

(a) "Act" means Section 21A of the Federal Home Loan Bank Act (12 U.S.C. §1441a), as amended, or any corresponding provision or provisions of succeeding law as it or they may be amended from time to time.

(b) "Agency" means the State Housing Finance Agency or any agency, corporation or authority of the United States government that normally engages in activities related to the preservation of affordable housing which is a successor to or assignee of RTC with respect to its powers and responsibilities hereunder.

(c) "Agreement" means this Land Use Restriction Agreement, as it may from time to time be amended.

(d) "Annual Income" means "income" as defined in Section 3(b)(4) of the United States Housing Act of 1937 and as determined in accordance with the regulations thereunder promulgated by the Secretary.

(e) "Lower-Income Families" means families and individuals whose Annual Incomes do not exceed 80 percent of area median income in the area in which the Property is located, as determined by the Secretary under Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. §1437a(b)(2)), with adjustment for family size.

(f) "Owner" means Provo City Housing Authority, a body corporate and politic, as set forth at the beginning of this Agreement, or any successor in title to the Property.

(g) "Qualified Tenant" means a family or individual tenant of a Qualifying Unit who satisfies the requirements of Section 2.2(a) of this Agreement with respect to such Qualifying Unit.

(h) "Qualifying Unit" means a Unit that (i) is rented to either a Lower-Income Family or Very Low Income Family and (ii) is used in complying with the lower-income occupancy requirements of Section 2.2(a): Any Unit rented to a Lower-Income Family or Very Low Income Family that is not needed to meet the lower income occupancy requirements of Section 2.2(a) will not be deemed a Qualifying Unit and will not be subject to the rent restrictions of Article IV.

(i) "RTC" means the Resolution Trust Corporation, as Receiver for County Bank, F.S.B., Santa Barbara, California, established pursuant to Section 501(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

(j) "Regulations" means the regulations promulgated pursuant to the Act by RTC or any successor, as amended from time to time.

(k) "Related Entity" means, with respect to any party which has been an Owner hereunder: (i) any spouse, parent, child, grandchild, brother or sister of such Owner; or (ii) any person or entity (A) that directly or indirectly controls or is

controlled by or is under common control with such Owner, (B) that is an officer of, partner in or trustee of, or serves in a similar capacity with respect to, such Owner or of which such Owner is an officer, partner or trustee, or with respect to which such Owner serves in a similar capacity, or (C) that is the beneficial owner, directly or indirectly, of 10% or more of any class of equity securities of such Owner or of which such Owner is directly or indirectly the owner of 10% or more of any class of equity securities.

(l) "Secretary" means the Secretary of Housing and Urban Development.

(m) "State" means the state in which the Property is located.

(n) "State Housing Finance Agency" means the public agency, authority, corporation, or other instrumentality of the State that has the authority to provide residential mortgage loan financing throughout the State.

(o) "Term" means the period commencing on the date hereof and continuing until the earliest to occur of the following:

(1) the date upon which there is an involuntary loss of the Property by Owner caused by seizure, condemnation, foreclosure or deed in lieu of foreclosure of a mortgage or deed of trust securing a bona fide loan from an institutional lender, or upon which there is a change in federal law which prevents RTC or the Agency from enforcing this Agreement; provided, however, that in the event of loss of the Property by foreclosure or deed in lieu of foreclosure, if the party which was Owner at the time of or immediately prior to such foreclosure or deed in lieu of foreclosure, or a Related Entity of such party, acquires an ownership interest in the Property at any time thereafter, then the covenants and restrictions set forth in this Agreement shall be revived and shall remain in force until the further occurrence of an event described in this subsection;

(2) the date upon which there is a total involuntary loss of the use of the Property for residential housing purposes by Owner caused by fire or other casualty;

(3) the date upon which there is a partial involuntary loss of the Property, or of the use thereof for residential housing purposes, caused by seizure or condemnation or by fire or other casualty, which partial loss shall not have been restored through repair or other restoration measure, in which event the covenants and restrictions hereof shall be modified to reflect the appropriate numbers of Units to be held available for Lower-Income Families and Very Low-Income Families, based upon the reduced number of Units in the Property and the percentages of

Units for Lower-Income Families and Very Low-Income Families previously required to be maintained in the Property, which covenants and restrictions shall remain in effect for the remainder of the Term;

(4) the date upon which RTC or the Agency determines, in accordance with the Regulations, (i) that all or a portion of the Property is obsolete as to physical condition, location or other factors, making it unusable for housing purposes, and (ii) that no reasonable program of modifications is financially feasible to return the Property or a portion of the Property to useful life; or

(5) the date which is the later of (i) forty (40) years from the date of this Agreement or (ii) fifty (50) years from the date the Property was initially occupied as multifamily housing.

(p) "Unit" means a residential accommodation constituting a part of the Property and containing separate and complete living facilities.

(q) "Very Low-Income Families" means families and individuals whose Annual Incomes do not exceed 50 percent of area median income in the area in which the Property is located, as determined by the Secretary under Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. §1437a(b)(2)), with adjustment for family size.

Section 1.2. Generic Terms Unless the context clearly indicates otherwise, where appropriate the singular shall include the plural and the masculine shall include the feminine or neuter, and vice versa, to the extent necessary to give the terms defined in this Article I and/or the terms otherwise used in this Agreement their proper meanings.

ARTICLE II

Use and Occupancy of the Property

Section 2.1. Use of the Property. During the Term, Owner will maintain the Property as multifamily rental housing and will rent or hold available for rental each Unit on a continuous basis; provided, however, that Owner may convert a portion of the Property to a use other than multifamily rental housing if Owner shall continue to observe and perform the covenants and restrictions contained in Sections 2.2 and 3.1 hereof.

Section 2.2. Occupancy Requirements.

(a) Subject to subsections (c) and (d), during the Term, Owner will make continuously available for occupancy by Lower-

Income Families as Qualifying Units (including compliance with Article III hereof) not less than 41 Units, of which not less than 23 Units shall be made available for occupancy by Very Low-Income Families. Owner shall use its best efforts, subject to current market conditions, (i) to distribute Units reserved for Lower-Income Families and Very Low-Income Families among unit sizes in proportion to the distribution of unit sizes in the Property and (ii) to avoid concentration of Lower-Income Families or Very Low-Income Families in any area or areas of the Property.

(b) (i) The determination of whether the Annual Income of a family or individual occupying or seeking to occupy a Qualifying Unit exceeds the applicable income limit shall be made prior to admission of such family or individual to occupancy in a Qualifying Unit (or to designation of a Unit occupied by such family or individual as a Qualifying Unit), except that with respect to families or individuals occupying Units on the date hereof, such determination shall be made within 60 days prior to the designation of any such Unit as a Qualifying Unit. Thereafter such determinations shall be made at least annually on the basis of an examination or reexamination of the current income of the family or individual.

(ii) If the Annual Income of a Qualified Tenant which is a Very Low-Income Family shall be determined upon reexamination to exceed the applicable income limit for Very Low-Income Families, but not the applicable income limit for Lower-Income Families, the Unit shall be counted as occupied by a Qualified Tenant which is a Lower-Income Family other than a Very Low-Income Family during such family's or individual's continuing occupancy of such Unit in accordance with clause (iii) below and Owner shall be required to make the next available Qualifying Unit available for occupancy in accordance with clause (iv) below.

(iii) If the Annual Income of a Qualified Tenant shall be determined upon reexamination to exceed the applicable income limit for Lower-Income Families, the Unit occupied by such family or individual shall be counted as occupied by a Qualified Tenant (and such family shall be considered, for purposes of subsection (a) and Article III, a Qualified Tenant which is a Lower-Income Family other than a Very Low-Income Family) so long as (A) the Annual Income of such family or individual shall not be determined to exceed 140 percent of the applicable income limit for Lower-Income Families, or (B) if the Annual Income of such family or individual shall be determined to exceed 140 percent of the applicable income limit for Lower-Income Families, so long as each Unit of comparable or smaller size in the Property which is or becomes available is occupied or held available for occupancy by a new resident whose Annual Income does not exceed the applicable income limit for Lower-Income Families (or a Unit other than a Qualifying Unit occupied by a family or individual

whose Annual Income is determined to not exceed the applicable income limit for Lower-Income Families is designated a Qualified Unit) until the occupancy requirements of subsection (a) are met without counting such over-income family or individual. If the Annual Income of a Qualified Tenant shall be determined to exceed 140 percent of the applicable income limit for Lower-Income Families, Owner shall not be required to observe, with respect to such tenant, the restrictions on maximum rents provided under Article III.

(iv) If the required occupancy by Very Low-Income Families is not met at any time, but the requirement as to occupancy by Lower-Income Families other than Very Low-Income Families is met, Owner shall be required to make each available Unit in the Property available to a Very Low-Income Family until the required occupancy by Very Low-Income Families is achieved. If the required occupancy by Very Low-Income Families is not met at any time but the total requirement as to occupancy by Lower-Income Families including Very Low-Income Families is met, Owner shall not be required to make the next available Unit in the Property available to a Very Low-Income Family but shall be required to make each Qualifying Unit vacated by a Lower-Income Family available for occupancy by a Very Low-Income Family until the required occupancy by Very Low-Income Families is achieved. Notwithstanding the foregoing two sentences, the State Housing Finance Agency may, upon application by Owner, permit any such Qualifying Unit to be rented to a Lower-Income Family other than a Very Low-Income Family if the Agency determines (i) that Owner has taken reasonable steps to rent such Unit to a Very Low-Income Family and has been unable to do so and (ii) that continued vacancy will cause financial hardship to the Property. If the Agency shall not have responded to an application by Owner pursuant to the preceding sentence within 90 days from the date of submission thereof, such application shall be deemed to have been granted.

(v) If neither the required occupancy by Very Low-Income Families nor the required occupancy by Lower-Income Families other than Very Low-Income Families is met at any time, preference (as between potential tenants on a waiting list or simultaneous applicants) must be given to Very Low-Income Families in the renting of each Unit in the Property which becomes available until the requirement as to occupancy by Lower-Income Families other than Very Low-Income Families is met, after which the rule of clause (iv) will apply, if necessary.

(vi) A Unit that was occupied by a Qualified Tenant and becomes vacant shall be counted as occupied by a Qualified Tenant until it is reoccupied for a period in excess of thirty-one (31) days, at which time the Unit shall be considered to be occupied by a Qualified Tenant only if the family or individual then

occupying the unit satisfies the definition of a Qualified Tenant.

(c) (i) Anything to the contrary in the foregoing notwithstanding, Owner will not terminate the occupancy of any tenants in occupancy on the date hereof that are not Lower-Income Families or Very Low-Income Families for purposes of meeting the requirements of this Section. In the event that Owner is unable to comply with the occupancy requirements of this Section because of the occupancy at the date hereof of any Units by tenants who are not Lower-Income Families or Very Low Income Families, or who have not been determined to be Qualified Tenants, Owner will be in compliance with this Section if each Unit which thereafter becomes vacant is occupied or held available for occupancy by Lower-Income Families or Very Low-Income Families, as the case may be, in accordance with the requirements of subsection (b) until the lower-income occupancy requirements of such subsection are met.

(ii) If a Unit has been designated as or determined to be a Qualifying Unit, Owner must continue to treat such Unit as a Qualifying Unit for as long as it is continuously occupied by a tenant whose income does not exceed 140 percent of the applicable income limit for Lower-Income Families.

(d) Notwithstanding the foregoing, the Secretary or the State Housing Finance Agency may, upon application by Owner, temporarily reduce the lower-income occupancy requirements set forth in subsection (a) if the Secretary or the State Housing Finance Agency determines that Owner's compliance with such requirements is no longer financially feasible. Owner will make a good-faith effort to return the lower-income occupancy to the level required by subsection (a), and the Secretary or the State Housing Finance Agency, as appropriate, will review the reduction annually to determine whether financial infeasibility continues to exist.

ARTICLE III

Rent

Section 3.1 Rent Limitations for Qualified Tenants.

(a) (i) The rent charged by Owner for Qualifying Units occupied by Very Low Income Families shall not exceed the maximum rent for Qualified Tenants who are Very Low-Income Families for units of the applicable size in the area, as established by RTC or the Agency or the Secretary. Such maximum rent shall be not greater than 30% of the adjusted income of a family whose income equals 50% of area median income, with adjustment for family size based upon unit type.

(ii) The rent charged by Owner for Qualifying Units occupied by Lower-Income Families other than Very Low-Income Families shall not exceed the maximum rent for Qualified Tenants who are Lower-Income Families other than Very Low-Income Families for units of the applicable size in the area, as established by RTC or the Agency or the Secretary. Such maximum rent shall be not greater than 30% of the adjusted income of a family whose income equals 65% of area median income, with adjustment for family size based upon unit type.

(iii) For purposes of calculating maximum rents under this section, (x) the adjustment for family size based upon unit type shall be calculated on the basis of the number of bedrooms in such unit as set forth at Exhibit B hereto and (y) the adjusted income of a family shall be calculated by subtracting from the annual income of a family at the applicable maximum income level the specific adjustments set forth at Exhibit B hereto.

(b) Owner may make a written request to RTC for the schedule of maximum rents applicable to the Property as of the date hereof, and RTC shall provide such schedule within thirty days after (i) the date hereof or (ii) the date RTC receives such request, whichever is later. Such rents shall be subject to annual adjustment upon publication by the U.S. Department of Housing and Urban Development of revised income limits for area lower-income and very low-income families, which adjustment shall be based upon changes in the applicable area median income limits.

(c) If a Qualified Tenant ceases to be considered a Qualified Tenant in accordance with Section 2.2(b), Owner shall, subject to the terms of the lease and applicable law, be free to condition such family's or individual's continued occupancy in the Property upon its payment of a rental charge not subject to the limitations of this Article III.

ARTICLE IV

Administration

Section 4.1. Lease Provisions. All tenant leases entered into with Qualified Tenants during the Term shall contain provisions wherein each individual lessee (i) certifies the accuracy of the information provided in connection with the examination or reexamination of Annual Income of the household of such lessee, and (ii) agrees that the Annual Income and other eligibility requirements shall be deemed substantial and material obligations of his or her tenancy, that he or she will comply promptly with all requests for information with respect thereto from Owner or RTC or the Agency, and that his or her failure to

provide accurate information regarding such requirements (regardless of whether such inaccuracy is intentional or unintentional) or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of his or her tenancy and constitute cause for immediate termination thereof.

Section 4.2. Examination and Reexamination of Incomes.

(a) Owner shall be responsible for determination of the Annual Income and family composition of Qualified Tenants, and for reexamination of Annual Income and family composition of Qualified Tenants at least annually, in accordance with procedures prescribed by RTC or the Agency.

(b) As a condition of admission to occupancy of a Qualifying Unit, Owner shall require the household head and other such household members as it designates to execute an RTC or Agency approved release and consent authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to Owner and to RTC or the Agency such information as Owner or RTC or the Agency determines to be necessary. Owner shall also require the household to submit directly documentation determined to be necessary. Information or documentation shall be determined to be necessary if it is required for purposes of determining or auditing a household's eligibility as a Qualified Tenant, or for verifying related information. The use or disclosure of information obtained from a household or from another source pursuant to this release and consent shall be limited to purposes directly connected with administration of this Agreement.

(c) Owner shall not be deemed to be in violation of Articles II and III of this Agreement if, in determining Annual Income and family composition of a Qualified Tenant, (i) Owner has relied in good-faith upon information which is supplied to Owner by the tenant, (ii) Owner has no reason to believe such information is false, and (iii) Owner shall have complied with all requirements of RTC or the Agency with respect to verification of household income and family composition.

Section 4.3. Certification by Owner. During the Term, on each anniversary of the date upon which this Agreement was first recorded in the land records of the jurisdiction in which the Property is located, or upon such other annual date as RTC or the Agency, in its discretion, upon reasonable notice to the Owner, shall establish, Owner shall submit to RTC or the Agency a certification, in a form prescribed by RTC or the Agency, as to Owner's compliance with all of the terms and provisions of this Agreement.

Section 4.4. Maintenance of Documents. All tenant lists, applications, leases, waiting lists, income examinations and reexaminations relating to the Property shall at all times be kept separate and identifiable from any other business of Owner which is unrelated to the Property, and shall be maintained, as required by RTC or the Agency, in a reasonable condition for proper audit and subject to examination and photocopying during business hours by representatives of RTC or the Agency.

Section 4.5. Compliance Review. RTC or the Agency periodically will monitor Owner's compliance with the requirements of this Agreement. In conducting its compliance review, RTC or the Agency will rely primarily on information obtained from Owner's records and reports, findings from on-site monitoring, and audit reports. RTC or the Agency may also consider relevant information gained from other sources, including litigation and citizen complaints. Owner shall cooperate with RTC or the Agency in any such compliance review and shall furnish all notices, information and reports reasonably required by RTC or the Agency for such purpose.

Section 4.6. Administrative Fee.

(a) In order to compensate RTC or the Agency for the review performed pursuant to Section 4.5, Owner shall pay to RTC (in its corporate capacity and not as receiver or conservator for the savings institution identified on the first page of this Agreement) or the Agency, as applicable, an annual administrative fee for the first twelve month period of this Agreement in the amount of \$50 per Qualifying Unit required to be held available under Section 2.2(a) hereof, but in no event less than \$250.

(b) If RTC or the Agency shall find the Property not to be in compliance with the terms hereof (including the requirements of this Article IV), Owner shall pay to RTC or the Agency, as applicable, an additional administrative fee in an amount prescribed from time to time by RTC or the Agency, which amount, for the first twelve month period of this Agreement, shall be \$50 per Qualifying Unit required to be held available under Section 2.2(a) hereof, for additional monitoring and enforcement activities undertaken with respect to the Property. The annual fee payable in the event of noncompliance shall be in addition to, and distinct from, the amount due pursuant to Section 4.6(a), as well as any reimbursements of costs and legal fees to which RTC or the Agency may be entitled as a result of judicial enforcement action, and such fee shall be payable without respect to whether RTC or the Agency undertakes or succeeds in judicial enforcement action. RTC or the Agency shall be entitled to undertake additional monitoring and enforcement activities, and to be compensated therefor, for a period of up to three years following its most recent finding of noncompliance with respect to the Property.

(c) For each twelve month period after the first twelve month period of this Agreement, the administrative fees payable hereunder shall be the amounts set forth in subsections (a) and (b) of this Section 4.6, as applicable, multiplied by the increase in the Consumer Price Index for All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics of the United States Department of Labor (or any generally recognized successor to such Index) between the date hereof and the latest publication of such Index immediately preceding the applicable anniversary date of this Agreement.

Section 4.7. Releases.

(a) RTC shall --

(i) execute such documents as may be required to evidence release of the Property from the covenants and restrictions set forth in this Agreement based upon the expiration of the Term as provided in Section 1.1(o) hereof (subject, in the event of foreclosure or deed in lieu of foreclosure, to revival as set forth in Section 1.1(o)(1)), upon receipt from Owner of a certification as to the occurrence of the event giving rise to such expiration and such other evidence as RTC or the Agency may reasonably require; and

(ii) execute an appropriate modification to this Agreement to reflect reduced requirements for occupancy by Qualified Tenants in the event of a partial loss of the Property as provided in Section 1.1(o)(3) hereof.

(b) If RTC shall have contracted with the Agency for the performance of its responsibilities hereunder, the Agency shall execute the appropriate release and/or modification to this Agreement in the name of RTC in accordance with the terms of subsection (a) of this Section 4.7, and shall provide appropriate evidence to Owner of its authorization so to act in the name of RTC.

ARTICLE V

Representations and Warranties of Owner

Section 5.1. Representations and Warranties. Owner represents and warrants to RTC that:

(a) Valid Execution. Owner has validly executed this Agreement and the same constitutes the binding obligation of Owner. Owner has full power, authority and capacity (i) to enter into this Agreement, (ii) to carry out Owner's obligations as described in this Agreement and (iii) to assume responsibility

for compliance with all applicable federal rules and regulations, including, without limitation, the Regulations.

(b) No Conflict or Contractual Violation. To the best of Owner's knowledge the making of this Agreement and Owner's obligations hereunder:

(i) will not violate any contractual covenants or restrictions (A) between Owner or any third party or (B) affecting the Property;

(ii) will not conflict with any of the instruments that create or establish Owner's authority;

(iii) will not conflict with any applicable public or private restrictions;

(iv) do not require any consent or approval of any public or private authority which has not already been obtained; and

(v) are not threatened with invalidity or unenforceability by any action, proceeding or investigation pending or threatened, by or against (A) Owner, without regard to capacity, (B) any person with whom Owner may be jointly or severally liable, or (C) the Property or any part thereof.

(c) No Litigation. No litigation or proceedings are pending or, to the best of Owner's knowledge, threatened against Owner which if adversely determined could individually or in the aggregate have an adverse effect on title to or the use and enjoyment or value of the Property, or any portion thereof, or which could in any way interfere with the consummation of this Agreement.

(d) No Bankruptcy. There is not pending or, to Owner's best knowledge, threatened against Owner any case or proceeding or other action in bankruptcy, whether voluntary or otherwise, any assignment for the benefit of creditors, or any petition seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for Owner under any federal, state or other statute, law, regulation relating to bankruptcy, insolvency or relief for debtors.

Section 5.2. Indemnification. Owner agrees to indemnify and hold harmless RTC or the Agency from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by RTC or the Agency as a result of any material inaccuracy in any of the representations and warranties contained in Section 5.1.

ARTICLE VI

Enforcement and RemediesSection 6.1. Remedies of RTC or the Agency.

(a) If Owner defaults in the performance of any of its obligations under this Agreement or breaches any covenant, agreement or restriction set forth herein, and if such default remains uncured for a period of sixty (60) days after notice thereof shall have been given by RTC or the Agency (or for an extended period approved in writing by RTC or the Agency if the default or breach stated in such notice can be corrected, but not within such 60-day period, unless Owner does not commence such correction or commences such correction within such 60-day period but thereafter does not diligently pursue the same to completion within such extended period), RTC or the Agency shall be entitled to apply to any court having jurisdiction of the subject matter for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Property in accordance with the terms of this Agreement, or for such other relief as may be appropriate, it being acknowledged that the beneficiaries of Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of Owner's default. RTC or the Agency shall be entitled to its reasonable attorneys' fees in any such judicial action in which RTC or the Agency shall prevail.

(b) Each right, power and remedy of RTC or the Agency provided for in this Agreement now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by RTC or the Agency of any one or more of the rights, powers or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by RTC or the Agency of any or all such other rights, powers or remedies.

Section 6.2. Remedies of Other Parties. The occupancy requirements set forth in Section 2.2 of this Agreement also shall inure to the benefit of, and may be judicially enforced against Owner by, affected Lower-Income Families and Very Low-Income Families. Any such party that prevails in any such judicial action shall be entitled to its reasonable attorneys' fees.

Section 6.3. Reliance Upon Information. In carrying out its obligations hereunder, Owner shall be entitled to rely upon information provided by RTC or the Agency with respect to (i) income limits applicable to Lower-Income Families and Very-Low Income Families, (ii) the method for calculating the incomes of such families and (iii) the maximum rents which may be charged to such families pursuant to Section 3.1 hereof.

ARTICLE VII

Miscellaneous

Section 7.1. Amendments. This Agreement may not be amended or modified except by written instrument signed by each party hereto.

Section 7.2. Notices. All notices required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given if delivered personally or mailed, postage prepaid, by registered or certified United States mail, return receipt requested, addressed to the parties at the following addresses:

If to Lender:

Resolution Trust Corporation
Director, Affordable Housing Program
801 17th Street, N.W.
Washington D.C. 20434-0001

With a copy to:

Resolution Trust Corporation
707 17th Street, Suite 3120
Denver, CO 80202
Michael Landy, Affordable Housing
Specialist

With another copy to:

Resolution Trust Corporation
4000 MacArthur Boulevard
9th Floor East
Newport Beach, CA 92660
Attn: David Valentine, Affordable
Housing Specialist

With another copy to:

Resolution Trust Corporation
Real Estate Section Chief
Legal Department
4000 MacArthur Boulevard
9th Floor East
Newport Beach, CA 92660

If to Borrower:

Provo City Housing Authority
650 West 100 North
Provo, Utah 84601
Attn: Doug Carlson

Any party may change its address for notice purposes by giving notice to the other parties in accordance with this Section 7.2.

Section 7.3. Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof.

Section 7.4. Governing Law. This Agreement, as it may affect the rights, remedies and obligations of RTC or the Agency, shall be governed by and construed in accordance with federal law. Insofar as federal law does not apply, the provisions of this Agreement shall be governed by and construed in accordance with the laws of the State.

Section 7.5. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

Section 7.6. Binding Effect; Covenants Running with the Land. During the Term, this Agreement and the covenants, reservations and restrictions contained herein shall be deemed covenants running with the land for the benefit of RTC and its successors, and shall pass to and be binding upon Owner's heirs, assigns and successors in title to the Property, or if the Property shall not include title to land, but shall include a leasehold interest in land, this Agreement and the covenants, reservations et al shall bind the leasehold interest as well as the Property and shall pass to and be binding upon all heirs, assigns and successors to such interests; provided, however, that

upon expiration of the Term in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Property are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Property. Owner, at its cost and expense, shall cause this Agreement to be duly recorded or filed and re-recorded or refiled in such places, and shall pay or cause to be paid all recording, filing, or other taxes, fees and charges, and shall comply with all such statutes and regulations as may be required by law, in the opinion of qualified counsel, in order to establish, preserve and protect the ability of RTC or the Agency to enforce this Agreement.

Section 7.7. Counterparts. This Agreement and any amendments hereto may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

Section 7.8. Section Titles. Section titles and the table of contents are for descriptive purposes only and shall not control or limit the meaning of this Agreement as set forth in the text.

IN WITNESS WHEREOF, the undersigned have hereunto affixed their signatures and seals as of the date first above written.

SELLER:

RESOLUTION TRUST CORPORATION
in its capacity as Receiver
for County Bank, F.S.B., Santa
Barbara, California

By: Maurice C. Iddings
Print Name: Maurice C. Iddings
Print Title: Section Chief, Sales Center

OWNER:

PROVO CITY HOUSING AUTHORITY, a
body corporate and politic

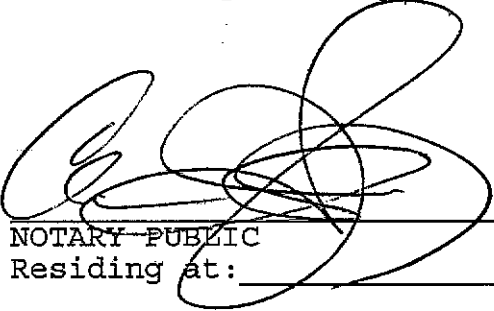
By: Quincy L. Richards
Print Name: Quincy L. Richards
Print Title: Chair

ACKNOWLEDGEMENT

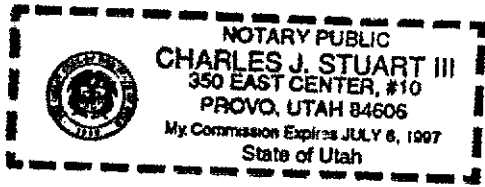
STATE OF UTAH)
COUNTY OF Utah) : SS.

The foregoing instrument was acknowledged before me this 16th day of May, 1995, by Andy L. Richards Chair of Provo City Housing Authority, a body (title) corporate and politic.

S E A L


NOTARY PUBLIC
Residing at: _____

My Commission Expires _____



STATE OF COLORADO)
COUNTY OF _____) : SS.

The foregoing instrument was acknowledged before me this _____ day of _____, 1995, by Maurice C. Iddings, Section Chief, Sales Center of Resolution Trust Corporation, as Receiver for County Bank, F.S.B., Santa Barbara, California.

S E A L

NOTARY PUBLIC
Residing at: _____

My Commission Expires _____

State of California)
)
County of Orange) SS

On May 11, 1995 before me, Diane Stevens, Notary Public, personally appeared Maurice C. Iddings, personally known to me (or 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, 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.

WITNESS my hand and official seal.

Signature *Diane Stevens*
Diane Stevens, Notary Public

(Seal)

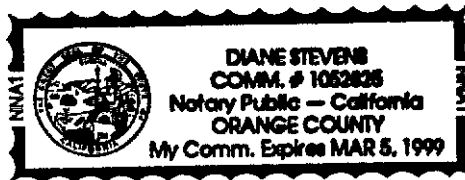


EXHIBIT A
LEGAL DESCRIPTION

ENT 31077 BK 3679 PG 656

BEGINNING AT THE NORTHWEST CORNER OF LOT 31, SECTION "A", OAK CLIFF PLANNED DWELLING GROUP SUBDIVISION, SAID POINT BEING NORTH 1338.149 FEET AND EAST 1525.388 FEET FROM THE SOUTHWEST CORNER OF SECTION 32, TOWNSHIP 6 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARING BEING NORTH 89 DEGREES 15'03" EAST 2636.633 FEET BETWEEN SAID SOUTHWEST CORNER AND THE SOUTH 1/4 CORNER OF SAID SECTION 32); THENCE EAST 131.913 FEET TO THE INTERSECTION OF THE NORTH LINE OF SAID LOT 31 AND THE NORTHERLY LINE OF AN ASPHALT ROAD; THENCE ALONG SAID NORTHERLY LINE THE FOLLOWING 12 (TWELVE) COURSES: NORTH 59 DEGREES 09'04" EAST 49.22 FEET AND NORTH 63 DEGREES 40'20" EAST 39.46 FEET AND NORTH 67 DEGREES 58'26" EAST 44.92 FEET AND NORTH 71 DEGREES 40'39" EAST 27.73 FEET AND NORTH 87 DEGREES 07'08" EAST 27.14 FEET AND SOUTH 89 DEGREES 19'45" EAST 38.60 FEET AND SOUTH 63 DEGREES 56'42" EAST 35.40 FEET AND SOUTH 76 DEGREES 01'23" EAST 30.95 FEET AND SOUTH 79 DEGREES 23'25" EAST 23.94 FEET AND SOUTH 86 DEGREES 47'34" EAST 17.94 FEET AND SOUTH 72 DEGREES 17'21" EAST 30.74 FEET AND SOUTH 59 DEGREES 22'51" EAST 61.71 FEET TO THE WEST RIGHT OF WAY LINE OF A PROVO CITY STREET; THENCE ALONG SAID WEST RIGHT OF WAY LINE THE FOLLOWING 4 (FOUR) COURSES: SOUTH 9 DEGREES 50'15" EAST 44.54 FEET TO A POINT ON THE ARC OF A 840.00 FOOT RADIUS CURVE, THE CENTER OF WHICH BEARS NORTH 80 DEGREES 09'46" EAST AND SOUTHEASTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 11 DEGREES 39'01" A DISTANCE OF 170.80 FEET TO A POINT ON THE ARC OF A 280.00 FOOT RADIUS REVERSE CURVE, THE CENTER OF WHICH BEARS SOUTH 68 DEGREES 30'45" WEST AND SOUTHWESTERLY ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 30 DEGREES 59'19" A DISTANCE OF 151.439 FEET TO A POINT ON THE ARC OF A 440.00 FOOT RADIUS REVERSE CURVE, THE CENTER OF WHICH BEARS SOUTH 80 DEGREES 29'53" EAST AND SOUTHWESTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 14 DEGREES 40'31" A DISTANCE OF 112.698 FEET; THENCE SOUTH 68 DEGREES 07'29" WEST 200.893 FEET; THENCE SOUTH 45 DEGREES 00'00" WEST 10.65 FEET; THENCE NORTH 15 DEGREES 39'26" WEST 42.68 FEET; THENCE NORTH 87 DEGREES 08'00" WEST 150.40 FEET; THENCE NORTH 62 DEGREES 04'18" EAST 145.78 FEET TO THE SOUTH WEST CORNER OF LOT 28, SAID SECTION "A", OAK CLIFF PLANNED DWELLING GROUP; THENCE SOUTH 75 DEGREES 34'00" WEST 208.929 FEET TO THE EAST RIGHT OF WAY LINE OF BONNEVILLE DRIVE, SAID POINT ALSO BEING ON THE ARC OF A 1030.00 FOOT RADIUS CURVE, THE CENTER OF WHICH BEARS SOUTH 82 DEGREES 11'43" WEST; THENCE ALONG SAID EAST LINE THE FOLLOWING 4 (FOUR) COURSES: NORTHWESTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 17 DEGREES 11'43" A DISTANCE OF 309.116 FEET AND NORTH 25 DEGREES 00'00" WEST 44.35 FEET; THENCE NORTH 24 DEGREES 53'25" WEST 94.687 FEET TO A POINT ON THE ARC OF A 220.00 FOOT RADIUS CURVE, THE CENTER OF WHICH BEARS NORTH 64 DEGREES 59'17" EAST AND NORTHWESTERLY ALONG SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 18 DEGREES 07'26" A DISTANCE OF 69.591 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

FAMILY SIZE AND INCOME ADJUSTMENTS

A. Family Size Adjustments.

For purposes of Section 3.1(a)(iii)(x), rents for units will be calculated on the basis of the size of household anticipated to occupy a unit with the particular number of bedrooms as follows:

Unit Size

0-Bedroom	1-BR	2-BR	3-BR	4-BR	5-BR
-----------	------	------	------	------	------

Household Size

1 Person	2 Pers.	3 Pers.	5 Pers.	7 Pers.	8 Pers.
----------	---------	---------	---------	---------	---------

Thus, for example, rent for a 3-bedroom unit occupied by a very low-income family will be based upon the HUD-determined income for a household at 50% of area median income which has 5 members. The rent for a 2-bedroom unit occupied by a lower-income household will be based upon the HUD figure for a household at 65% of median income which has 3 members.

B. Income Adjustments.

Prior to the rent calculation, the applicable income limit must be reduced by an adjustment based upon unit size as follows:

Unit Size

0-Bedroom	1-BR	2-BR	3-BR	4-BR	5-BR
-----------	------	------	------	------	------

Income Adjustment

\$800	\$800	\$880	\$1,560	\$1,560	\$2,040
-------	-------	-------	---------	---------	---------

The applicable amount must be subtracted from the applicable income limit before multiplying by 30% in order to determine maximum rent.